SENATE

THURSDAY, MARCH 5, 1936

(Legislative day of Monday, Feb. 24, 1936)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 4, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On February 17, 1936:

S. 889. An act for the relief of Albert A. Marquardt;

S. 1010. An act for the relief of Fred Edward Nordstrom; and

S. 2643. An act to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges.

On February 18, 1936:

S. 2044. An act for the relief of the Hartford-Connecticut Trust Co., Inc.

On February 21, 1936:

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

On February 26, 1936:

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods.

On February 29, 1936:

S. 3780. An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes; and

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

On March 2, 1936:

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

On March 3, 1936:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia.

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 the following bills, in which it requested the concurrence of the Senate:

H. R. 8033. An act for the relief of Juanita Filmore, a minor; and

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of The Holy Name Society.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;

S. 1991. An act for the relief of Wilson G. Bingham;

S. 2469. An act for the relief of E. L. Hice and Lucy Hice;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery;

S. 2980. An act for the relief of Ruby Rardon;

S. 3001. An act for the relief of Walter F. Brittan;

S. 3274. An act for the relief of Mary Hobart;

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent. I ask that the announcement stand for the day.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness in his family.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained.

Mr. ROBINSON. I announce that the Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mrs. LONG], the Senator from New Hampshire [Mr. BROWN], and the Senator from Tennessee [Mr. BACHMAN] are unavoidably detained from the Senate.

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

INJUNCTIONS AGAINST PUBLICLY OWNED POWER PLANTS (S. DOC. NO. 182)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, in response to Senate Resolution 123 (submitted by Mr. NORRIS, and agreed to May 1, 1935), a report on injunctions and restraining orders instituted against publicly owned power plants, which, with the accompanying report, was ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Assembly of the State of New Jersey, which was ordered to lie on the table:

Resolution memorializing the Congress of the United States to adopt measures insuring strict neutrality by the Federal Government in foreign wars

Whereas there are pending before the present session of Congress bills to enact legislation involving neutrality; and

Whereas various nations are endeavoring to influence the United States to establish sanctions and embargoes in the present European conflict; and

Whereas the United States is now at peace with all nations: Therefore be it

Resolved by the General Assembly of the State of New Jersey—

1. That the Congress of the United States, now in session, be memorialized and requested to, as speedily as possible, adopt and pass measures and to take such other action as may be necessary, fit, and proper to insure, as far as possible under the Federal law, absolute neutrality on the part of the Federal Government in the present European conflict, meaning thereby entire abstinence from any participation, expressed or implied, with my belligerents, remaining the common friend of all, favoring none to the detriment of the other; and be it further

Resolved, That in the enactment of such measures care be taken to exclude any legislation which might tend to interfere or restrict trade with the warring nations, and that any embargoes, if and

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when declared, shall be strictly limited to arms, ammunitions, and implements of war only; and be it further

Resolved, That copies of this resolution be signed by the speaker and clerk of the house of assembly and copies of this resolution be transmitted to the Vice President of the United States, to the Speaker of the House of Representatives, to every member of the Foreign Relations Committee of the United States Senate, and to each Senator and Representative in the Congress of the United States from the State of New Jersey.

2. This resolution shall take effect immediately.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from Ceferino Fernandez, of Juncos, P. R., praying for the confirmation of the appointment of Benigno Fernandez Garcia to be attorney general of Puerto Rico, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from the Catholic Women's Union of Syracuse, N. Y., remonstrating against the enactment of the Copeland birth-control bill, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters in the nature of petitions from the Florida State Chamber of Commerce, of Jacksonville; J. A. Waterman, of Tampa; and B. C. Skinner, of Dunedin, all in the State of Florida, praying for the creation by the Senate of a special committee on civil aeronautics, which were referred to the Committee on Rules.

Mr. COPELAND presented a resolution adopted by Baisley Park Post, No. 314, American Legion, Baisley Park, Jamaica, N. Y., requesting that veterans who receive World War adjusted compensation may be permitted to continue on relief rolls and on public-works projects, which was referred to the Committee on Finance.

He also presented a resolution of Rochester (N. Y.) Local Branch of the Glass Bottle Blowers' Association of the United States and Canada, protesting against the importation of glassware into the United States, which was referred to the Committee on Finance.

He also presented a resolution adopted at a mass meeting of dairymen of St. Lawrence and Franklin Counties, in the State of New York, urging ratification of the St. Lawrence Deep-Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Railroad Employees and Taxpayers' Association of the State of New York, Chenango Unit, of Norwich, N. Y., favoring the enactment of the so-called Pettengill bill to eliminate the long- and short-haul clause from the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of Club Topaz, New York City, N. Y., favoring the enactment of legislation to exempt licensed physicians, hospitals, and clinics from application of Federal laws which exclude supplies and medical literature relating to birth control from the mails and by common carriers, which was referred to the Committee on the Judiciary.

He also presented a memorial of the committee on Federal legislation of the New York County Lawyers' Association, of New York City, remonstrating against the enactment of legislation restricting the right of the United States Supreme Court to declare an act of Congress unconstitutional, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Rochester (N. Y.) Bar Association, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also presented a petition of the committee on Federal legislation of the New York County Lawyers' Association, of New York City, N. Y., praying for the enactment of legislation providing for the repeal of acts restricting the construction of new War Department buildings on Governors Island, which was referred to the Committee on Military Affairs.

He also presented a petition of several citizens of Yauco, P. R., praying for the enactment of legislation providing for the extension of benefits to Puerto Rico under the Social Security Act, the Federal Emergency Relief Administration, and to provide for the establishment of a public-welfare department as part of the insular government, which was referred to the Committee on Territories and Insular Affairs.

He also presented a resolution adopted by International Workers Order, Branch 517, of Brooklyn, N. Y., favoring the enactment of Senate bill 3475, the so-called workers' social insurance bill, which was ordered to lie on the table.

MAJ. GEN. JOHNSON HAGOOD

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the CONGRESSIONAL RECORD and appropriately referred a resolution adopted by Ocean County Post, No. 3336, Veterans of Foreign Wars of the United States, of Legler, N. J., protesting against the removal of Maj. Gen. Johnson Hagood from command of the Eighth Corps Area.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Be it resolved, That the Ocean County Post, of Legler, N. J., No. 3336, Veterans of Foreign Wars of the United States, this 27th day of February 1936, do protest the removal of Maj. Gen. Johnson Hagood from command of the Eighth Corps Area; be it further

Resolved, That copies of this resolution be forwarded to the national executive committee of the Veterans of Foreign Wars of the United States for its approval and support.

HAROLD STEVENS,
Adjutant, Ocean County Post, of Legler, N. J.,
No. 3336, Veterans of Foreign Wars of the United States.

By order of the commander.

WILLIAM A. VIGUS.

REPORTS OF COMMITTEES

Mr. BENSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1075. A bill for the relief of Louis H. Cordis (Rept. No. 1633);

H. R. 977. A bill for the relief of Herman Schierhoff (Rept. No. 1634);

H. R. 4638. A bill for the relief of Elizabeth Halstead (Rept. No. 1635);

H. R. 6335. A bill for the relief of Sam Cable (Rept. No. 1636); and

H. R. 8038. A bill for the relief of Edward C. Paxton (Rept. No. 1637).

Mr. BENSON also, from the Committee on Claims, to which was referred the bill (H. R. 4387) for the relief of Barbara Backstrom, reported it with an amendment and submitted a report (No. 1638) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (H. R. 685) for the relief of the estate of Emil Hoyer (deceased), reported it without amendment and submitted a report (No. 1639) thereon.

He also, from the same committee, to which was referred the bill (S. 3685) for the relief of George Rabcinski, reported it with an amendment and submitted a report (No. 1640) thereon.

He also, from the same committee, to which was referred the bill (S. 2126) for the relief of Ralph Riesler, reported it with amendments and submitted a report (No. 1641) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 4019) for the relief of Catharine I. Klein, reported it without amendment and submitted a report (No. 1642) thereon.

He also, from the same committee, to which was referred the bill (H. R. 1252) for the relief of Odessa Mason, reported it with an amendment and submitted a report (No. 1643) thereon.

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

H. R. 381. A bill granting insurance to Lydia C. Spry (Rept. No. 1644);

H. R. 4439. A bill for the relief of John T. Clark, of Seattle, Wash. (Rept. No. 1645);

H. R. 5764. A bill to compensate the Grand View Hospital and Dr. A. J. O'Brien (Rept. No. 1646); and

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States (Rept. No. 1647).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1419. A bill for the relief of George S. Geer (Rept. No. 1648); and

H. R. 1363. A bill for the relief of Petra M. Benavides (Rept. No. 1649).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 8061) for the relief of David Duquaine, Jr., reported it without amendment and submitted a report (No. 1650) thereon.

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

H. R. 2982. A bill for the relief of Sarah Shelton (Rept. No. 1651); and

H. R. 3952. A bill for the relief of Mr. and Mrs. Bruce Lee (Rept. No. 1652).

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., reported it with amendments and submitted a report (No. 1653) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 3990) to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America, reported it without amendment and submitted a report (No. 1654) thereon.

Mr. MALONEY, from the Committee on Commerce, to which was referred the bill (H. R. 10975) authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods, reported it without amendment and submitted a report (No. 1655) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 4025) to authorize a preliminary examination of the Republican River, with a view to the control of its floods, reported it without amendment and submitted a report (No. 1656) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries, reported it without amendment and submitted a report (No. 1657) thereon.

He also, from the same committee, to which was referred the bill (S. 3770) to award the Distinguished Flying Cross to Lincoln Ellsworth, reported it with amendments and submitted a report (No. 1658) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2694. A bill to add certain lands to the Columbia National Forest in the State of Washington (Rept. No. 1659);

S. 3445. A bill to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark. (Rept. No. 1661);

S. 3580. A bill granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes (Rept. No. 1660); and

H. R. 9200. A bill authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865 (Rept. No. 1663).

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries and for other purposes", approved May 15, 1928, reported it with amendments and submitted a report (No. 1662) thereon.

BILLS INTRODUCED

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

By Mr. BONE and Mr. SCHWELLENBACH:

A bill (S. 4178) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Commerce.

By Mr. HARRISON:

A bill (S. 4179) for the relief of Joe Basque; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 4180) to amend the Farm Credit Act of 1935, to provide lower interest rates on Federal land-bank loans, and for other purposes; to the Committee on Banking and Currency.

By Mr. McADOO:

A bill (S. 4181) authorizing the construction of a new wing on the Veterans' Administration facility hospital at Los Angeles; to the Committee on Finance.

By Mr. BULOW:

A bill (S. 4182) to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak.; to operate and maintain a tourist camp and certain amusement and recreational facilities on such island; to make charges in connection therewith; and for other purposes; and

A bill (S. 4183) to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities, to charge for the use thereof, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 4184) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925; to the Committee on Indian Affairs.

By Mr. FLETCHER:

A bill (S. 4185) to amend the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, and for other purposes; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 4186) relative to acceptance as third-class mail matter of bills or statements of account produced by photographic or mechanical process; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A bill (S. 4187) to amend the Reconstruction Finance Corporation Act for the purpose of making loans to shipowners for increasing safety of life at sea on existing vessels; to the Committee on Banking and Currency.

A bill (S. 4188) for the relief of Franklin L. Hamm; to the Committee on Claims.

A bill (S. 4189) granting an increase of pension to Lillian P. Dowdney; to the Committee on Pensions.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee had presented to the President of the United States the following enrolled bills:

On March 4, 1936:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

On March 5, 1936:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;
S. 1991. An act for the relief of Wilson G. Bingham;
S. 2469. An act for the relief of E. L. Hice and Lucy Hice;
S. 2590. An act for the relief of James E. McDonald;
S. 2618. An act for the relief of James M. Montgomery;
S. 2980. An act for the relief of Ruby Rardon;
S. 3001. An act for the relief of Walter F. Brittan;
S. 3274. An act for the relief of Mary Hobart;
S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and
S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

POWER OF CONGRESS OVER AGRICULTURE—AMENDMENT TO CONSTITUTION

Mr. McADOO. I introduce a joint resolution to amend the Constitution of the United States so that Congress shall have the power to enact laws in aid of agriculture and for its reasonable regulation. I ask that the joint resolution may be printed in the RECORD following my remarks, and that it be referred to the Committee on the Judiciary.

There being no objection, the joint resolution (S. J. Res. 225) proposing an amendment to the Constitution of the United States relative to the aid of agriculture was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. The Congress shall have power to enact laws in aid of agriculture and for its reasonable regulation.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided by the Constitution, within 7 years from the date of the submission hereof to the States by the Congress."

SUPERFLOOD CONTROL ON LOWER MISSISSIPPI—AMENDMENT

Mr. VANDENBERG. Mr. President, this morning the Committee on Commerce reported Senate bill 3531, which, in effect, provides for superflood control of the lower Mississippi River. The committee reported that bill in the face of a letter from the Secretary of War and the personal testimony of General Markham to the following effect—I quote from the letter of the Secretary of War:

It is impossible to estimate the ultimate cost to the United States of these many things. The Department feels that the Government should not be burdened with such an immeasurable responsibility.

In the face of that warning the bill has been reported. I ask, out of order, to submit an amendment which is in the nature of a substitute for the bill reported by the Committee on Commerce and which embodies the bill recommended by the Department. I ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendment will be received and lie on the table.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL

Mr. POPE submitted an amendment intended to be proposed by him to House bill 11418, the Department of Agriculture appropriation bill for June 30, 1937, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, line 22, to strike out "$9,925,561" and insert in lieu thereof "$10,285,847", and, on page 49, line 9, to strike out "$1,578,632" and insert in lieu thereof "$1,731,382."

Mr. WHEELER submitted two amendments intended to be proposed by him to House bill 11418, the agricultural appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 47, line 19, to strike out "$150,000" and insert in lieu thereof "$250,000."

On page 94, line 21, to strike out "$7,082,600" and insert in lieu thereof "$8,000,000."

COINAGE OF 50-CENT PIECES COMMEMORATING INDEPENDENCE OF TEXAS—AMENDMENT

Mrs. CARAWAY submitted an amendment intended to be proposed by her to the bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas, which was referred to the Committee on Banking and Currency and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 8033. An act for the relief of Juanita Filmore, a minor; to the Committee on Claims.

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of The Holy Name Society; to the Committee on Patents.

ASSISTANT CLERK TO COMMITTEE ON COMMERCE

Mr. COPELAND submitted the following resolution (S. Res. 242), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

NATIONAL LABOR RELATIONS LAW OF 1935—ADDRESS BY SENATOR WAGNER

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the National Labor Relations Law of 1935, delivered by my colleague [Mr. WAGNER] on Saturday, February 29, 1936.

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

Friends of the radio audience, the National Labor Relations Board is now actively engaged in the promotion of industrial peace and economic justice. As its first chairman, and as the sponsor of the legislation establishing it on a permanent basis, I am happy to discuss the objectives of the Board and the possibilities of their attainment.

The National Labor Relations Act of 1935 was born in the travail of a period when smoldering industrial animosity was being fanned into open warfare. In many cities from coast to coast, as we all remember so well, the gun and the club were brought into action, and for awhile violence was almost unchecked.

The desire to remedy such conditions was not limited to any particular group. It soon became a great public demand, because the public was the residuary legatee of the terrific cost of industrial conflict. And when Congress, which represents the public, studied the problem it became convinced that both employers and workers wanted a different solution from those tried unsuccessfully in the past. Most employers and employees realized that while a State might call out its militia, the military force of the mailed fist was not a desirable thing. Both realized also that courts of law might issue injunctions, but that no injunction could banish discontent from the minds of people who thought that they had been wronged. Both learned that peace might come as a sequence to terrible industrial warfare, but that such a procedure would leave one side abusing the excesses of victory and the other nursing the bitterness of defeat and subjugation.

For these reasons Congress turned its back resolutely upon such methods of failure. It sought instead to create an agency designed for harmony and mutual concessions. It established an impartial forum where employers and employees could appear as equals, where they could look with frank and friendly eyes into each others' problems, where they could banish suspicion and hatred, and where they could sign contracts of enduring peace rather than mere articles of uncertain truce.

Such a forum has been provided in the present National Labor Relations Board. The Board has been handicapped by a numerically inadequate staff, by the lengthy process involved in bringing its case before the Supreme Court, and by the willful obstruction of an arrogant minority. But despite these obstacles progress has been made because the Board is armed with a just cause; and because its three members—Chairman Madden, Mr. John Carmody, and Mr. Edwin Smith—have been courageous and forthright in vindicating the law. Some parties, it is true, have been hesitant about coming before the Board, and others have openly defied its authority. But the vast majority of those who have submitted their controversies in the proper spirit, whether business men or workers, have hailed the decisions as fair and beneficial to all.

It was not sufficient merely to create a forum. As an industrial court, the Board had to be vested with legal principles to govern its operations. For we do not believe in relying upon the caprices of men alone, but rather in the dignity and security of a guiding law. It was relatively easy, however, to enact this law, because the experience of employers and employees alike revealed a few

simple rules that must be observed if friendship and cooperation are to be obtained and if the causes for strife are to be removed.

What are these simple principles? The very first is that the American worker shall be a freeman economically as well as politically; that he shall be at liberty to affiliate with others of his kind for purposes of mutual advancement; that he shall not be prevented from entering the union of his own preference, or from remaining outside of any union if that is his desire. The second fundamental is that in order to make this freedom real, the worker shall not be tricked or dominated by a sham union that is created and financed by the employer and that exists only at the employer's pleasure. Such a creature is a mere puppet of the employer; it is not the representative of the worker's will. The third rule of fair play is that employees who desire to bargain collectively shall have the right to do so through representatives of their own choosing; and to make this selection effective, they must also have the right to participate in a democratic election under the protection and supervision of the Government. In such an election there can be no rule but majority rule. The final principle is that after such an election is held and its results determined, no one shall have the right to reduce the law to a joke by refusing arbitrarily to meet in good faith with representatives who have been properly named.

The overwhelming majority of Americans of all types, whether they work with their hands or their minds, or both, whether they are in the so-called working class or not, whether they feel the need of unionism or not, cherish this creed of freedom as their own. The average businessman of America believes in it not only because he desires industrial peace but also because he values industrial democracy. He knows that only by cooperation on a basis of equality can the great problems which handicap our entire civilization be solved. He regards it as essential to his welfare to absorb the millions of men who are yet unemployed, to protect the jobs that are now constantly threatened by technological changes, or the displacement of men by machines; and to maintain an adequate purchasing power in the pockets of the consuming public. The businessman knows that a class of industrial serfs will bring him the fate of the feudal lord. His own interests require a class of free men.

The workers of this country support the new law for much the same reasons. They are convinced upon the proposition that their right to some voice in determining their conditions of employment is as fundamental as their right to some voice in the government from which they get their laws. They do not want to control or dictate, but merely to have a human place in industry.

These democratic objectives might therefore be called the economic creed of all America, and the national labor-relations law is the charter. None but the enemies of the creed are determined to flaunt the charter. And even they find these simple principles so obviously just, so honored in the hearts and minds of the average American, that they are forced to resort to indirection. They are assuming the fantastic position of professing to agree with the objectives of the national labor-relations law, but disagreeing with any attempt by the Government to make these objectives attainable. It is too bad that they could not discover a less transparent subterfuge. They might as well give three cheers for liberty of expression, and then advocate repealing the constitutional guaranty of a free press. They might as well come out for freedom of person, and then suggest that we should suspend the writ of habeas corpus.

The country will not be deterred by such shallow objections. In the eyes of the people, the National Labor Relations Act does not stand apart. It is an integral part of a national effort to reduce involuntary unemployment and destitute old age; to curb child labor and the sweatshop; to tear down the slums; to provide steady prosperity and fair profits for business; to diminish economic strife; and to give a better chance to the talented and the industrious.

This national effort has already accomplished too much to fear destruction by its enemies. The only danger is that its friends might sink back into smug satisfaction, thus failing to profit by the mistakes that have been made, and ignoring the social evils that must still be cleared away. The future beckons with undiminished opportunities to serve the cause of social justice. I am sure that such a cause will never lack recruits, and in the end will become an all-powerful force for public good.

THE TOWNSEND OLD-AGE-PENSION PLAN

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD a letter on the Townsend old-age-pension plan which is published in the Washington Daily News of today.

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

[From the Washington Daily News of Mar. 5, 1936]

HE SHOWS SIMPLY THAT TOWNSEND'S PLAN WON'T WORK

EDITOR, THE NEWS:

I have read many discussions of the Townsend plan and have yet to discover the simple explanation that shows the stupidity and utter futility of this panacea for all our political and economic ills.

Having had 15 years' experience in serving the Washington public in the sale of life insurance and annuities, it seems to me that the one practical way for the Government to determine the cost of the annuities promised under this plan is to figure the cost of a single premium annuity for each of those to be entitled to benefits.

If the Government today was to purchase these annuities, the cost would be more than the total wealth of our Nation. From the World Almanac I estimated that there would be around 12,000,000 citizens entitled to participate. The cost to the Government would be over $300,000,000,000 if these annuities were purchased in any of the old-line life insurance companies in America.

J. FRANK FOOSHE, Jr.

INDUSTRIAL CONDITIONS IN CONNECTICUT—ARTICLE FROM HARTFORD TIMES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Hartford (Conn.) Times of Monday, March 2, 1936, concerning industrial conditions in Connecticut, as determined after a poll among industrialists by the Connecticut Chamber of Commerce. The Hartford Ttimes is one of the chain of newspapers controlled by Mr. Gannett.

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

[From the Hartford (Conn.) Times of Mar. 2, 1936]

STATE INDUSTRY HUMS WITH BUSINESS BOOM—INCREASE OF 26.7 PERCENT SHOWN IN 1935, ACCORDING TO CHAMBER OF COMMERCE SURVEY—EMPLOYMENT UP BY 10 PERCENT—PRICES TURN HIGHER

Connecticut's industries showed an increase in business of 26.7 percent in 1935 compared with 1934, a gain of about 10 percent in the number of persons employed and a definite trend toward higher prices for their products.

These data have been compiled by the executive offices of the Connecticut Chamber of Commerce from 216 replies to a questionnaire which contained 2 queries concerning business conditions.

Although the survey reveals business to be improved, a note of warning may be observed in replies which declare competition from Japan and Germany to be making serious inroads in certain types of industry. The devaluation of the American dollar and its effect on foreign exchange rates, preferential duties and reductions in tariff rates were also stated to be important factors in business declines in these fields.

ANSWERS VOLUNTARY

The chamber's survey resulted in specific information from manufacturing companies whose total capital stock is in excess of $200,000,000. These concerns represent the lifeblood of Connecticut industry. With the results of the survey, executives answered freely and without reserve the questions asked.

The first query pertained to improvement in business and the percentage of gain or loss. All but 35 companies reported an increase. Of these 35, only 3 showed a loss, business for the others remaining at about the same level as in 1934.

Percentage gains in business varied from 2 to 100 percent. More than 62 percent of the companies reported business of 20 percent or more. Answers to the average number of persons employed indicated a 10-percent rise in the use of labor, but the true picture is not obtained without adding that many companies, while reporting only a slight increase in personnel, rose considerably in hours of employment.

PRICE LEVELS GAIN

The chamber's survey showed a definite trend toward higher price levels, with the amount of gain depending upon the type of industry. In a few cases prices were lower, with higher values anticipated.

The fourth question was concerning the necessity of meeting the depression's exigencies through the manufacturing of new lines of goods, and the replies indicated quite clearly that manufacturers in this State were possessed of such staple and outstanding goods that they were not forced, in general, to test their ingenuity by developing other lines.

In some cases special custom work was taken on to maintain volume, while in other instances it was reported that regular lines had been extended and more uses worked out for products of a similar character. Only a few reported the addition of lines entirely different from those for which they were organized to manufacture, and it is significant that in no instance was the original product of manufacture dropped or temporarily discontinued.

FIGHT SUBSTITUTES

Reports that industries in this State were being forced to compete against substitute materials prompted the fifth question, "During the depression has any substitute product appeared which endangers your staple line; and if so, what dollar percent of your total business is thus affected?" Replies revealed substitutes had made some inroads into the wool, silk, and cotton industries.

Chief among the problems was the growing use of rayon, certain mixes and wool substitutes, new printing processes, second-hand bricks, and the serious competition afforded by the importation of Japanese and German goods; manufacturers feeling the latter competition operated in the electrical appliance field and also put out gears and other mechanical devices, while the hat industry reported competition from these two nations.

About 18 percent of the replies to this query were to the effect that business had been adversely affected by substitutes and cheaper materials from foreign countries, while the dollar percentage of their business thus affected ranged from 5 to 100.

One company reported that the low cost of labor in Europe enabled manufacturers on that continent to export goods to the United States which could be sold cheaper than American compa-

nies could manufacture them, and this notwithstanding the tariff. The treaty with Canada was reported to have helped some businesses, while aid was also received by a few companies by the devaluation of the dollar.

LARGE EXPORT BUSINESS

The analysis showed that more than 50 percent of the reporting firms do business abroad. This export trade is in all parts of the world. The extent of foreign business done by some of the Connecticut concerns was as high as 80 percent of total volume.

The survey was completed with a question concerning future business conditions. Almost all of the replies anticipated business as good or better in the first half of the current year. A number of executives added, however, that this would be contingent upon noninterference by the Government with too many rules, regulations, and statutes. The following towns were represented in the compilation:

MANY TOWNS REPRESENTED

Ansonia, Bridgeport, Beacon Falls, Berlin, Bethel, Bristol, Broad Brook, Central Village, Collinsville, Danbury, Derby, Durham, East Berlin, East Hampton, East Killingly, Fairfield, Forestville, Glascow, Glastonbury, Groton, Hamden, Hartford, Jewett City, Meriden, Middletown, Middlefield, Milford, Millidale, Mount Carmel, Moodus, Mystic, Naugatuck, New Britain, New Haven, New London, North Haven, Norwich, Norwalk, Oakville, Plainville, Plantsville, Rockville, Rocky Hill, Salisbury, Sandy Hook, Simsbury, South Norwalk, South Manchester, Stafford Springs, Stamford, Stonington, Terryville, Thomaston, Torrington, Versailles, Wallingford, Waterbury, Watertown, Waterville, West Cheshire, West Haven, Willimantic, Waterford, Winsted, and Rockfall.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment of Mr. NORRIS is as follows:

On page 2, line 9, strike out section 3 and in lieu thereof insert the following:

"SEC. 3. (a) The Reconstruction Finance Corporation is hereby authorized and directed to make loans to the Administrator, upon his request approved by the President, not exceeding in aggregate amount $50,000,000 in each of the fiscal years ending, respectively, June 30, 1937, and June 30, 1938, with interest at 3 percent per annum, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this act or from the Administrator of the Rural Electrification Administration established by Executive Order No. 7037: *Provided*, That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor: *And provided further*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems shall be fully amortized over a period not to exceed 25 years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and generally not more than 5 years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations.

"(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1939, and for each of the 7 years thereafter, the sum of $40,000,000 for the purposes of this act as hereinafter provided.

"(c) Fifty percent of the annual sums herein made available or appropriated for the purposes of this act shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central station electric service bears to the total number of farms of the United States not then receiving such service. The Administrator shall, within 90 days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service.

"(d) The remaining 50 percent of such annual sums shall be available for loans in the several States and in the Territories, without allotment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this act and to carry out the provisions of section 7: *Provided, however*, That not more than 10 percent of said unallotted annual sums may be employed in any one State or in all of the Territories.

"(e) If any part of the annual sums made available for the purposes of this act shall not be loaned or obligated during the fiscal year for which such sums are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years without allotment: *Provided, however*, That not more than 10 percent of said sums may be employed in any one State or in all of the Territories: *And provided further*, That no loans shall be made by the Reconstruction Finance Corporation to the Administrator after June 30, 1938."

Mr. KING. Mr. President, may I state to the Senator from Nebraska [Mr. NORRIS] that the amendment under consideration is an improvement over the original bill. It has provisions, however, that I regard as objectionable and unconstitutional. I desire to ask the Senator in regard to the provision reading as follows:

That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor.

How will the other 15 percent be obtained?

Mr. NORRIS. Mr. President, the Senator's question is a very proper one. As a matter of fact, unless the Rural Electrification Administration had some loans outstanding this provision would not be self-operating, but by the time the pending bill shall go into effect as the law the Administrator will have enough securities that he has taken on the work he has already done so that with the new work added he could borrow 85 percent of the total. In other words, he already has a working capital, so to speak. If he had not been doing business or if the President had not made any allotments under the existing order authorizing him to make allotments for this purpose, of course there would be no way to get the 15 percent.

The theory of it is that the Administrator, when the bill goes into effect as the law, can borrow from the Reconstruction Finance Corporation whatever is necessary. He will have borrowed already probably $15,000,000 or $20,000,000, and will have that amount of securities which, added to what he can put up on the basis of new work, would enable him to get the remaining 85 percent of the necessary money.

While the amendment authorizes the lending of $50,000,000 for each of 2 years, the practical effect will be that there will not be $50,000,000 of work put into effect, but only 85 percent of that amount. As a matter of fact, while the Reconstruction Finance Corporation is authorized to loan $50,000,000 for each of the first 2 years, the work that will be done under those loans would not exceed $42,500,000, as I figure it.

I wonder if I have made myself clear.

Mr. KING. I think I understand the Senator's explanation.

Mr. NORRIS. I realize that, perhaps, I have not stated the matter clearly. The Senator will understand that if there was no working capital and if we started anew and were going to do all the business by borrowing from the Reconstruction Finance Corporation, and if we permitted the Reconstruction Finance Corporation to lend only 85 percent, the Rural Electrification Administration would really be stalled in the beginning because there would be no way to get the other 15 percent.

Under existing circumstances there are two ways in which the working capital may be obtained, as I understand it. The first is that by the time the bill goes into effect as a law, say, at the beginning of the next fiscal year, the Administrator will have outstanding certificates of indebtedness, notes, mortgages, and so forth, which he will take on operations conducted under the President's order, amounting probably to $15,000,000 or $20,000,000. He can borrow on those only to the extent of 85 percent, so that what he would put in, added to the capital on hand, would enable the Reconstruction Finance Corporation always to lend the necessary amount.

The other way would be for the President to add to the allotments from time to time. I suppose up to the time the bill goes into effect as a law he will do that under the law under which the Administrator is operating now. The Administrator gets all the necessary money under the President's order which he has issued by virtue of the statute we enacted authorizing the President to set aside $100,000,000 for that purpose.

Mr. KING. May I ask the Senator another question? What becomes of the $100,000,000 which was set aside by the President under the Executive order referred to, to be used in this electrical experiment or enterprise?

Mr. NORRIS. That fund is being used now, but a comparatively small part of it has been set aside. That is where the Rural Electrification Administration now gets its money. The President has authority, under that large appropriation bill we passed giving him various authorities, to set aside $100,000,000 for this purpose, and that is where the R. E. A. is getting the money now.

Mr. KING. Does the Senator understand that the $100,000,000 is to remain under the control of the President?

Mr. NORRIS. I understand that when they begin operations under the pending bill, if there is any of that $100,000,000 left, it will not be used. It will simply go back into the Treasury. I cannot give the Senator the figures offhand. It is a comparatively small part of the $100,000,000 that has been used up to the present time.

Mr. KING. I think I can advise the Senator as to the amount. I have been told that up to July last they have expended only $400,000, but they have incurred obligations or entered into contracts amounting to approximately $6,000,000. No part of this last-named sum has been expended.

Mr. NORRIS. I have the definite figures somewhere among my papers. I can look them up and give the exact amount to the Senator. I invite the Senator's attention to a press release in which is set forth what has recently been done in the way of work.

Mr. KING. I may say that Mr. Cook was kind enough to send me various releases, advertisements, and documents, all of which I have before me, and among them is the release to which the Senator refers. My understanding is that only about $400,000 has been drawn from that $100,000,000——

Mr. NORRIS. I think it is more than that.

Mr. KING. And that the contracts which have been entered into call for approximately $6,000,000.

Mr. NORRIS. I think it will be a little more than that. Of course, that is increasing every day. The release which we have been discussing sets forth some contracts by which they are obligated to furnish the money, and that will increase the amount the Senator has stated.

Mr. KING. It seems to me there ought to be a provision in the Senator's bill requiring the reversion back to the Treasury of the United States of all of the $100,000,000 except that which may have been expended at the date this bill becomes law.

Mr. NORRIS. I do not see any necessity for such a provision. I have forgotten when the law expires. It is not a continuing law. There is a limitation to it; and when that time limit arrives, or when the R. E. A. commences to operate under the pending bill, I anticipate there will be no more money expended from the $100,000,000 unless it shall have been allocated prior to that time in order to fulfill contracts which the Rural Electrification Administration has made previously.

Mr. KING. May I ask the Senator whether he understands the organization which is now operating would have the authority to enter into contracts that would absorb the entire $100,000,000, and in addition thereto permit the expenditure of the $50,000,000 which under the amendment is to be authorized for the first year.

Mr. NORRIS. Oh, no. I understand when they commence to operate under this bill they will get no more money out of the $100,000,000.

Mr. KING. In my opinion, it would be very improper for the organization to enter into contracts pending the passage of this bill in order to consume as much as possible of the $100,000,000. It seems to me there should be some restrictions upon the power of the organization to spend any part of the one hundred million except when contracts are outstanding.

Mr. NORRIS. If the Senator will permit me, they are not operating that way. If there is an organization that is conservative and trying to make these projects self-liquidating it is the Rural Electrification Administration. There will be no attempt to take any technical advantage of any situation that may arise.

Mr. KING. I agree with the Senator that they have been modest in their drafts upon the $100,000,000. Although they have been in operation now for nearly 1 year, they have entered into contracts approximating in amount only $6,000,000. This indicates the unwisdom of appropriating such huge sums as are authorized by the pending bill.

The amendment offered by the Senator from Nebraska is an improvement upon the bill as it was introduced by him, in that it reduces the ultimate expenditure, and therefore the charge upon the Treasury, from $1,000,000,000 to $500,000,000, or thereabouts. However, I do not approve of the plan to obtain loans of $100,000,000 from the R. F. C. Whatever amount is to be provided for the organization should be directly appropriated from the Treasury of the United States. The plan now suggested is to indirectly obtain money from the Treasury of the Government. Why utilize an organization—the Reconstruction Finance Corporation—which has been set up for certain purposes but not to provide funds for the Rural Electrification organization. The Government may be required to back any loans made by the R. F. C. to this organization. And the Government will be liable for the defaults or losses of the organization referred to.

Although I am opposed to the bill I prefer a direct and open policy which calls for a specific appropriation from the Treasury. It seems to me that the plan suggested tends to obscure or hide from the public the fact that the Treasury of the United States must pay out in cash the $100,000,000 for the first 2 years of the organization's operations. It is becoming very common to use the Reconstruction Finance Corporation—whether or not this plan is to circumvent legal questions which might be raised as to the constitutionality of certain loans or certain activities of the Government I cannot say. But the fact is that money is being siphoned out of the Treasury, directly or indirectly, in meeting the credits extended by the R. F. C. I regard this policy as unwise and unsound.

Mr. President, I know that any opposition to the bill will be futile, and I shall pretermit any further observations with regard to this amendment, but shall discuss the matter more fully when I come to offer the substitute amendment which was read to the Senate yesterday. It is on the desks of all Senators.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. NORRIS. Mr. President, I have several other amendments which are made necessary by the one just adopted.

On page 3, lines 13 and 14, I move to strike out the words "to be appropriated."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. On page 4, lines 11 and 12, I move to strike out the same words, "to be appropriated."

The amendment was agreed to.

Mr. NORRIS. On page 5, line 15, I move to strike out the same words, "to be appropriated."

The amendment was agreed to.

Mr. NORRIS. On page 7, line 24, I move to strike out "obligation created" and insert "loans made by the Administrator."

The VICE PRESIDENT. This amendment is in a committee amendment heretofore agreed to. Without objection, the action on the committee amendment will be reconsidered. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. NORRIS. On page 8, line 5, I move to strike out the period after the word "due" and insert a colon and the following words:

And provided further, That the provisions of this section shall not apply to any obligations, or the security therefor, which may be held by the Reconstruction Finance Corporation under the provisions of section 3.

The VICE PRESIDENT. This amendment also is in a committee amendment heretofore agreed to. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The question is on agreeing to the amendment offered by the Senator from Nebraska to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Nebraska a question about an amendment which was agreed to yesterday, beginning on page 7, line 14. The amendment reads:

The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act.

There seems to be no limitation of any kind there. The language is different from that of section 4. If the Senator will turn back to that section, he will see that it reads:

The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans—

And so forth. I am quite sure the Senator from Nebraska agrees with me in thinking there ought to be the same limitation as to these expenditures, including expenditures for personal services, that there is in section 3; and I am wondering if the Senator will not agree to a reconsideration of the vote by which the amendment to section 11 was agreed to so that the two sections may be brought in harmony with one another by incorporating the words which are found in section 4. I think the Senator yesterday suggested some such language as "where the appropriation is made."

Mr. NORRIS. Let me say to the Senator that yesterday, after considerable debate not only yesterday but previously, I offered such an amendment.

Mr. McKELLAR. I was not present during that debate.

Mr. NORRIS. I observed that the Senator voted, however.

Mr. McKELLAR. Yes; I voted because I think there ought to be a limitation.

Mr. NORRIS. I really thought that if the Senator had been here during the debate, he would at least have voted for the amendment I offered.

Mr. McKELLAR. I am quite sure I would.

Mr. NORRIS. And I think that would have cured any possible difficulty that may arise. The reason why I did not demand a roll call, or a rising vote, or anything of the kind, was because I noticed in the votes that all those who were fighting this entire measure, who were opposed to everything in it, voted to kill my amendment; and I offered the amendment to satisfy them more than anything else. When they killed it I thought I would not make any further effort to put it in. If, however, the Senator wishes to reconsider the vote on this committee amendment for the purpose of offering that amendment to it, I have no objection.

Mr. McKELLAR. I shall be very glad to have that done. If the Senator will give me the exact language, I shall ask unanimous consent to have it agreed to.

Mr. NORRIS. We can do that if the Senator will help me out on the other votes.

On page 7, line 14, after the word "Administrator", insert the words "within appropriations made therefor."

Mr. McKELLAR. I ask unanimous consent that the vote whereby the committee amendment in section 11 was agreed to may be reconsidered in order to permit the adoption of this amendment.

The PRESIDENT pro tempore. Without objection, the vote is reconsidered. The question is on agreeing to the amendment offered by the Senator from Tennessee to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. Mr. President, may I ask the Senator from Nebraska what disposition will be made, then, of the amendment found on page 8 of the reprint, beginning in line 2 and terminating in line 9?

Mr. NORRIS. That is the amendment we have been talking about. On the official print of the bill it appears at a different place; that is all. It has been agreed to.

Mr. KING. Calling attention, then, to the reprint, will the Senator indicate on the reprint where the language just accepted as an amendment will be?

Mr. NORRIS. Right after the word "Administrator", in line 2, page 8, so as to read:

The Administrator, within appropriations made therefor—

And so forth.

Mr. LOGAN. Mr. President, I desire to ask the Senator from Nebraska a question, if he will be kind enough to answer it. I presume all amendments now have been adopted.

Mr. NORRIS. Yes, sir; that is correct.

Mr. LOGAN. I desire to ask the Senator whether the bill takes care of a situation such as this:

Suppose a corporation, association, or subdivision of a State or Territory desires to put in an electrification system. Is there anything in the bill to prevent such association or corporation from selling and transferring its property and rights to a private corporation after it has secured the money from the Government with which to build its plant? What would prevent a power company from going into a community, having an organization set up so as to get the money, and after the organization had built a plant, then buy its entire equipment and get the use of the Government's money at a very low rate? Is there anything in the bill that would prevent such a thing?

Mr. NORRIS. I do not think there is, I will say to the Senator.

Mr. LOGAN. Then I should like to offer an amendment to the bill, to add at the end of section 7 this language:

No corporation or association, State, or Territory, or subdivision of such State or Territory, shall sell or dispose of its property rights or franchises acquired under the provisions of this act to any private corporation, individual, or association without the approval first obtained of the Rural Electrification Administration.

Mr. NORRIS. I have no objection to the amendment.

Mr. LOGAN. I offer the amendment.

Mr. KING. Mr. President, may I inquire of the Senator from Kentucky whether he construes the measure before us now as authorizing States or municipalities, towns which are incorporated, to become the beneficiaries of the proposed act and secure loans from the Government of the United States?

Mr. LOGAN. I am not sure. I thought it contained such provision. It provides:

The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to States, Territories, and subdivisions and agencies thereof, municipalities, people's utility districts, and cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States.

As I construe the bill, the Rural Electrification Administration could make loans to municipalities or States or to subdivisions of States.

The amendment I am proposing to offer at this time is intended to prevent a city or a State obtaining money from the Government and putting in a lighting plant or a power plant and after it has it completed turning it over to a private corporation operating for profit. That is what I had in mind when I suggested the amendment.

I do not think, as I read the bill, that there is in it anything at all that would prevent a city or a county or a subdivision or an association or a corporation from securing what it might need from the Federal Government in order to establish its plant and its system and then, after the plant is established, selling it to some profit-making corpo-

ration. If there is anything in the bill to prevent that, I have not found it.

Mr. NORRIS. I do not think there is anything to prevent it.

Mr. LOGAN. That is the reason why I am offering the amendment, because I believe that before a thing like that should be allowed authority should be secured from the Rural Electrification Administration.

Mr. NORRIS. I should like to ask the Senator a question. I am very glad he has offered the amendment; I am very much in favor of it, but it has been suggested by the Senator from Michigan [Mr. COUZENS], who sits by my side, that probably we ought to provide, instead of the words "without the consent of the Rural Electrification Administration", that it be made impossible to transfer the property until at least all the indebtedness owed to the Government has been paid, not even giving the Administrator of the Rural Electrification Administration the power to permit such a thing until a settlement of the indebtedness.

Mr. LOGAN. I would have no objection to that. The only object I have in mind is to prevent the use of funds provided by the Government to enlarge the plants of private corporations.

Mr. NORRIS. I will ask the Senator whether he will not modify his amendment so as to provide that the property shall not be transferred until all the money owed the Government is repaid.

Mr. LOGAN. I can do better than that. I will withdraw the amendment for the time being, and ask the Senator from Nebraska to help me modify it, and then it can be reoffered.

Mr. NORRIS. Very well.

Mr. KING. Mr. President, in the light of the discussion which has just occurred upon the amendment tendered by the Senator from Kentucky [Mr. LOGAN], does the Senator from Nebraska understand that the bill had in mind the furnishing of funds to cities and States for the purpose of buying electrical plants, or setting up electrical plants and distribution systems? I may say that my understanding of the bill was that its primary and only purpose was to take care of farmers who did not have electrical facilities.

Mr. NORRIS. That is correct, but still we thought it necessary to give authority to a city, if it is to build a farm line, or supply electricity to an organization of farmers. It will often happen that there is no place within transmission radius of such an organization of farmers where they can get electricity, and they would be prevented from making a success of their organization unless they could buy electricity somewhere. In such a case, under the bill, the administration could lend money to a municipality if it were going to supply such farmers with electricity; but in no case could a loan be made to a municipality, or to any other subdivision, unless the real object was to supply electricity to an organization of farmers.

The Senator can see that we could not very well make a fast rule, because it might well occur, and probably would, that sometimes a municipality would have sufficient electricity to take care of the needs of the farmers and in addition have a surplus with which to supply its own people. Perhaps it would use part of it for its own people at peak times. I take it that in such a case, if there were no other place for an organization of farmers to get electricity within reasonable transmission distance of the city, the city might borrow money under the proposed act in order to construct a generating plant so as to supply the farm organizations to be formed under the measure. Do I make myself clear?

Mr. KING. I think so. Does not the Senator think, under such a construction of the bill, there will be a considerable effort made by municipalities, counties, and States to go into the electric-light business, ostensibly to furnish light to farmers, but, in reality, to furnish light to urban populations, to cities, and to congested areas; and does the Senator think it wise or proper for the Federal Government to make large loans of money for the purpose of enabling municipalities, counties, or States to enter into the electric-light business per se?

Mr. NORRIS. Of course, that is not the object of the proposed legislation; but I should have to concede that there might be instances, such as that I have tried to describe to the Senator, where a municipality would in part supply electricity for its own people, in addition to the farm organization. I do not know any way by which to frame the law so that could not be done, and, in my opinion, that is not a bad thing anyway.

Mr. WALSH. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. WALSH. As I understand the colloquy which has taken place between the Senator from Nebraska [Mr. NORRIS] and the Senator from Utah [Mr. KING], if a municipality owns a municipal lighting plant and there is a nearby farm area not covered by lighting facilities, it may be possible for an organized group to borrow money for the purpose of extending the facilities so as to take care of that rural section. Am I correct?

Mr. KING. That is the answer made by the Senator from Nebraska.

Mr. WALSH. What about the case where there is a private lighting company near such a rural section and they desire to extend the facilities to that rural section? Is there anything in the bill to permit them to borrow money in order to do that?

Mr. KING. I do not know. Obviously, if they can get money from the United States Government, it will prevent private companies from getting capital and building plants.

Mr. WALSH. I had assumed that the object of the bill was, in those areas where it has been found by private companies and municipalities that it is not profitable to furnish light to rural sections, to have groups in such sections organize and borrow money and establish small plants of their own. I had assumed that was the objective of the bill.

Mr. KING. There are restrictions in the bill so that it would not accomplish that result. Indeed, it seems to me that the door would be wide open for counties and cities and States to embark upon the electrical business if there were contiguous rural districts and farms which did not have electric lights.

Mr. WALSH. As I understand the views of the Senator from Nebraska, that can only be done in cases where there is an existing municipal or county plant which desires to extend its plant. Am I correct?

Mr. NORRIS. I think as a practical proposition the Senator is correct; but in theory, possibly, they would have the right to build a new plant if, in the judgment of the Administrator, they supplied sufficient electricity to a farm organization to insure a practical compliance with the law.

Let me say this to the Senator from Massachusetts. Suppose there should be a municipality in a good agricultural section which had no electric lighting system. It would probably be a small town. Around that town within easy transmission distance there might be formed half a dozen farm organizations.

However, those farm organizations—suppose there were half a dozen of them—would not take enough electricity to make it advisable for the organizations themselves to build a generating system. Suppose in that case the municipality said, "We will build a system large enough to supply these farm organizations as well as ourselves." I should think in that sort of case, even though there was not an existing plant, they would have authority to borrow money.

Mr. WALSH. That infers, of course, that there is no competition with any existing private or municipal plant.

Mr. NORRIS. Yes.

Mr. WALSH. In other words, they could borrow money for a new unit; is that correct?

Mr. NORRIS. Yes.

Mr. WALSH. That is what I understand to be the main purpose of the bill; that in rural sections where private enterprise has not undertaken to furnish light or where a municipality has not done so, there will be opportunities given for groups of individuals, or, as the Senator says, in

some cases a town or municipality itself, to set up in such rural sections units for lighting purposes.

Mr. NORRIS. Yes. I have given the Senate an illustration which I think applies, but which I believe to be a very extreme case, which probably will never happen, though I suppose possibly it might happen. I now wish to read a statement which I think applies here very well.

Mr. WALSH. May I add an observation to what has been said by the Senator from Nebraska?

Mr. NORRIS. Yes.

Mr. WALSH. Do I understand that in no case can a private company do the thing the Senator is describing?

Mr. NORRIS. No; it cannot. A private company cannot borrow any money, but a private company may sell, and probably in a majority of cases, at least to begin with, will sell to the organizations which are made up of farmers the electricity they are going to use.

Mr. LOGAN. Mr. President, I desire to offer an amendment to the pending bill. I have gone over the matter with the Senator from Nebraska [Mr. NORRIS]. I propose to insert, after section 7, the following language:

No corporation or association, State or Territory, or subdivision of such State or Territory, shall sell or dispose of its property, rights, or franchises acquired under the provisions of this act, to any private corporation, individual, or association, until any loan obtained from the Rural Electrification Administration, including all interest and charges, has been repaid, and thereafter only with the approval of the Rural Electrification Administration.

I offer that as an amendment.

Mr. BORAH. Mr. President, what is the effect of that amendment? Is not its effect to prohibit the sale to private corporations or enterprises?

Mr. LOGAN. As I stated awhile ago, I may say to the Senator from Idaho, there is nothing in the bill, as I read it, to prevent loans being secured by cities, or municipalities, or subdivisions, or of associations of farmers or corporations, and after having secured a loan and put in a plant and equipped it, then it could be sold to a private corporation operating for profit. So my amendment provides that such a sale shall not be made until the loan has been repaid, and thereafter it can only be made with the approval of the Rural Electrification Administration.

Mr. BORAH. I can well understand that there might be instances under this bill where it would be of advantage to sell.

Mr. LOGAN. That might be true. As I originally drafted the amendment, it only required the approval of the Rural Electrification Administration for a sale; but at the suggestion of the Senator from Michigan [Mr. COUZENS] and the Senator from Nebraska [Mr. NORRIS] I put the provision in there that it should not be sold at all until the loan had been repaid, and thereafter it could only be sold with the approval of the Rural Electrification Administration. Cases might arise where it would be proper to sell to a private corporation, but in such cases I suppose the loans could be repaid and then the property could be sold.

Mr. BORAH. The loan would have to be taken care of before the sale could be made?

Mr. LOGAN. Yes; that is true.

Mr. BORAH. I am offering only a suggestion, but it seems to me that to restrain the right to sell under all circumstances might work detrimentally to the cause.

Mr. LOGAN. I do not think it restrains under all circumstances; but if there is no such provision, then there is nothing to prevent any power or light company from creating organizations anywhere, getting the money, having the plant established and built as a scheme, and then buy it from the local organization after the plant has been built with cheap money. That is what I am trying to prevent.

Mr. JOHNSON. Mr. President, may we have the amendment read again, please?

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of section 7, it is proposed by Mr. LOGAN to insert the following language:

No corporation or association, State or Territory, or subdivision of such State or Territory, shall sell or dispose of its property, rights, or franchises acquired under the provisions of this act to any private corporation, individual, or association until any loan obtained from the Rural Electrification Administration, including all interest and charges, has been repaid, and thereafter only with the approval of the Rural Electrification Administration.

Mr. WALSH. Mr. President, will the Senator yield to me for a question?

Mr. LOGAN. I yield.

Mr. WALSH. Assuming one of these organizations which have set up a plant for furnishing electricity to a rural section becomes financially embarrassed, that it finds that it is unable to sell the electricity at a price sufficient to pay back the obligation it owes to the Government, should it not be possible for that corporate group to sell to a private electric company or to a municipal electric company adjoining it, its poles and wires and other facilities to furnish electricity at a compromise price less than the amount of money borrowed from the Government, if approved by the Rural Electrification Administration?

Mr. LOGAN. Mr. President, I should say that there might be circumstances where that would be proper. But if we leave that door open so that it can be done, then our bill is for the aid and assistance, as I view it, of private power companies which are now in existence, because there is nothing for them to do except to go out and form organizations or have them formed, and then buy the property as soon as the plant is installed.

Mr. WALSH. What the Senator is afraid of, as I understand—and I think there is such a danger—is that a private company might encourage a rural district to borrow the money, set up such a plant knowing that it would be a failure, and then walk in and take possession under a compromise sale.

Mr. LOGAN. That is true; that is exactly what I think would happen. I hardly think we have any reason to believe that the power companies, owing to the recent experiences had with them, are particularly interested in the welfare of the public. And it seems to me that if we just open a door for them to walk in, they will take everything, and the Senator from Nebraska, who has been so diligent in attempting to restrain them in some way, will, by the provisions of the bill, allow them to come into the Treasury of the United States and take money out of it without any leave. That can be done; and if it can be done, it will be done, in my judgment. So I had rather take a chance of there being some injustice done to a particular individual association or corporation, hoping to find some way to work it out, rather than to leave the door open.

Mr. WALSH. I appreciate the Senator's suggestion, and I am fully in accord with him. But I can conceive of situations where there would be complete failure profitably to set up a self-liquidating plant, and it might be better to have a compromise sale to avoid abandonment of the plant.

Mr. LOGAN. I may suggest to the Senator there is under the new bankruptcy laws ample authority to take care of such a situation. I had not thought about that, but an organization can go into court and make a proposition with its creditors and have the whole thing worked out.

Mr. WALSH. Could it do that if it had a Government loan, in view of what the Senator says in his amendment that the amount, with interest, must be paid back fully?

Mr. LOGAN. I do not know of anything that could prevent it. There could be some way found to work it out I think.

Mr. WALSH. I am in hearty accord with the Senator's effort to prevent the abuse that he points out.

Mr. LOGAN. I admit the difficulties, but I do not see any way out of them. I think we would have to depend on the law to find some way out. I think we had better put up the bars now.

Mr. KING. Mr. President, it seems to me that there is some merit in the position taken by the Senator from Massachusetts. I can conceive of a number of small companies being organized under the bill, which alone might not succeed, but they might consolidate and give reasonable facilities to each other and to the farmers within the vicinity. It seems to me that there ought to be provision for unification or consolidation, but with the approval of the R. F. C.,

if it has advanced the loans or the Rural Electrification Administration.

Mr. LOGAN. Mr. President, there is nothing in the amendment to prevent such consolidation, as the Senator from Utah suggests. The amendment undertakes to provide that, after having secured from the Government a loan with which a plant is built and equipped, the plant shall not then be sold to a private corporation that is engaged in the business for profit. There is to be no profit, as I understand, derived by these organizations. That is all I have in mind. Whether it ought to be done or ought not, I do not know, but it seems to me that the amendment should be adopted.

Mr. KING. Mr. President, I agree with the Senator that it would be a miscarriage of justice to provide that private corporations may go to the Treasury of the United States and obtain loans in order to build power plants for profit. I am in entire accord with the views expressed. I could conceive of a case, however, where in a rural area an organization is set up which subsequently fails to make it a "go"; it is about to go into the hands of a receiver, after having received a Government loan, and the money has been advanced. In such a case a number of similar organizations could be consolidated and make it a "go."

Mr. NORRIS. Mr. President——

Mr. KING. Let me add that I think that I can conceive of a case where such an organization might unite with a going concern even though it made some profit, but that ought not to be done, if done at all, without the consent of the Rural Electrification Administration.

Mr. NORRIS. Mr. President, the amendment of the Senator from Kentucky [Mr. LOGAN], as he has well said, does not, it seems to me, prohibit two or three of these organizations later on combining and forming one. I hope Senators will not try to imagine evils that may arise. We can suppose that anything might happen. Of course, some of the organizations may fail. It may be that one will be set up somewhere and that a hurricane will come along and blow down every pole and demolish the generating system and bring about a total loss. Such things might happen. I do not think that the Senator's amendment stands in the way of absolute protection to the Government in trying to help farmers to form their organizations on a nonprofit basis. It protects them from being gobbled up by private power companies. I think it might occur, if we did not have the amendment, that private power companies, in a thousand different ways, might try to make farmers' organizations unprofitable while they would not attempt to do so if this provision were in the bill. I do not see anything wrong with the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. LOGAN].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, yesterday when the committee amendment found on page 8 of the new print of the bill providing that "the Administrator may make such expenditures", and so forth, was acted on, I voted against the amendment because it gave an unrestricted right to the Administrator to make such expenditures. I was not in the Chamber when the Senator from Nebraska offered the amendment which I think corrects that situation, and it was for that reason that I asked unanimous consent to have the amendment agreed to. I think it improves that section of the bill very materially.

I do not want it to be understood, Mr. President, that by voting against the committee amendment I am not in favor of the bill; I am very much in favor of the measure.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. McKELLAR. Yes.

Mr. NORRIS. I do not want the Senator from Tennessee or any other Senator to get the impression from the remark I made, facetiously, as I thought, that I had any idea that the Senator was an enemy of this proposed legislation.

Mr. McKELLAR. I am quite sure I gained no such impression.

Mr. NORRIS. I would not find fault with anyone who voted against an amendment. Of course, that is a privilege every Senator has.

Mr. McKELLAR. At all events, I merely wanted to make it perfectly clear that I am very much in favor of the pending measure, and expect to see it pass.

NATIONAL JAMBOREE OF BOY SCOUTS OF AMERICA

Mr. COPELAND. Mr. President, on the desk is a bill, being House bill 10265, received on yesterday from the House of Representatives, providing for lending equipment for use at the National Jamboree of the Boy Scouts of America. I ask unanimous consent for the immediate consideration of that bill.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill from the House of Representatives, which will be read.

The 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, was read twice by its title.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. COPELAND. I ask unanimous consent that the House of Representatives be requested to return to the Senate an identical Senate bill, being Senate bill 3586, which the Senate has previously passed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

VACATIONS FOR GOVERNMENT EMPLOYEES—CONFERENCE REPORT

Mr. BULOW. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on House bill 8458, which I submitted yesterday.

The PRESIDENT pro tempore. Is there objection to the consideration of the report, which has already been printed in the RECORD?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

SICK LEAVE OF CIVILIAN EMPLOYEES—CONFERENCE REPORT

Mr. BULOW. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on House bill 8459, which I also presented yesterday.

The PRESIDENT pro tempore. Is there objection to the consideration of the report, which has already been printed in the RECORD?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

D. A. NEUMAN

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2219) for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force, which were to strike out all after the enacting clause and insert:

That the Comptroller General of the United States is authorized and directed to credit the accounts of D. A. Neuman, former lieutenant, Supply Corps, United States Naval Reserve Force, with the sum of $894, representing the amount of two forged pay receipts, paid by him without fault or negligence, as determined by the Secretary of the Navy, but disallowed in his fiscal accounts for the disbursing office at South and Whitehall Streets, New York City, for the first quarter, 1919, by the Comptroller General.

And to amend the title so as to read: "An act for the relief of D. A. Neuman."

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

J. A. JONES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2875) for the relief of J. A. Jones, which was, on page 1, line 9, after "1908", to insert "such amount to be in full settlement of all claims of the said J. A. Jones against the United States because of the death of his son."

Mr. CAPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. WALSH. There is an amendment submitted by me on the desk which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 14, after the word "order", it is proposed to insert the following:

The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made in expending funds loaned pursuant to the provisions of this act when the aggregate amount involved is more than $500.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. President, I assume that there will be little objection to this amendment. Briefly stated, the section of the Revised Statutes referred to provides that all contracts made by the Government shall be awarded to the lowest responsible bidder. When the Congress passed the Emergency Relief Act last year we thought we were providing in that act that the lowest bidder should be awarded contracts. The Comptroller General has ruled otherwise, and we now have such a situation that where Government money is loaned to States and municipalities on the basis of contributions by the States and municipalities, known as the 55–45 ratio, the contracts are not required to be awarded to the lowest bidder.

In my State I know of two cases, one where a municipality voted to give a contract to the second lowest bidder and the Public Works Administration sought to give it to the lowest bidder; an impasse followed, and nothing has been done. In another case the municipality voted to give the contract to the second lowest bidder and the public Works Administration accepted that recommendation.

I have talked with the Administrator of Rural Electrification; he is sympathetic with this amendment and thinks it would be helpful, especially in view of the fact that the objective of the bill is the sale of electricity as cheaply as possible to the rural districts, and by awarding all contracts to the lowest bidder that will be more likely to be accomplished than if the contracts are let to other than the lowest bidder. I understand that there is no objection to the amendment, and that it probably will be accepted without objection. For further explanation I suggest reference be made to yesterday's CONGRESSIONAL RECORD, where, at the end of the Senate proceedings, an explanation is made of this amendment.

Mr. NORRIS. Mr. President, I have no objection to the amendment, but, mainly for the RECORD, I wish to say that personally I would not want this amendment put in the bill, and I would oppose it if it had not been that the Senator from Massachusetts, after a conference with Mr. Cooke, was assured by him that he had no objection. I myself talked over the telephone with the principal attorney for the R. E. A., and he assured me that he has no objection and felt that it might possibly be advisable to adopt the amendment. That may be so; but, as I told the Senator from Massachusetts when he submitted the amendment to me yesterday, in this proposed legislation we are giving, and we necessarily must give, if we are going to make a success of the measure, in my opinion, almost unlimited discretion, something that under ordinary circumstances I do not like to do. But if the Administrator, whoever he may be, carrying out this proposed law is not at heart converted to the idea embodied in it, namely, to extend the blessings of electricity to the farmers of America, he could easily wreck this whole program and still be technically in the right.

Just to illustrate—and I do not know that this will ever occur—suppose the Rural Electrification Administration in a certain vicinity approves an organization of farmers who desire to put up a distribution line and system. We will say 500 poles will be necessary to provide for the system. One way to obtain the poles would be to advertise for bids, in which case some man with a truck in town probably would make a bid and might be able to make the lowest bid. As a matter of fact, however, all the farmers, members of the organization, are owners of trucks and wagons and teams, and while no one of them would want to bid for the entire contract, and would not be a bidder for it, yet, at the same time, the Administrator, if he had a proper interest in it, and should use the discretion that I think he ought to have, could have the poles delivered by the members of the organization at a price probably less but at least not to exceed that of any bid to do the whole job. I would not want him to pay more than a proper cost, but if he could give each one of the farmers a part of this work, hauling the poles where it was desired to place them, the farmers could do that, without any real expense to themselves, and they could be given credit perhaps for a new electric stove or refrigerator or something that they might not be able to pay for in cash. They might work it out in that way and thus help the organization. I would not want to do anything that would take away a discretion of that kind.

Mr. WALSH. The Administrator can make all the purchases he desires up to the amount of $500.

Mr. NORRIS. I thought the Senator had fixed the limit at $400.

Mr. WALSH. No; it is $500. Under the general law relating to Government contracts the limit is $300, but I have made it $500 in my amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDENT pro tempore. Are there any further committee amendments?

Mr. NORRIS. No; that is all of the committee amendments.

Mr. President, I stated to the Senator from Utah a few moments ago that the total allotments were greater than he had stated. In the release coming from the Rural Electrification Administration of March 2, 1936, which I think is about as up to date as anything could possibly be in that line, this statement is made:

With the allotments announced today, the total amount of funds disbursed or finally earmarked for specific R. E. A. projects is $8,144,862.

Mr. KING. Mr. President, I thank the Senator for the information.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KING. Mr. President, I have noticed that during the consideration of this very important measure there have been not to exceed six or seven Senators in the Chamber most of the time. Obviously, Senators lack interest in the bill or, as was suggested to me by a distinguished Senator, they have made up their minds, in which event, of course, there is no necessity for consuming the time of the Senate with the hope of changing the minds of obstinate

Senators. Nevertheless, I desire to challenge attention to an amendment in the nature of a substitute which was printed a few days ago at my request. Before having it read and offered formally, I desire to perfect it by suggesting two changes:

On page 3 of the proposed substitute, line 20, after the word "be", and before the words "self-liquidating", insert the words "based on reasonable securities and shall be", so it would read:

Provided, however, That all such loans shall be based on reasonable securities and shall be self-liquidating within a period of not to exceed 20 years—

And so forth.

On page 5, line 9, after the word "thereafter", insert the words "not to exceed", so the sentence, in part, will read:

And for each of the 9 years thereafter not to exceed the sum of $300,000.

That is for attorneys' fees, expenses, and so forth.

The PRESIDENT pro tempore. The Senator has the right to modify his amendment.

Mr. KING. Mr. President, yesterday when the measure before us was under consideration I submitted some observations concerning governmental expenditures and the aggressions, if not usurpations, upon the part of the Federal Government. I called attention to a statement by Professor Elliott, of Harvard University, to the effect that battle lines were being drawn with the "radicals pressing for Federal centralization"; and I quoted from his statement to the effect that—

The purse strings of the Nation, untied by the income-tax amendment, remain in the hands of the voters; that is to say, in the politics of pressure groups; and further that what could not be accomplished directly will be undertaken by indirection, to wit, by the continual bribery of Federal subsidies.

And he added that the Supreme Court is estopped from controlling the income tax, inheritance tax, and the like. He referred to the fact that President Jackson, over a century ago, made the most effective stand against the tendencies toward the centralization of governmental authority in the National Government.

I alluded to a statement by Professor Corwin in which he refers to the success of the spending power of Congress in eluding constitutional limitations, "which created the situation and produced an atmosphere of unreality."

Professor Corwin then adds:

With the National Government today in the possession of the power to expend the social product for any purposes that seem good to it; the power to make itself universal and exclusive creditor of private business, with all that this would imply of control; the power to inflate the currency to any extent; the power to go into any business whatsoever—what becomes of judicial review, conceived as a system of throwing about the property right of a special protection "against the mere power of numbers" and for perpetuating a certain type of organization?

Mr. President, the measure before us, it seems to me, falls within the statement just quoted. It rests upon the proposition that the National Government may tax the people and expend money for any purpose that seems to it good, and may enter into business and commercial activities outside and beyond the constitutional power of the Federal Government. If this measure is enacted into law, hundreds of thousands, if not millions, of names of individuals and private corporations and municipalities will be added to the ever-increasing list, enormous as it is, of debtors to the National Government.

Whenever a breach is made in the wall of constitutional government, experience demonstrates that additional assaults will be made, and larger breaches created. When the view is accepted that the Federal Government is without limitations—that the enumerated powers granted to it in the Constitution may be ignored—then constitutional government is at an end, and the Republic will have embarked upon an uncharted sea.

In my opinion, there is no constitutional warrant for the measure under consideration. The taxing power conferred upon the National Government may be exercised only for governmental purposes. The founders of this Republic did not contemplate a socialistic or communistic form of government, or a highly centralized government—examples of which are recorded in the pages of history, and even in our own day are found in Germany under Hitler and in Italy under Mussolini. The founders were familiar with the struggle of democratic forces for individual liberty and local self-government, and they determined that the gains obtained through long and bloody struggles in behalf of democracy should not be lost but should be made secure. Therefore, they wrote into the Constitution limitations and restrictions upon the Federal Government. Notwithstanding these clearly expressed limitations, iconoclasts have attacked constitutional government and sought to so weaken or modify it that socialistic experiments might be inaugurated or the authority of the National Government so magnified that local self-government would be lost and sovereign States dissolved or become mere shadowy forms without substance or virtue. It is needless to recount what must be obvious to every student of our institutions concerning social, political, and economic conditions, and the advance of forces seeking radical changes in our form of government.

Mr. President, the Constitution from its very origin was contemplated to be the frame of a national government of special and enumerated powers, and not of general and unlimited powers. That view has been expressed over and over again by the Supreme Court of the United States and by men of character and ability in every walk of life. The Constitution of the United States has been regarded as the Palladium of our rights in the sense that it restrained and sought to prohibit those tendencies and movements so often encountered in governments which sought to exercise despotic power.

The views expressed by Jefferson as to the functions of the Federal Government have prevailed for more than a century and a half, and should continue to prevail. He said:

Congress had not unlimited powers to provide for the general welfare, but were restrained to those specifically enumerated; and that as it was never meant that they should provide for that welfare but by the exercise of the enumerated powers, so it could not have been meant that they should raise money for purposes which the enumeration had not placed under their action; consequently, that the specification of powers is a limitation of the purposes for which they may raise money.

Constant demands are being made upon Congress to embark upon policies that are not within the authority of the National Government and to make appropriations for objects and purposes that cannot by any stretch of the imagination be brought within constitutional warrant. Congress is not empowered to impose taxes for purposes which are within the province of local self-government or of the States. Every governmental power not delegated by the States to the Federal Government is reserved to the States and to the people, respectively.

In the case of *Veasy Bank* v. *Fenno* (8 Wall.) the Supreme Court declared that—

There are certain virtual limitations arising from the principles of the Constitution itself. It would undoubtedly be an abuse of the power if so exercised as to impair the separate existence and independent self-government of the States or if exercised for ends inconsistent with the limited grants of power in the Constitution.

And it has been authoritatively stated that the States existed before the Constitution. To the States is reserved substantially the entire regulation of all matters relating to the States. It was declared in the case of *Lane County* v. *Oregon* (7 Wall.) that under the separate and independent condition of the States as recognized by the Constitution:

And the existence of which is so indispensable that without them the general Government itself would disappear from the family of nations, it would seem to follow as a reasonable, if not a necessary consequence, that the means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution should be left free and unimpaired; should not be liable to be crippled, much less defeated, by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax.

And in the case of *Linder* v. *United States* (268 U. S.) the Court said:

Congress cannot under the pretext of executing delegated power pass laws for the accomplishment of objects not entrusted to the Federal Government.

And the Court further stated that the established doctrine is accepted that—

> Any provision of an act of Congress ostensibly enacted under power granted by the Constitution not naturally and reasonably adapted to the effective exercise of such power but solely to the achievement of something plainly within power reserved to the States is invalid and cannot be enforced.

What provision of the Constitution warrants or justifies a measure imposing a tax of a billion dollars, as the bill before us originally provided, upon the people of the United States to build electric-light plants, construct transmission lines, and supply individuals with refrigerators and plumbing facilities, electric wiring, and electrical appliances for their homes? These activities belong to the realm of individual and private enterprise. The National Government is not empowered to impose tax burdens upon the people for the purposes indicated in the pending bill. If it may enter this field, there is no field from which it may be excluded. It may enter into every field of endeavor or service pertaining to human conduct or to social life, and in so doing it may control individual conduct, determine the behavior and activities of individuals, define their duties and liabilities, and prescribe the steps which they may take in traveling from the cradle to the grave. Under Bolshevik rule this view prevails. I should add, however, that the people of Russia are evincing opposition to the exercise of this power by the Government, and in the not distant future we may witness a development of the spirit of individualism which may lead to the establishment of reasonably liberal institutions.

There are those in the United States who are supporting movements destructive of the States, and who favor the consolidation of all political authority in the National Government. Indeed, they desire that the National Government should control the social and economic life of the people. There are some persons in positions in the executive branch of the Government who are neglecting their duties to execute the law, and who devote some of their time in advocating what they call a new social order. They criticize our form of government, and urge the people to express "deep indignation" because of limitations imposed upon it. It may be that statutes should be enacted restraining individuals charged with executing the law from becoming propagandists in favor of policies and measures hostile to our Government. We have those who insist that everything should be directed from Washington, and that legislative and executive authority shall be practically unrestrained.

Jefferson stated:

> Were we directed from Washington when to sow and when to reap, we should soon want bread.

Under some policies carried out by one or more executive departments, efforts were made to direct people when to sow and when to reap, and there are evidences, as a result, that some persons did want bread.

One of the greatest statesmen and Presidents of this Republic, Woodrow Wilson, whose name and fame will increase as the years go by, stated:

> It would be fatal to our political vitality really to strip the States of their powers and transfer them to the Federal Government. It cannot be too often repeated that it has been the privilege of separate development secured to the several regions of the country by the Constitution, and not the privilege of separate development only, but also that other more fundamental privilege that lies back of it, the privilege of independent local opinion and individual conviction, which has given speed, facility, vigor, and certainty to the processes of our economic and political growth. To buy temporary ease and convenience for the performance of a few great tasks of the hour at the expense of that would be to pay too great a price and to cheat all generations for the sake of one.

I cannot refrain from quoting from an address delivered by President Roosevelt when Governor of New York in March 1930:

> Now, to bring about government by oligarchy masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the dangers of any such departure from the principles on which this country is founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.
>
> Let us remember that from the very beginning, differences in climate, soil conditions, habits, and mode of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States. Remembering that the mining States of the Rockies, the fertile savannahs of the South, the prairies of the West, and the rocky soil of the New England States created many problems, introduced many factors in each locality which have no existence in others, it is obvious that almost every new or old problem of government must be solved, if it is to be solved, to the satisfaction of the people of the whole country, by each State in its own way.

Mr. President, the bill under consideration, in my opinion, is unconstitutional; it compels the levying of taxes upon certain groups or classes, if not upon all persons, for the benefit of another group, or class, of individuals. It requires the enactment of laws to impose additional burdens of taxation upon the people, not for the Government of the United States, nor for carrying on the purposes for which the National Government was organized, but in order to build electric-light plants and transmission lines for the benefit of a limited number of individuals, and to furnish them with bathtubs and plumbing facilities, electric wiring, and other articles to be used in connection with the utilization of electric energy. If the power to tax, which is the power to destroy, can be invoked to furnish electric lights and plumbing fixtures to a limited number of individuals engaged in a single occupation or pursuit, then it would appear that the Federal Government may lay heavy burdens of taxation upon the people of the United States for any purpose. Indeed, in this view the National Government would be clothed with unlimited and autocratic power.

Perhaps the greatest abuse of power by tyrants and despots is found in measures adopted by them to extract moneys from the people. Kings have lost their thrones, and in some instances their heads, because of the heavy burdens of taxation which they laid upon the people. One of the principal causes of the French revolution was the oppressive taxes imposed by the monarchs of France upon the people. The American revolution was largely the result of the oppressive taxes laid upon the colonists, and one of their battle cries was that taxation without representation was tyrannous and illegal. With these lessons of history before us, and with the knowledge that the Federal Government can exercise only limited authority such as is specifically delegated in the Constitution of the United States, we are urged to traverse forbidden and dangerous paths which have brought disaster to many peoples and nations.

I am repeating when I state that unlimited authority upon the part of governments to impose taxes, if exercised, will result in economic disasters and produce political consequences of a serious character. Heavy burdens of taxation are obstacles to economic development, social progress, and the happiness and welfare of the people. Jefferson and other great statesmen and writers have emphasized the fact that social progress and a higher state of civilization are attained under liberal forms of government where the exactions of the government are reduced to a minimum.

The people of Europe are groaning under the burdens of taxation imposed upon them for the maintenance of armies and for the support of an ever-increasing bureaucracy. And in our own country the increasing demands to meet governmental expenditures constitute impediments to returning prosperity and to social and economic progress. We have a growing cult in the United States emphasizing the view that it is the function of the Federal Government to direct and control, through a vast army of officials, the conduct, activities, and even the thoughts of the people, and to lay the heavy hand of taxation upon all those who have property, even to the extent of expropriation. They deny the capacity of individuals to plan and work out the problems in their own lives, and they are unwilling to accept the view that the people have the capacity to govern themselves. They would destroy the States, blot out their boundary lines, and compress individuals, communities, and States into one omnipotent national government whose authority would be supreme. This view, of course, is the antithesis of democracy; it is reversion to old types and is an attempt to revive anachronisms that it was hoped had forever been discarded and forgotten.

Democratic institutions do not rest upon Socialist philosophy or upon the teachings which find expresison in despotic governments. Policies are often adopted in violation of governmental limitations and the soundest philosophy of life, and are urged and accepted because of unsatisfactory social or economic conditions. Their advocates are impatient with valid restraints imposed by law or by the soundest principles of philosophy and justice. Some sincere persons desire an immediate utopia and would change by law, overnight, habits, customs, and pathetic and tragic ancestralisms. Progress is a plant of slow growth. That is true in every field of human endeavor or human conduct. If we are wise we will not seek to compress individuals and communities and States into one standardized colloidal mass. We will accept the differentiation resulting from the differences in individuals. We will recognize the different capacities of individuals; the importance of individual growth, of community association, of local self-government, of indestructible States—sovereign and supreme within their respective spheres and competent to deal with the political, social, and economic problems existing therein.

Mr. President, in my opinion an examination of S. 3483, to provide for rural electrification, can find no support under any grant of power to the Federal Government, and if the Federal Government is without authority to enact a measure to furnish electricity to a limited number of agriculturalists and to supply them with electrical appliances, refrigerators, plumbing, and so forth, then it would be an invalid act to impose taxes upon the American people for that purpose. As stated, the bill as amended calls for approximately $420,000,000, which must be met from Federal revenues. If the project contemplated by the bill is not Federal, or is not in aid of the execution of governmental functions, then it has no place in the Congress of the United States, nor upon the Federal statute books.

Under this bill the Federal Government is creating another Federal agency to perform functions which are reserved to the States or to the people by the tenth amendment. The bill, it is claimed, is designed to promote in the United States the electrification of rural areas not now receiving central-station light and power service. To accomplish this purpose, an organization is set up in the Federal Government with an administrator at its head who has the power to make loans, principally to organizations of farmers desiring to electrify their homes. Loans may be made for the purpose of financing the construction and operation of generating plants, electric transmission lines, or systems to furnish electricity to such persons in the rural areas. In addition, loans may be made to finance the acquisition and installation of electrical and plumbing appliances and equipment by such persons in the rural areas.

Under what power of the Federal Constitution has Congress the right to appropriate Federal moneys for the satisfaction of the rural population of communities? As stated, the Federal Government is a government of delegated powers, and its activities are limited to carrying out the functions and purposes of such delegated powers. There is no delegated power in the Constitution which would permit the Federal Government to undertake such an activity. Of course, the advocates of this bill undoubtedly rely upon that provision of the Constitution which they claim gives the Congress the power to levy taxes to provide for the general welfare. It is claimed by some that this power has been interpreted by the Supreme Court to include the power to appropriate for the general welfare. It is contended that the Court, in the recent A. A. A. case, declared in effect that funds in the Treasury as a result of taxation may be expended only through appropriation, and that they can never accomplish the objects for which they were collected unless the power to appropriate is as broad as the power to tax.

But the power of the Congress to spend for the general welfare is, in my opinion, limited to carrying out the purposes of the enumerated powers. This is the view of Madison, to which I referred in a former speech, and in which I pointed out both from the standpoint of constitutional history and the standpoint of logic is the correct one. It is true that the Supreme Court in the recent A. A. A. case, by way of dicta, adopted a different conclusion, stating that the interpretation by Justice Story of the meaning of the general welfare was the proper one. However, this conclusion was not controlling to the question at issue, and, in my opinion, when the Court has an opportunity to pass upon such a question when it is squarely presented to it, it will undoubtedly conclude that the Madisonian interpretation is the correct one.

But, even assuming that the dicta in the A. A. A. decision as to the meaning of general welfare is the correct interpretation, I still do not believe that the appropriations provided for in this bill are for the general welfare as these words are to be interpreted. Even under the Hamiltonian view the appropriations must extend to matters of national, as distinguished from local, welfare; and Hamilton stated that the purpose of the appropriation must be "general", and not "local." The Supreme Court pointed out in the A. A. A. decision that when a case involving this question is presented in the Court for decision it is the duty of the Court to determine whether or not the subject of the appropriation is for the promotion of the general welfare of the United States. How can it be said that the furnishing of electricity to farmers in rural communities is for the general welfare of the United States? This is clearly a local matter and not a matter of national concern. There are many things which could be furnished to the dwellers in the cities which would add to their comfort, satisfaction, and happiness, but it is not the function of the Federal Government to provide means for the accomplishment of such a purpose.

In this bill we cannot rely upon the navigation or war powers or the powers of the Federal Government to dispose of its surplus funds, which powers were the basis for the decision of the Court in the recent T. V. A. case. Nor can we rely upon the decision of the Supreme Court upholding the Federal farm-loan banks, which rested upon the theory that the banks could be used as depositories of Government funds or for the marketing of Government securities.

It must not be forgotten that nearly 40 percent of the farms of the United States are in the possession of tenant farmers. Many of them—perhaps a majority—have only annual leases. Contracts with tenants, particularly if their tenure of occupancy is brief, afford rather inadequate security for loans which the bill contemplates shall be made by the Government. Evidence before committees during the past few years indicates that many of the tenant farmers are "croppers."

I inquire how, in carrying out the purposes of the bill, funds that may be advanced to "croppers" or tenant farmers for the wiring of buildings and barns, or for the purchase of bathtubs, plumbing fixtures, and electrical supplies, are to be collected. Undoubtedly, many tenants would seek to obtain loans for such purposes, and would sign the necessary obligation submitted. In case of defaults, who would pay? In the event the "croppers" or tenants leave the farms, what recourse will the Government have? What lien will it have upon the premises? The wiring and plumbing fixtures would, in many States, become part of the real property. Will these obligations created by the tenants or "croppers" constitute liens upon the real property which the Government may enforce against the owners? May the owner be compelled to meet obligations resulting, perhaps, from improvident expenditures or loans made by the Government to the "cropper" or tenant? Suppose the tenant or "cropper", or the owner, fails to pay the annual installments, or fails to pay the amount required for amortization, what steps may the Government take? As I have indicated, will it take possession of the farm or the home? If so, will the Government operate the farm or attempt to sell it or the home?

Mr. President, a moment's consideration of the many problems that will arise from this venture and experiment or undertaking will reveal the insuperable difficulties that will be encountered in working out a plan that will be satisfactory to the Government, the taxpayers, and those to whom Government funds are loaned.

But the appropriation authorized in this bill is clearly an appropriation of public money for an activity reserved to the

States or to the people. It is class legislation when we attempt to appropriate public money for the benefit of one class at the expense of another.

It is stated in the report accompanying this bill that there is no grant provided in the bill, and that it is the intention that the moneys loaned shall be returned to the Government. But the fact remains that $420,000,000 are to drain from the Federal Treasury to carry forward this enterprise. In case of default in the loans the bill gives the Administrator the authority to bid in and foreclose property pledged or mortgaged to secure loans made for these purposes. How could the Federal Government enforce such a provision? Would the Federal Government be in a position to take over and operate the farms of these people in the rural areas to satisfy its obligations? From the experience that private companies have had in attempting to collect by foreclosure money loaned, I do not believe that the Federal Government would achieve success in its efforts. The result would be that the Federal Government would sustain large losses.

It is stated in the report accompanying this bill, if I interpret it aright, that the loans made will be amortized and paid off monthly, and that the monthly allotment will be added to the assessment made for electric current. I inquire whether, if the current is turned off because allotments are not paid, what will be the condition of the loan? We have witnessed under somewhat analogous conditions unfortunate results where loans have been made to farmers upon mortgaged security, and defaults have occurred. Foreclosures have been instituted and evictions secured.

The Government, in addition to being a creditor of millions of citizens, will be the owner of every form of real estate from large apartment and banking houses to farms and personal property of every variety. I have been told within the past 2 or 3 days of many cases where loans made under the recent Housing Act for the purpose of repainting houses or improving or repairing the same have been found in default, and as a result suits have been threatened—and in some instances commenced—against the defaulting debtors. It is an undesirable and indeed dangerous situation in any nation where the government is both landlord and creditor. I repeat, the Federal Government has owing to it by States, counties, municipalities, corporations, individuals, and all forms of group organizations, billions and billions of dollars. It has loaned to railroads and to banks and to corporations, and has taken as security for many of its loans stock in public and private corporations. It needs no great prescience to foretell some of the serious consequences that will follow this situation. Already various corporations, including municipalities, are urging that obligations which they have given to the Federal Government be canceled. I am told that within a short time a bill will be introduced in one or both branches of Congress to relieve corporations of obligations which they have given to secure Federal moneys advanced to them. I fear that there will be a growing feeling that moneys loaned by the Government do not create binding and valid obligations which must be discharged, but that the moneys loaned belong to the people, and therefore they should be absolved from payment of the loans made. Of course, such a view is immoral and violative of those principles of honor that should prevail, and must prevail, if contracts either of individuals, corporations, or governments are to have validity.

Thirty-five new governmental agencies have been created during the past few years, some of them with almost unlimited power to create indebtedness and to borrow from the Federal Government. As I have stated, stupendous sums aggregating billions of dollars have been loaned, and an era of spending has been inaugurated. It is impossible to determine accurately the indebtedness of the National and State Governments and their political subdivisions, and the indebtedness of corporations and individuals; but it will perhaps exceed $200,000,000,000—an amount so stupendous as to defy comprehension.

The creation of wealth by many is not regarded as vital to the rehabilitation of our country. The destruction of property, personal and real, is advocated by some as the safe road to economic success and social happiness. Under this view, lands must be withdrawn from cultivation, crops must be destroyed, livestock must be killed, foreign trade and commerce must be restricted—these are poisonous panaceas which some individuals contend are the essential steps to be taken to secure national and individual recuperation. The folly, the futility of such plans, should be apparent not only to "brain trusters", but to those in every walk of life.

The view seems to prevail here as well as elsewhere that the Treasury of the United States is an inexhaustible fountain to which individuals, communities, and States may resort with the certain expectation of obtaining whatever amounts may be demanded. A few years ago bills calling for a few hundred thousand dollars were scrutinized and challenged. Now, bills calling for hundreds of millions, and, indeed, billions of dollars, excite but little interest and arouse but slight opposition. Before this Congress adjourns the public debt will reach the stupendous sum of at least $35,000,000,000. It has been my observation that when the attention of the Senate or the country is challenged to mounting deficits, and the enormous Federal appropriations, the challenge is received with but little concern, and certainly with no such opposition as should be aroused.

Mr. President, in my view, this attitude upon the part of Congress and of the public generally is not only regrettable but tragic. Regrettable because it reveals a growing disregard of the letter and spirit of the Constitution and the purpose of and limitations of upon governmental institutions; tragic because the inevitable consequences will be a decadence of that democratic spirit; that love of individual liberty essential to the maintenance of democratic institutions.

Mr. President, when attention is challenged to appropriations not authorized by the Constitution, the argument is not infrequently made that so far as the constitutional issue is concerned the constitutional question will not be able to be raised in the courts. But this does not prove that such appropriations are constitutional where they invade the field of activities reserved to the States or to the people under the tenth amendment nor justify appropriations not authorized by the Constitution. The Supreme Court was careful to point out in the A. A. A. decision that some Federal expenditures have not been challenged because there appeared to be no remedy open for testing their constitutionality in the courts. But that does not give validity or virtue to such legislation; that does not condone the error or the wrong committed by Congress. If, indifferent to its obligations, Congress should pass measures appropriating Federal funds wrung from the people by taxation for purposes beyond and outside the field in which the Federal Government should operate, no attempt should be made to justify such course. When addressing the Senate upon the A. A. A. case, I suggested that a proper and valid way might be found to successfully oppose measures carrying appropriations for purposes beyond the purview of Federal authority. In my opinion, it is not certain that the courts will not ultimately take jurisdiction of cases involving this question.

In the case of the *Washington Power Co.* v. *Coeur d'Alene*, the District Court for the District of Idaho, in 1934 took jurisdiction of a case involving the right of the Federal Government to make a P. W. A. loan, and held that a loan to a city for the purpose of erecting a municipal electric-power plant which would operate in competition with another plant was unconstitutional as a violation of the tenth amendment. The court in that case took the view that the general-welfare clause is no more than coextensive with the enumerated powers, and that therefore this loan was unconstitutional as beyond the power of Congress.

In the case of *United States* v. *Carlisle* (5 App. D. C. 138); *Sugar Bounties* (5 Harvard L. Rev. 320), it was held, as I understand, that if a loan is purely for a private purpose, it may not be defended because the public may have some interest in the same.

In the A. A. A. decision the majority opinion did not define the meaning of the term "general welfare", as it was not

necessary for a decision in the case. But the minority opinion concluded that since the present state of agriculture was Nation-wide in its extent and effect, there was no basis for saying that expenditures of public money in aid of farmers was not within the meaning of general welfare. It will be noted that even under the minority opinion it was emphasized that the activity must be Nation-wide in its extent and effects in order to come within the meaning of general welfare. The theory in the minority opinion was that due to the depressed state of agriculture the general welfare of not only the farmer was involved, but also the general welfare of all other persons within the United States. However, this theory could not be applied to the furnishing of loans for electrification of rural areas. In such a case the benefit is not to the Nation as a whole, but only to a particular class existing in such rural areas.

The Slum Clearance case, which concerns the power of the Federal Government to exercise the power of eminent domain for the purpose of acquiring land upon which to construct a low-cost housing and slum-clearance project, is now before the Supreme Court. It is entirely possible that the Court, in deciding this case, will pass upon the question as to whether or not Congress has the authority to appropriate moneys for a low-cost housing and slum-clearance project. This is another activity of the Federal Government which does not concern the general welfare of the Nation as a whole, but relates to a matter reserved to the States or the people under the tenth amendment.

Mr. President, the bill before us, as amended, authorizes to be appropriated for the fiscal year June 30, 1937, $50,000,000, and for the fiscal year 1938, $50,000,000, and for each of the 8 years thereafter $40,000,000—making a total of $420,000,000—for the purpose of making loans to States, Territories, and subdivisions or agencies thereof, people's utility districts, municipalities, and cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, and for the furnishing of electric energy to persons in rural areas who are not receiving central-station service.

Loans also may be made to finance the wiring of the premises of persons within such areas and to enable them to acquire and install electrical and plumbing appliances and equipment.

Such loans made shall be for such terms and subject to such conditions relating to the expenditure of moneys loaned and the security therefor as the Administrator shall determine, and may be made payable in whole or in part out of income; but they shall have to be self-liquidating within the period of not to exceed 25 years and shall bear interest at a rate not to exceed 3 percent per annum.

Loans may also be made to any of the borrowers of funds loaned to States or Territories, and so forth, or to any persons, firm, or corporation who supplies or installs the wiring or the appliances or equipment furnished, and these loans shall be for such terms and on such conditions as to security, and so forth, as will reasonably insure repayment and interest at the rate of not to exceed 3 percent per annum.

The organization to be created will have a roving commission to make studies, investigations, and submit publications and reports without any limitations or restrictions upon such activities. Evidently it is expected that defaults will occur and the Administrator is therefore authorized to bid for and purchase at any foreclosure or other sale, or to acquire property pledged or mortgaged to secure any loan made under the act. He may also operate or lease such property so acquired under foreclosure as he may deem necessary or advisable, but not to exceed 5 years after its acquisition. He may then sell it at such terms as he shall regard to be reasonable.

The Administrator is clothed with extraordinary power and serves for 10 years at a salary of $10,000 per annum. He is authorized to make whatever expenditures, including those for personal services, supplies, and equipment, travel expenses, rentals, and so forth, purchase, operation, and maintenance of passenger vehicles, that are deemed appropriate and necessary to carry out the provisions of the act.

He is also authorized, without regard to the civil-service laws, to appoint and fix the compensation of engineers, attorneys, and other experts; and, subject to civil-service laws, may appoint such other officers and employees as he may find necessary; and he may prescribe their duties.

The substitute which I have offered, and which appears in the RECORD of yesterday, on pages 3229 and 3230, follows, in the main, provisions in the bill offered by the Senator from Nebraska. I frankly confess that the substitute is as invalid as the original bill, and I admit that if the substitute should be adopted, upon the final vote I should vote "no." It is however, less objectionable, because it more effectively protects the Government and authorizes but $100,000,000 instead of $420,000,000.

The substitute fixes the salary of the Administrator at $8,000 instead of $10,000 and authorizes to be appropriated for the fiscal year 1937 and for each of the 9 years thereafter the sum of $10,000,000 only. The substitute also provides that whatever loans are made for the financing, construction, and operation of generating plants, electric transmisson or distribution lines, or for the furnishing of electric energy, shall be self-liquidating within a period not to exceed 20 years. It also provides that each borrower shall agree to pay the loan in an amortization plan by means of a fixed number of annual or semiannual installments sufficient to pay the principal of the loan and interest thereon within a period not to exceed 20 years. Also that as a condition of obtaining a loan the borrower should set aside as reserves an annual amount sufficient to provide for such repayment within the agreed period.

The substitute further provides that loans for the wiring of premises of consumers of electric energy who obtain loans for the purpose of financing the construction and operation of generating plants and transmission and distribution lines, may be made for the financing of the wiring of the premises of consumers, but such loans shall be subject to such conditions and so secured as to reasonably assure repayment, at a rate not exceeding 3 percent interest per annum. The borrower shall also, under the substitute, agree to pay the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to repay the principal of the loan and interest thereon within a period of not to exceed 6 years, and the Administrator shall also require the borrower to set aside as reserves, an annual amount sufficient to provide for such repayment. The amount of expenditures to be made by the Administrator for all purposes during each year is limited to $300,000. The substitute contains a provision that the total amount of moneys obligated by the Rural Electrification Administration, which was set up by Executive order dated May 11, 1935, shall not exceed $10,000,000, and that the balance of the money not expended which was appropriated by the Emergency Relief Appropriation Act of 1935 shall be covered into the Treasury as miscellaneous receipts.

It will be observed that the substitute is less objectionable than the bill under consideration. It limits the appropriation during the 10 years to $100,000,000—the pending measure authorizes $420,000,000.

I have no illusions as to the fate of the substitute. It will not be adopted.

Mr. President, I deem this an appropriate occasion to invite attention, particularly Democratic Senators, to platform declarations made by the Democratic Party. In all national platforms it has consistently announced its devotion to local self-government and has condemned Federal encroachments and the efforts of opposing political parties to strengthen the Federal Government at the expense of individual and State rights. If time permitted, I should be glad to quote further from Jefferson and Jackson, and from statements contained in conventions and gatherings of leaders of the Democratic Party authorized to speak for, and declare the principles of, such party. I shall, however, not go back of the year 1856. The Democratic Party in convention in that year declared that the Federal Government is one of limited power derived solely from the Constitution;

and the grants of power made therein ought to be strictly construed by the departments and agents of the Government; that it is inexpedient and dangerous to exercise doubtful constitutional powers.

Mr. President, may I suggest that this view is not always regarded with respect, or followed in this generation.

The platform further declared that—

A high and sacred duty is devolved, with increased responsibilities upon the Democratic Party of this country, as the party of the Union, to uphold and maintain the rights of every State, and thereby the Union of the States, and to sustain and advance among us constitutional liberty, by continuing to resist all monopolies and exclusive legislation for the benefit of the few at the expense of the many.

The national Democratic platform adopted in 1864 stated, among other things, the following:

Resolved, That the aim and object of the Democratic Party is to preserve the Federal Union and the rights of the States unimpaired, and they hereby declare that they consider that the administrative usurpation of extraordinary and dangerous powers not granted by the Constitution—the supervision of the civil by military laws by States not in insurrection; * * * the suppression of freedom of speech and of the press; the denial of the right of asylum; the open and avowed disregard of States' rights; * * * is calculated to prevent a restoration of the Union and perpetuation of the Government deriving its just powers from the consent of the governed. * * *

In 1868 the Democratic Party, reaffirming its former declarations, stated—

That the President of the United States, Andrew Jackson, in exercising the power of his high office in resisting the aggressions of Congress upon the constitutional rights of the States and the people, is entitled to the gratitude of the whole American people, and in behalf of the Democratic Party we tender him our thanks for his patriotic efforts in that regard.

The Democratic Party platforms of 1872 and 1876 were concerned principally with declarations pertaining to the correction of evils growing out of the War between the States, and with an examination and condemnation of Republican abuses during the preceding 11 years. In the platform of 1876 the following plank was adopted:

Resolved, That this convention,, representing the Democratic Party of the United States, do cordially endorse the action of the present House of Representatives in reducing and curtailing the expenses of the Federal Government, in cutting down salaries, extravagant appropriations, and in abolishing useless offices and places not required by the public necessities.

I take the liberty of commending this Democratic utterance to the American people.

The Democratic Party platform of 1880 contained the following statement:

We pledge ourselves anew to the constitutional doctrines and traditions of the Democratic Party, as illustrated by the teachings of the long line of Democratic statesmen and patriots and embodied in the platform of the last national convention of the party.

Opposition to the centralizationism and to that dangerous spirit of encroachment which tends to consolidate the powers of all the departments in one, and thus to create, whatever be the form of government, a real despotism.

In 1884 the Democratic convention, among other things, declared that recognizing as the Nation grows older new issues are born of time and progress and that old issues perish, but that—

Fundamental principles of democracy, approved by the united voice of the people, remain and will ever remain as the best and only security for the continuance of free government. The preservation of personal rights, the equality of all citizens before the law, the reserved rights of the States, and the supremacy of the Federal Government within the limits of the Constitution will ever form the true basis of our liberties and can never be surrendered without destroying that balance of rights and powers which enables a continent to be developed in peace and social order to be maintained by the means of local self-government.

The platform also condemned sumptuary laws which vex the citizen and interfere with his individual liberty, and then declared:

We are opposed to propositions which, upon any pretext, would convert the General Government into a machine for collecting taxes, to be distributed among the States, or the citizens thereof.

It is pertinent to inquire whether the Federal Government is not now an organization devoting much of its energies to the collection of taxes "to be distributed among the States, or the citizens thereof." Statements reasonably accurate are made that between 25 and 30 percent of the total income of the American people is being expended by the National and State Governments and other political subdivisions, and that both the National and State Governments are increasing the levies made upon the people in order to meet the enormous appropriations made. The National Government's expenditures are increasing, and notwithstanding the heavy burden of taxes imposed upon the people, the annual deficits compel increased borrowings, so that, as I stated a few moments ago, the indebtedness of the General Government at the end of this fiscal year, or certainly at the end of the next fiscal year, will approximate $35,000,000,000. The appropriations by this Congress for the next fiscal year will, I believe, exceed $10,000,000,000.

The Democratic platform of 1892 reaffirmed "allegiance to the principles of the party as formulated by Jefferson and exemplified by the long and illustrious line of his successors in Democratic leadership." The platform further declared:

We believe the public welfare demands that these principles should be applied to the conduct of the Federal Government, through the accession to the power of the party that advocates them; and we solemnly declare that the need of a return to these fundamental principles of a free popular government, based on home rule and individual liberty, was never more urgent than now, when the tendency to centralize all power at the Federal Capital has become a menace to the reserved rights of the States, strikes at the very roots of our Government, under the Constitution, as framed by the fathers of the Republic.

The Democratic platform of 1896 reaffirmed the faith of the party as stated in former platforms and submitted a declaration in regard to bimetalism.

The Democratic platforms of 1900 and 1904 dealt principally with questions arising out of the Spanish-American War and the conflict in the Philippine Islands.

In 1908 the Democratic platform declared:

Believing with Jefferson in the support of State governments and all their rights as the most competent administrations for our domestic concerns, and the surest bulwarks against anti-Republican tendencies, and in the preservation of general government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad, we are opposed to the centralization implied in the suggestion now frequently made that the powers of the General Government should be extended by judicial construction. There is no twilight zone between the Nation and the State in which exploiting interests can take refuge from both.

There are some persons nowadays who would extend the power of the General Government by judicial construction. At any rate they would deny the power of the Supreme Court to declare invalid measures which conferred upon the National Government and its agencies authority not delegated to it.

In 1912 the Democrats in convention stated:

Believing that the most efficient results under our system of government are to be attained by the full exercise by the States of their reserved soverign powers, we denounce as usurpation the efforts of our opponents to deprive the States of any of the rights reserved to them and to enlarge and magnify by indirection the powers of the Federal Government.

The platform in 1916 was a general endorsement of former Democratic declarations and the same may be said of the platform of 1920.

The platform of 1924 reaffirmed its adherence and devotion to the cardinal principles contained in the Constitution, and the precepts upon which our Government is founded, and it contained a plank which I drew and which, as chairman of the subcommitee of the Committee on Resolutions and Platform, was unanimously adopted by the committee and the convention. It reads:

We demand that the States of the Union shall be preserved in all their vigor and power. They constitute a bulwark against the centralizing and destructive tendencies of the Republican Party.

We condemn the efforts of the Republican administration to nationalize the functions and duties of the States.

We oppose the extension of bureaucracy, the creation of unnecessary bureaus and Federal agencies, and the multiplication of offices and officeholders.

We demand a revival of the spirit of local self-government essential to the preservation of the free institutions of our Republic.

Mr. President, the Rural Electrification Administration has prepared and transmitted to various parts of the United

States a large number of so-called releases and pamphlets explaining the operations and purposes of the organization. I shall not comment upon the apparent purposes for which they are distributed. I will only add that in some respects rather extravagant statements are made which a critical examination of the facts will hardly warrant. In view of these publications, and statements made during the discussion of the bill, I desire to have inserted in the RECORD, at the close of my remarks, excerpts from an article by H. S. Bennion, of the Edison Electrical Institute, which appears in the bulletin of that organization under date of November 1935. The article is entitled "United States Leads in Rural Electrification. Washington's Picture of 'Backward America' Misleading—More Labor Saving Devices in the American Home Than Anywhere Else in the World."

The PRESIDING OFFICER. Without objection, permission is granted.

The extracts referred to are as follows:

In farm electrification, as in other fields of electrical development, the electric light and power companies in the United States have been the pioneers and leaders in extending electric lines into farm territory and in developing equipment, methods, and uses for making electricity profitable as well as convenient for the farmers. Other countries have profited by this pioneering and have followed suit, but in none has equal progress been made.

ADVERSE COMMENT

In commenting adversely on the position of America in rural electrification, evidently to belittle what has been accomplished in this country, the Administrator of the Rural Electrification Administration, in Washington, in a national broadcast not long ago, made the following misleading comparison between the United States and Japan: "Actually only one farm in nine in this country as yet is enjoying electric service." * * * "Yet, in Japan, 9 out of every 10 homes are benefited by electric service." Note that he compared electrification of farm homes in America with electrification of all classes of homes in Japan. The total electrification of homes in America is 70 percent. In the States of denser population this percentage is 95 to 98 percent, which is considerably higher than the 90-percent figure for Japan.

In this same broadcast it was stated, "If we go to Europe, we find the leading nations far in advance of the United States in providing electrification for rural areas * * *. In Sweden, over 40 percent of the farms are electrified." In comparable sections of the United States, 60 to 70 percent of the farms are served with electricity.

On another occasion, this same official remarked, "Yet, in one field we lag behind the most progressive countries of western and northern Europe * * *. Western and northern Europe have outstripped us in the matter (rural electrification)."

Unfortunately, there are practically no statistics available showing the state of rural electrification in any countries except the United States and Canada. Therefore, we must rely upon occasional articles or statements containing estimates or upon such general statistics as would indicate progress in rural electrification in other countries.

The United States is a large country with a comparatively low population density. In this respect it resembles Canada and Russia. It has densely populated sections, and if comparisons are to be made with such countries as Japan, Great Britain, France, or Sweden, the comparisons should be made with those sections of the United States of comparable density. If this were done, it would be found that rural electrification in such sections is far ahead of rural electrification in any of the countries named in percentage of farms served and in every other respect.

FACTORS AFFECTING NUMBER OF FARMS SERVED

Population density

Population density is one of the factors affecting the percentage of homes in a country reached by electric lines. The following table shows the total area and population density per square mile for the United States, Japan, Great Britain, Sweden, and Norway, as given in the 1935 edition of the World Almanac:

	Area (square miles)	Population density per square mile
United States	3,027,000	41
Japan	148,756	433
Great Britain	88,745	505
France	212,659	197
Sweden	173,157	36
Norway	124,964	24

The population density in Japan, Great Britain, and France is much greater than that of the United States. In Norway and Sweden the average density is low, but the bulk of the population is concentrated in small areas so as to give a high density in those areas.

SIZE OF FARM

Another factor in rural electrification is the size of farm, because this gives some measure of distances between farm homes. The following table compiled from data in the International Yearbook of Agricultural Statistics, 1931–32, shows that the average cropland of the American farm is 23 times the size of the cropland on the Japanese farm and more than 5 times the cropland on the average French farm. The general average size of farms in the United States, including cropland, pastures, and wood lots, is 157 acres. Similar information is not available for foreign farm lands, but it is reasonable to suppose that the ratio of size of the average farm in the United States as compared with the size of the average farm in Japan is even greater than the ratio of cropland areas stated below:

	Land devoted to crops (acres)	Number of farms	Average acres of cropland per farm	Average number farms per square mile
France	[1] 54,764,773	[2] 5,500,000	10.0	26
Japan	[1] 14,497,357	[1] 5,599,670	2.6	38
Norway	[3] 1,952,090	[4] 298,360	6.5	2
Sweden	[3] 9,199,533	[5] 644,114	14.3	4
United States [6]	[3] 341,993,813	[17] 6,288,648	54.4	2

[1] Figure for 1930.
[2] Figure from World Almanac.
[3] Figure for 1931.
[4] Figure for 1929.
[5] Figure for 1927.
[6] U. S. Bureau of Census, 1930, reports the average size of farms in the United States to be 157 acres including cropland, pastures and wood lot connected with farm operation.
[7] Taken from 1933-34 Yearbook.

Number of farms per mile of road

In Sweden there are 644,000 farms and 47,000 miles of highway, or about 14 farms per mile of road. In France there are 5,500,000 farms and 436,000 miles of roads, or 12.6 farms per mile of road. In the United States as a whole there were in 1930 only 2.09 farms per mile of road.

Concentration of farms

In the progress of rural electrification, more important than average population density or the number of farms per mile of road is the congregation of farms in limited areas to produce a heavy farm density. The State of Utah, for instance, has an area almost equal to that of Great Britain and an average population density of only 6.2 persons per square mile as compared with 505 persons per square mile in Great Britain. The farms in Utah, however, are comparatively small and the cultivated lands of that State aggregate only 3 percent of the area of the State. This is one of the important reasons why over 60 percent of the farms in Utah are electrified. In the narrow valleys of Norway the small farms are crowded together in a manner to render comparatively simple the building of electric lines to reach many of the farm homes.

TOTAL ELECTRIFICATION IN AREAS OF DENSER POPULATION

In the Government comparisons of rural electrification in America with electrification in Japan, it was pointed out that 9 out of every 10 homes in Japan are benefited by electric service. In the more densely populated States of America, such as New Jersey and Massachusetts, 95 to 98 percent of all homes are electrified. In Great Britain, notwithstanding the density of population, only 35 percent of the homes were electrified in 1934, according to a statement by J. M. Kennedy, member of the British Electricity Commission, as reported in Electrical World of March 16, 1935. France in 1927 was estimated to have less than 40 percent of its homes electrified.

RURAL ELECTRIFICATION IN THE UNITED STATES

In the United States as a whole, at the present time, there are approximately 775,000 farms served by electric power lines. This is 12 percent of the total farms of the country. One farm in every eight has electric service. About 150,000 additional farms are reached by existing power lines, but have not yet taken the service.

The figures just given relate strictly to farm electrification. If we include hamlets, villages, filling stations, and a variety of other rural establishments, 35 percent of rural population, or one person in every three, is now served with electricity. In New Hampshire, 70 percent of the farms, in Rhode Island, Connecticut, New Jersey, Utah, and California 60 percent, and in Massachusetts 57 percent of the farms are served from electric-power lines. According to the United States Census of 1932, 15,527 out of a total of 16,598 incorporated towns and cities in the United States, or 94 percent, were served by electricity. Private corporations served 13,772 of these communities. In addition, a rural nonfarm population of 8,000,000 and a 2,000,000 farm population were served by private corporations.

It has as yet been uneconomic to extend electric service to the great majority of farms in the United States. This will continue to be the situation for many years to come. The cost of building lines to reach these farms is out of all proportion to the benefits to be derived by the farmer from the use of electricity. Considering the obstacles and the economic problems to be met, however, the electric-light and power companies of America over the past 15 years have made remarkable progress in carrying elec-

tricity to the farm, much more progress than any other country has made.

In Canada, a country of comparatively low population density and scattered farms, the percentage of rural electrification was 10 percent, according to the 1931 report of the Dominion Bureau of the Census. In the Province of Ontario, where the density of farms is greater and rural electrification has been subsidized by the Provincial government, 17 percent of the farms were electrified. Across the line from Ontario, in Michigan, 22 percent, and in New York State 36 percent of the farms are electrified.

For Russia no statistics on farm electrification are available, but from unofficial sources it appears that rural electrification is practically nonexistent.

No rural-electrification figures are available for Japan, England, or France. It is reported that 40 percent of the farms in Sweden are electrified. In the somewhat comparable area of New Hampshire 70 percent of the farms are electrified, and in New England as a whole 50 percent are electrified.

RURAL ELECTRIFICATION IN JAPAN

Rural electrification in Japan has evidently made little progress. In the annual review issue of the Japan Advertiser for 1934–35, on page 13, occurs the following report on rural electrification:

"The rural depression in 1933 reduced the number of households provided with electric light. This was the first reduction ever recorded in Japan where hitherto the advance had been steady. However, even now more than 90 percent of the households in Japan are provided with electric light." * * *

"Of course, in farm cottages and in the poorer districts of the country, outlets are few. One bare globe hanging from the ceiling in the main room of the house is the standard for the vast majority of consumers." * * *

"In the six largest cities of Japan the gains have been more rapid. These six municipalities in 1927 contained 21 percent of all the lamps in Japan. In 1933 this percentage had run to 34 percent. In fact, outside of these six cities the entire country gained only 144,000 lamps between 1927 and 1933, graphic evidence of the strength of the rural depression, for there are more than 100 other cities in Japan with populations of 50,000 or more."

From the foregoing it is apparent that Japan is still far behind the United States in extent of electrification. General statistics on the use of electricity in Japan serve to confirm this statement. At the end of 1933, the latest available Japanese statistics, the total generating capacity in operation for electric light and power and for traction was 5,080,000 kilowatts with a total output of 17,000,000,000 kilowatt-hours. Comparable figures for the same year for the United States, as reported by the United States Geological Survey, were 36,038,000 kilowatts of installed capacity and an output of 85,402,000,000 kilowatt-hours. The United States, with a population not quite double that of Japan proper, had installed generating capacity seven times that of Japan and an annual output five times as great. The installed capacity per customer in the United States was three times the installed capacity per customer in Japan, and the kilowatt-hours produced per customer in the United States were two and a half times as great as in Japan.

Japan reports elaborate statistics on the number of installed lamps, showing a little over three lamps per customer. In the United States the annual sales of lamps alone amount to 14 lamps per customer. The flat rate applicable for "night service" in Tokio for a 16-candlepower lamp (15 watts) is 55 sen per month. This is the most common lamp and the most common use for electricity in Japan. In addition to the lamp charge, there is a monthly rental on wiring and apparatus per lamp amounting to 5 sen per month up to 100 candlepower. Where the current is metered there is a meter rental for lighting service and for power service.

These figures plainly indicate that the principal use for electricity in homes throughout Japan is for a very limited amount of lighting.

RURAL ELECTRIFICATION IN FRANCE

There are no rural electrification statistics available for France. French statistics do not report the number of domestic customers nor do they show domestic consumption separately.

The farm population of France lives in villages and not in isolated farm houses scattered all over the land as in America, a fact which simplifies the expense of serving the rural customer. The French have been making rapid strides in bringing electricity to rural villages. In 1931, 91 percent of the 38,000 communes in that country were reached by electric lines. As stated before, 94 percent of the incorporated towns and cities in America are served by electricity, and in addition some 8,000,000 customers living in unincorporated towns and villages are served with electricity.

The bringing of lines to these communes in France does not mean that all of the houses promptly take electric service. A review of public utilities abroad published in 1930 by Prof. O. C. Hormell, of Bowdoin College, quotes an estimate of 5,000,000 customers in France in 1927. This was 39 percent of the homes of that country. According to published articles, the French peasants are slow in taking service and frugal in their use of it thereafter. It is used principally for a limited amount of lighting.

The Electrical Foreign Trade Notes of April 5, 1935, published by the United States Department of Commerce, show for the year 1931 a total of 7,620,000 electric customers in France, or 1 electric customer per 5.5 inhabitants. For the same year in the United States the total number of customers was 23,667,000, or 1 electric customer for each 5.3 inhabitants, and in the States of Ohio and Pennsylvania, which have about the same population density as France, there was 1 electric customer for each 4.5 inhabitants. Eighty percent of all homes in these two States were served with electricity.

French statistics do not show domestic sales, but the total sales of electricity for commercial lighting and domestic use in France for the year 1933 were 1,650,000,000 kilowatt-hours. Domestic use alone for the same year in the United States was more than seven times as great as this combined domestic and commercial lighting in France. Of course, the population of the United States is three times that of France, and the statistics are not strictly comparable because of differences in definitions, but these figures do indicate a much lower domestic use of electricity in France than in the United States. The total production of electricity in France in 1933 was 14,865,000,000 kilowatt-hours, which was 18 percent or less than one-fifth the production of kilowatt-hours in the United States. On a per-capita basis the production of electricity in the United States in 1933 was nearly double that in France.

As an indication that the American housewife makes far greater use of electricity in the home than does the French housewife, in 1934 the magazine Electrical Trading reported that in France up to 1930 there had been sold 800,000 electric irons, 132,000 portable fires, 90,000 kettles, and 43,000 small heating devices and cooking utensils. This indicates a saturation of about 7 percent for electric irons as compared with 95 percent saturation in the United States. The saturation of radios in France is apparently about 17 percent as compared with 70 percent in the United States. The number of water heaters was 26,000 as compared with some 300,000 in the United States. Although these statistics are very fragmentary, they plainly indicate that the use of electricity in France, either domestic or rural, has not begun to reach the scale of use that has been attained in the United States.

RURAL ELECTRIFICATION IN GREAT BRITAIN

In Great Britain rural electrification is a comparatively recent development and is only getting under way. There are no figures available to show the number of farms served with electricity. On account of the population density it would be relatively simple to reach all of the communities in that country. Because of the poverty of so many of the families, only 4,200,000 out of 12,000,000 homes in Great Britain were served with electricity in 1934, according to the estimate of Mr. J. M. Kennedy. In those homes which are electrified substantial progress is now being made in introducing electrical appliances through pushing vigorously the rental-purchase plan and other sales programs, but the country as a whole is still far behind America in the use of electricity.

The estimated average use of electricity per domestic customer in Great Britain in 1934, according to Mr. Kennedy, was 450 kilowatt-hours as compared with 630 kilowatt-hours for the United States. In considering these figures it must be remembered that in cities and towns of the United States practically 100 percent of the families, rich and poor alike, have electric service, whereas in British communities only the more well-to-do part of the population is served. The American averages would be much higher if the small users were left out of the calculation.

RURAL ELECTRIFICATION IN SWEDEN

It is said that 40 percent of the farms in Sweden are electrified. In territory of comparable density in the United States, 60 to 70 percent of the farms are electrified. In an article entitled "The Mechanization of the Home" in the Swedish-American Trade Journal of July 1933 the secretary of the Swedish Electrical Manufacturers Association, in speaking of the use of electricity for pumping, for washing machines, ironing and dishwashing as important factors in reducing daily housework, made the remark: "This development is no doubt quite general the world over and is not confined to Sweden alone. On the contrary, the United States has been the leader in this field and has contributed most to its development."

USE OF ELECTRICITY ON THE FARM

In discussing rural electrification it is not enough to consider merely the number of farms reached by electric lines. Rural electrification only begins at this point. Recognizing this fact and, in order to build a sound foundation, the electric light and power industry, from the beginning of rural electrification some 15 years ago, put forth intensive efforts to foster the development of machinery and of uses that would make electricity on the farm profitable to the farmer. It is not enough that it be convenient, but it must be profitable if the use of electricity by the average farmer is to survive. It is now used on farms for a great variety of purposes, depending on the type of farm served. Besides lighting the farm home and buildings it is used to pump water, to grind feed, saw wood, grind tools, milk cows, cool milk, incubate chicks, heat soil beds, etc. At the present time the average farm east of the Rocky Mountains uses 830 kilowatt-hours per annum, and this amount is increasing rapidly as new uses are developed and electric machinery better adapted to farm purposes. In the far Western States the average farm use is much higher than 830 kilowatt-hours, because a considerable number of the farms use electricity for irrigation pumping. The average use per farm for that region is 5,700 kilowatt-hours per annum.

Progress since 1920 in the uses made of electricity on the farm is by every fair standard of measure truly remarkable. No foreign developments on any broad scale can compare with what has been accomplished here. Individual electrified farms or small-scale operations in other countries, of course, could be cited as examples, but as yet such electrification is not general. As is indicated in the foregoing discussion, the most common use of electricity by rural customers in Japan and in Europe is to light one or more lamps in the farmer's house.

FURTHER PROGRESS

The most rapid increase in the number of farms served took place in the period from 1925 to 1930. The maximum year was 1928, during which 113,000 farm customers were added. The present rate of increase remains high; it was 42,000 for the 12 months ending August 31, 1935, notwithstanding the fact that each year the farm territory remaining to be served is still more lean; that is, the farms are farther apart or are not so well prepared to make use of electric service when it is made available. Even now some 20 percent of the farms that have been reached by electric power lines do not take electric service because the farmer is not prepared to put it to use.

One of the more serious problems in rural electrification is the cost of electric wiring and of the electric machinery and appliances which the farm must have to use electric service after it has been made available. These costs run up into several hundred dollars and present a formidable obstacle, as can be appreciated in the light of the fact that, according to the 1930 census, 53 percent of the farms of America had farm dwellings valued at less than $1,000, and 42 percent of the farms were tenant operated.

Some 30,000 farms were added during the first 8 months of 1935, and it is reasonable to expect that the total for the year will be somewhere between 40,000 and 50,000. For the reasons just given, the increase in number of farm customers in 1936 and 1937 should be even greater than the increase in 1935. There seems little possibility, therefore, at least for many years to come, of America becoming a backward nation in rural electrification.

The PRESIDING OFFICER. The question is on the amendment, as modified, offered by the Senator from Utah [Mr. KING] in the nature of a substitute for the bill as perfected.

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill was passed.

INTERIOR DEPARTMENT APPROPRIATIONS—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. BORAH. Mr. President, day before yesterday my colleague [Mr. POPE] and I entered a motion to reconsider the vote by which the Interior Department appropriation bill, being House bill 10630, was passed. It was our desire to have incorporated in that bill an authorization for certain projects in the State of Idaho. An understanding has been reached by which the matter will be considered in conference. On the basis of that understanding, we desire to withdraw the motion to reconsider.

Mr. HAYDEN. Mr. President, I ask the Chair to lay before the Senate the action of the House of Representatives on the Interior Department appropriation bill.

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist on its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NORBECK, and Mr. STEIWER conferees on the part of the Senate.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The PRESIDING OFFICER. The Chair lays before the Senate Senate bill 2288, which was under consideration at the time the rural electrification bill was taken up under a special order.

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

PAYMENTS FOR USE OF COPYRIGHTED MUSIC

Mr. BONE. Mr. President, I wish to call attention to a statement appearing in the CONGRESSIONAL RECORD of March 3, on page 3296. It appears that at the moment in the House of Representatives there was a general discussion of the copyright bill which passed the Senate at the last session, and on March 3, Mr. SIROVICH, a Representative in Congress from New York, had this to say:

Let me send this message to the fine, honorable people of the State of Washington. In behalf of the American Society of Composers, Authors, and Publishers, I challenge any Member of Congress, at the expense of this society, to bring any owner of a tavern, beer saloon, hotel owner, or restaurant keeper before our committee to prove that one penny has been charged to them as a license fee unless they used an orchestra of three or more pieces for the public performance for profit. I repeat again, Mr. Chairman, I challenge you to bring any witness before the Committee on Patents and let him prove he has ever been called upon to pay one cent unless it was for a public performance for profit in which an orchestra was used.

Mr. President, just so that the RECORD may be straight, because Mr. SIROVICH has referred to the State of Washington, I wish to say that I happen to have personal knowledge of one instance in which the American Society of Composers, Authors, and Publishers compelled a small innkeeper on what is known as the Seattle-Tacoma Highway to pay money because he had a little radio in his very small roadside inn, a dinky little place of no size at all and very inconspicuous. I wired the owner of that inn yesterday, and I have this answer from him:

Yes; we have paid to Clark R. Belknap, attorney for account of Ascap, at the rate of $6.60 per month for using radio in dining room.

J. O. GATES.

I want this in the RECORD, and I want to add also, Mr. President, that upon a number of occasions and from a number of groups in the State of Washington I have had very bitter complaints that they have been approached by men representing the society and threatened with lawsuits that might have occasioned them all great financial loss had the lawsuits been pressed to the conclusion which the law seemingly permitted.

CROP-PRODUCTION LOANS—VETO MESSAGE

Mr. BORAH. Mr. President, I wish to inquire if any Senator can advise me what is the program with reference to acting upon the President's veto message of the so-called seed-loan bill? The situation with reference to that matter is very serious and very imminent. If we are going to act upon it at all, we ought to act upon it in time within which we can be of some service, should we act affirmatively, to those who are expecting assistance. I am advised that the situation is such that those who are expecting assistance along this line need it at the present time, if they are to have it at all. May I ask the acting majority leader regarding the matter?

Mr. BARKLEY. Mr. President, the Senator from South Carolina [Mr. SMITH], in charge of the bill to which reference has been made by the Senator from Idaho [Mr. BORAH], made a statement on Monday that the veto of the President had been considered by the Committee on Agriculture on that day, and, in view of an Executive order of the President making an allotment of some $30,000,000 for the same purpose, the committee had taken no action, but had instructed him to ascertain from the district seed loan officers the amount of money they actually needed for that purpose during the current year, and that when he received that information from these officers he would again submit the matter to the committee for its consideration. I understand that he has not as yet received replies from the district officers as requested, and that he is awaiting to receive replies from all those sources.

Mr. BORAH. Mr. President, I think the replies from the district officers have been received. I do not know whether the committee has acted upon the matter, but the replies are all here, I understand.

Mr. BARKLEY. I understood yesterday that they had not all been received.

Mr. POPE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. BORAH. I yield.

Mr. POPE. At a meeting of the Committee on Agriculture and Forestry this morning the chairman reported he had

received replies from all those in charge of the various district offices throughout the United States, and that the total amount estimated was about $28,500,000. This morning in the committee no action was taken except to invite the attention of the President to the replies and to request allocation of the full amount of $30,000,000.

Mr. BARKLEY. Mr. President——

Mr. BORAH. I yield.

Mr. BARKLEY. I had not been apprised of the meeting, but the statement of the junior Senator from Idaho [Mr. POPE] verifies my information. In view of the contemplated allocation of $30,000,000 for that purpose and the replies from the headquarters of all the seed loan agencies that only $28,500,000 is needed, it seems to me no further action on the part of the committee or the Senate is necessary in order to assure the money needed.

Mr. BORAH. The replies disclose there is $28,500,000 now desired for immediate use, as I am informed. The amount which has been allocated for immediate use is $7,000,000. There, to my mind, is disclosed the importance that action in some respect should be taken. If there is allocated for immediate use the sum of $30,000,000, of course the Senator from Kentucky would be entirely correct in his position, but I understand the call is for $28,500,000 immediately, and that there has been allocated only $7,000,000 for immediate use.

Mr. POPE. Mr. President, will my colleague yield further?

Mr. BORAH. I yield.

Mr. POPE. That matter was discussed this morning in committee, and it was the thought of the committee also that the additional $30,000,000 which was indicated should be immediately allocated. It is the understanding of the subcommittee of the Committee on Agriculture and Forestry, of which I happen to be a member, that the President will issue other orders making allocations just as rapidly as the needs appear, but the original actual allocation was $7,000,000.

Mr. BARKLEY. As a matter of fact, the President contemplated the allocation of $30,000,000 out of funds available for that purpose. The actual amount thus far allocated being $7,000,000, of course, means only that much was available at once, but it is contemplated that the entire $30,000,000 will be available as it is needed. If the agencies have reported that $28,500,000 is now needed, I have no doubt the President will make the necessary allocation, because it was contemplated at the start that there would be $30,000,000 available as it is needed for the purpose of making the seed loans.

Mr. BORAH. Of course, if the allocation can be made, and made at once, it would be unnecessary to take further action with reference to the veto message, but I shall be compelled, from my sense of duty, if the allocation is not made, to call for action upon the veto message. It might be necessary to move to discharge the committee, but in some way the matter ought to be adjusted. Every hour that passes is of very serious moment to those who are to be the beneficiaries of action.

Mr. CAPPER. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act of 1921.

Mr. McNARY. Mr. President, I do not desire to interfere with the motion of the Senator from Kansas, but before action is taken I desire to say that I observe the absence of the Senator from Idaho [Mr. BORAH], who has just been called from the Chamber. I was not at the meeting of the Committee on Agriculture and Forestry this morning, but I think if the Senate is going to consider the seed-loan veto it should have the benefit of the presence of the chairman of that committee.

Mr. BARKLEY. Mr. President, it is not contemplated to have any action at this time on the seed-loan veto. The Senator from Idaho [Mr. BORAH] made an inquiry which I attempted to answer by stating that the replies of the various agencies, which I have learned in the last few minutes have been received by the chairman of the committee, estimated the needs for the year at $28,500,000, that $7,000,000 had already been allocated, and that $30,000,000 would be allocated just as rapidly as it is needed. In view of that statement, the Senator from Idaho indicated that, if that occurred, he could see no need for taking any further action on the veto of the President.

Mr. McNARY. That is a fair explanation, but not a full one by any means. In the first place, the Senator from Idaho could not move to take up the President's veto message, because the Senate has taken action by referring it to the Committee on Agriculture and Forestry. Secondly, this morning the Committee on Agriculture and Forestry voted to request the chairman to ascertain if there is $28,500,000 available for that purpose.

If we are going into the matter we ought to have the chairman of the committee here. I think it is fair to have him here, because the subject matter is being discussed. Therefore I suggest the absence of a quorum in order that he may be present before the Senate disposes of the question.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, some observations were made with respect to the seed-loan veto, and they suggested to me the propriety of a quorum call in order that we might have here the chairman of the Committee on Agriculture and Forestry, who is familiar with the subject matter. I observe that he is now present.

Before yielding to the chairman of the committee I will state that the Senator from Kansas [Mr. CAPPER] has moved to proceed to the consideration of the bill to amend the Packers and Stockyards Act of 1921. The unfinished business is the Panama Canal tolls bill. As I understand, if the motion of the Senator from Kansas should be agreed to, the bill which is the subject of his motion would supersede the Panama Canal tolls bill.

The VICE PRESIDENT. If the motion of the Senator from Kansas should be adopted, it would displace the unfinished business and make Senate bill 1424 the pending business of the Senate.

Mr. McNARY. I think I have the right to say that it is not the purpose of the Senator from Kansas to displace the unfinished business.

I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I understand that during my absence from the Chamber inquiry was made as to the status of the veto message on the seed-loan bill. I presume it is my duty, and whether it is or not, it is my pleasure, to give that information.

The Committee on Agriculture and Forestry met, and I had in my possession telegrams from the regional managers as to the amount they thought was immediately necessary in view of the fact that planting time is now on; and, as everyone here recognizes, those who are to receive these loans must know to what extent they are to receive aid in order to make preparations for the subsequent production.

Day before yesterday, at the meeting preceding this one of the Committee on Agriculture and Forestry, the chairman was instructed by the committee to secure the names of the regional managers, and to ask them what amount—I

believe they said what minimum amount—would be necessary this year to enable those to carry on who have no other means of gaining credit or supplies sufficient to produce their crops. I instructed my secretary to get the names. When he made requisition for the names he was asked what was the purpose of obtaining them, and he stated the purpose. The reply was that whatever communications came from the regional managers would come through the Farm Credit Administration.

I was in the Senate Chamber at the time. Upon my return to my office I called up the person who had given my secretary this information, who, I believe, is the assistant director of the feed-loan section, Mr. Murphy. I tried to get in communication with him that afternoon, but he failed to return to his office.

Next morning Mr. Garwood replied to my message, and to my astonishment said he had communicated by telephone with all these regional managers. I told him that was not the instruction which I, as chairman of the committee, had; that I was instructed to get the names, and to telegraph to the managers. I informed him of the nature of the telegrams I was instructed to send. Mr. Garwood asked me if I wanted the telegrams of reply sent direct to me or to him. I said that was a matter of indifference to me; and he said he would send the telegrams, which I presume he did. I have not been sent copies of the telegrams he sent, which I requested, but I presume he will send them.

The replies came from every district; and, according to the tabulation of the telegrams, the amount immediately necessary is $28,500,000. This does not include anything except the ordinary crop production. It does not include anything for stock or fruits.

I called the committee together this morning and asked what disposition they would make of the matter. They voted on the question of whether they would recommend that the veto be sustained or overridden. A motion to recommend overriding the veto was voted down, although I am frank to say that I believe that under the circumstances a majority might have voted to sustain the veto. The next vote, however, was to the effect that the President be sent a communication stating the facts as to the necessity of $28,500,000 being immediately available, and requesting that that much be allocated.

I wrote the letter. We had a vote on that question; and, to keep the record straight, I will state that I think the vote was about 8 or 9 to 1. It is not necessary to say who the 1 was.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes.

Mr. ROBINSON. Since the Senator is going into the transactions of the committee, and referring to matters on which the committee has voted, and how members of the committee voted, and has just stated the proportionate number who voted to communicate with the President with regard to a certain action, I wonder if the Senator will state what the vote was on the motion to recommend the passage of the bill over the President's veto.

Mr. SMITH. I have just said that I thought the majority was overwhelming.

Mr. ROBINSON. Overwhelming how?

Mr. SMITH. Overwhelming to sustain the veto under the circumstances which I am trying to explain.

I think I am a pretty good sport, for the reason that I told the committee, "I shall carry out your instructions." I shall do that; but I am entitled to my opinion, and I propose to maintain it. I am chairman of the committee, and I shall obey the majority of the committee; but my conscience, my sense of what is my duty here, is my chairman, and I propose to follow it.

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

Mr. SMITH. Yes.

Mr. McGILL. My information may be incorrect; but, as I recall, the motion on which the committee voted this morning was a motion to return the veto message to the Senate without recommendation. I think that was the motion.

Mr. SMITH. Mr. President, if I am wrong I shall be glad to be corrected, because I do not think I have ever consciously made a misstatement on this floor.

Mr. McGILL. Mr. President, will the Senator yield further?

Mr. SMITH. Yes.

Mr. McGILL. I hope the Senator does not take the view that I intended to convey the idea that he was intentionally making a misstatement. That was not my intention at all. I simply have a different recollection than that stated by the Senator as to the nature of the motion voted on in the committee.

Mr. SMITH. I am very glad to have the Senator's statement. The record will show what the fact is, and I shall have it at the proper time.

Mr. BORAH. Mr. President——

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

Mr. SMITH. I do.

Mr. BORAH. As I understand the way the matter now stands, the communication has gone to the President.

Mr. SMITH. No; it is in course of preparation. It will go to the President.

Mr. BORAH. This afternoon?

Mr. SMITH. Yes; that is, if the clerk can get around and get the signatures of the Senators.

Mr. BORAH. As the Senator has said, time is exceedingly important in this matter.

Mr. SMITH. As the Senator from Idaho must recognize, if this money shall not be available within the next 3 weeks, generally speaking, it will be practically useless to provide it.

Mr. President, I think the Senate is entitled to know just what has transpired. If I may be allowed to do so, I think it is my duty to express my opinion about this matter.

It is very evident from the veto message and from the subsequent Executive order that the administration means that this shall be the last seed loan. The fact is that it has been stated to a committee which called at the instance of our committee that the reason the bill was vetoed was that the seed-loan bill was signed last year under extraordinary circumstances, but that we must taper off—I think that was the very language used—that the administration was unquestionably opposed to this method of aiding the class of people benefited under the loan.

It will be recalled that the bill was voted unanimously out of the Committee on Agriculture and Forestry, of which I am chairman. It came to the Senate, and there was no discussion. We provided in the bill that one individual might receive as much as a thousand dollars. Of course, the amount anyone would receive would be governed by the conditions in which he was placed. In addition to that, it was provided that the loan that was made him could not be stopped by anything, and penalties were provided where any fraud was practiced.

The bill went to the other body and was passed there also with practical unanimity. The only difference was between a provision for $40,000,000 on the part of the House and a provision of $60,000,000 on the part of the Senate, and in less than 15 minutes in conference the difference was ironed out and a compromise made on $50,000,000, with $500 fixed as the limit of a loan to any individual.

I wish to state that I have no antagonism toward anyone in this matter, but I have a legislative duty to perform—to vote for what I think, generally speaking, is for the best interests of those who are affected by the legislation. I think it is the duty of the Members of this body to take advantage of their opportunity to express themselves as to whether they would rather have an Executive order determining so serious a matter as this or whether they would rather voice their sentiments here; and I took the ground that we should express our sentiments.

Some said that we could not pass the bill over the President's veto. I said that that did not interest me; that I wanted an opportunity to perform my duty as a legislator on a serious subject. I have no quarrel with anyone, but I do think we ought to perform our legislative duty as we see it,

and, as I see my duty, it is to express to those who send me here what I think of what is occurring.

There has not been a provision emanating from Congress since I have been here which has been as universally and as practically beneficial as the seed loan. There never has been a criticism of it, and that poor, distressed class which was extended a loan, not a gift, has been recognized as American citizens who wanted to pay their obligations and who did pay them. They paid their obligations, a miserable, pitiful $50,000,000, which keeps from greater distress more than a million and a quarter independent American citizens.

Mr. BORAH. Mr. President, in case the President does not deem it wise to issue an order for the allocation of $28,500,000, what is the Senator's program? What does he propose?

Mr. SMITH. I think I have gone just as far as my duty will allow me to go, and I make this one last appeal. I do not see the necessity of speculating about whether we can pass the bill over the President's veto or not. The question is, What does each individual desire to do? I do not want to humiliate anyone, and God knows I would not want anyone to try to humiliate me.

The amount allocated is only $7,000,000, the balance to be allocated from time to time as someone may determine. Every one of us here knows that the vast majority of those who are to benefit from the loan must be given assurance now as to how much they can depend upon, and that would take $28,500,000.

Mr. President, I shall feel it to be my duty to give each one of my colleagues a chance to express himself. I want it definitely and distinctly understood that I would infinitely rather not be put in the attitude, and I am not going to be put in the attitude, of antagonizing the President, but I am going to maintain the attitude of trying to express myself. I have a right to do that. I am not trying to humiliate the President; I am trying to defend those who have confidence in me and in the Senate. That is all I am trying to do.

Mr. President, it is the President's judgment that his plan is best; it is my judgment that our plan is best, and we are sent here to legislate. So far as I am concerned, Senators are to be given an opportunity to legislate.

We are in a very embarrassing situation. Of course, all will recognize at once that the $28,500,000 is left of the $30,000,000 which has been set aside to be allocated from time to time, but the $7,000,000 is allocated now.

Now, with one other statement, I shall be through. The fact is, of course, that so far as seed loans are concerned, if this Executive order shall hold, there will be no use hereafter in introducing a seed loan bill. If we do introduce one and it is passed and is vetoed, that will end it. This means the end of the seed loan, and I for one think that until we make other arrangements to take care of the class of people who are benefited by such loans, we ought to make them, not annual but in some way continuous.

Mr. President, it is an embarrassing situation in which I find myself. I have no pride of authorship, but I do state here and now my high opinion of the inherent manhood of that submerged class who have to suffer the humiliation of saying by affidavit, "I cannot get credit anywhere, and therefore must appeal to my Government", and the Government lends the money to them, and they respond by paying it back. It was worth every dollar we spent to have it demonstrated that there was inherent manhood and honesty in that submerged class, and I think we ought to recognize that fact, as I do.

I have obeyed the behests of my committee, and I am going to continue to yield to their direction in the committee as to getting information, and so forth, but on the floor of the Senate I shall act according to my judgment. This is all I care to say.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kansas [Mr. CAPPER], that the Senate proceed to the consideration of Senate bill 1424, to amend the Packers and Stockyards Act of 1921.

Mr. McNARY. Mr. President, I tried to make it clear that it was not the intention of the Senator from Kansas to displace the unfinished business. Therefore he withdraws his motion.

The VICE PRESIDENT. The Senator from Kansas is in the Chamber, and he has not withdrawn the motion, so the Chair could not assume that he had.

Mr. McNARY. I appreciate that.

Mr. ROBINSON and Mr. CAPPER rose.

Mr. ROBINSON. Mr. President, if the Senator from Kansas wishes to withdraw his motion, I will yield to him for that purpose.

Mr. CAPPER. Mr. President, I withdraw the motion, with the statement that I will undertake to renew it at the earliest possible moment.

The VICE PRESIDENT. The Senator from Kansas withdraws his motion.

Mr. ROBINSON. Mr. President, I desire to say just a few words regarding the seed-loan bill and the question submitted to the Senate by the Senator from Idaho [Mr. BORAH]. The status of the bill has been stated by the chairman of the Committee on Agriculture and Forestry, and the matter, of course, is not before the Senate for action.

Pursuant to the veto message, the President issued an Executive order which I ask unanimous consent to have printed in the RECORD as a part of my remarks.

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

The Executive order is as follows:

EXECUTIVE ORDER ALLOCATING FUNDS TO THE FARM CREDIT ADMINISTRATION AND PRESCRIBING RULES AND REGULATIONS FOR THE MAKING OF EMERGENCY CROP LOANS UNDER THE EMERGENCY RELIEF APPROPRIATION ACT OF 1935

By virtue of and pursuant to the authority vested in me by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115), it is hereby ordered as follows:

1. There is set aside from funds provided by the said act for the use of the Farm Credit Administration for the purpose of making loans to farmers during the year 1936, under limitation (b) in section 1 of the said act, in the United States, Hawaii, and Puerto Rico, for fallowing, for the production of crops, for planting, cultivating, and harvesting crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes, under such terms and conditions as the Governor of the Farm Credit Administration (hereinafter referred to as the Governor) may prescribe, a sum not to exceed $30,000,000, of which the sum of $7,000,000 is hereby allocated to the said Administration to be supplemented from time to time by such additional allocations as may be necessary.

2. The amount which may be lent to any one borrower shall not exceed $200, and each applicant for a loan shall establish to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such conditions as the Governor may prescribe, that the applicant is unable to procure such loans from any other source: *Provided,* That preference shall be given to the applications of farmers whose cash requirements are small.

3. Loans made under the provisions of this order shall be secured by a first lien, or by an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting is to be financed, in whole or in part, with the proceeds of such loan, or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Such loans shall be made and collected under such regulations as the Governor shall prescribe, and shall bear interest at the rate of 5½ percent per annum.

4. Fees for recording, filing, registration, and examination of records (including certificates) in connection with each loan made hereunder shall be paid by the borrower: *Provided, however,* That such fees aggregating not to exceed 75 cents per loan may be paid by him from the proceeds of his loan. No fees for releasing liens given to secure loans shall be paid from the funds made available hereunder.

5. The funds hereby or hereafter allocated may be used also for all necessary administrative expenses in carrying out the provisions of this order to and including June 30, 1937.

6. In carrying out the provisions of this order, the Farm Credit Administration may (a) make expenditures for supplies and equipment, traveling expenses, rental of offices, printing and binding, and other necessary expenses, and (b) accept voluntary and uncompensated services, appoint officers and employees without regard to the provisions of the civil-service laws and regulations, and fix the compensation of any officers and employees so appointed without regard to the Classification Act of 1923, as amended.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 28, 1936.*

Mr. ROBINSON. The Executive order sets aside, as stated by the Senator from South Carolina [Mr. SMITH], $30,000,000 of the amount appropriated under the Emergency

Relief Appropriation Act of 1935 for the purposes of seed loans. The designation "seed loans" is not entirely accurate, but it is the title commonly used in connection with the subject. Seven million dollars have been made available for immediate purposes; and under the Executive order that amount is to be supplemented within the limit of the $30,000,000 from time to time by such additional allocations as may be necessary. Manifestly there is available for the purposes of this bill more than the regional directors of seed loans have said is necessary. As I remember the statements made, the aggregate amount is $28,500,000, or approximately that.

I point out the fact that in arriving at these figures the committee pursued a very unusual course. I do not recall the exact number of the regional offices. There are some seven or eight. The committee invited the chiefs of these offices to inform the committee as to the amount that would be required, in their opinion, to meet the necessities of the situation. It happens that the amount is below the sum that is contemplated by the Executive order. So if the information which has been procured in the unusual way I have referred to is reliable the Executive order takes care of the requirements.

There is, however, I think it proper to say, another difference. The Executive order limits the maximum amount of each loan to $200, whereas the bill the Congress passed increased the amount from $300, as at present, to $500. I showed by figures placed in the RECORD the other day that in a large part of the country, in some four or five of the regional offices at least, from 95 to 99 percent of the number of loans made last year were within the limitation of $200. There are, however, some areas elsewhere where the percentage of greater loans is considerably larger.

Of course, the object of the President in vetoing the bill had relation to the Budget. The fund to be used has already been appropriated, and is within the Budget. The bill passed by Congress which was vetoed would have made necessary another appropriation. In the matter of time, which undoubtedly is of primary importance, loans probably can be made quicker under the Executive order than they could be made even if the bill were passed over the Executive veto.

In view of all the circumstances, I do not feel justified in moving or in voting to pass the bill over the veto.

Mr. BORAH. Mr. President, under the circumstances, of course, I am not interested in the question whether the money is derived from an order of the President or from an appropriation. I sympathize with the objective which the President has in mind in vetoing the bill, so far as the Budget question is concerned. What I was interested in was to bring to the attention of the Senate the necessity of acting as promptly as possible. If the order is made allocating a sufficient amount to take care of the present demands, that is entirely satisfactory to me. I have no desire to urge the passage of the measure over the President's veto; but from information which comes to me I am satisfied that if action is not had at once, injury will result in those places where we are seeking to help.

However, I think $7,000,000 is nothing like sufficient to take care of the immediate demands. It seems to me, in the light of the reports which have come in, that the amount should be increased. I am interested only in as speedy action as possible, and sufficient action—not the method of doing it.

Mr. President, there is another situation which presses on the Senators from Idaho in this matter. We have a situation respecting orchards which depends somewhat for its solution upon what we do in reference to this matter. That is imminent and pressing. It is for this reason that I called attention to it, in the hope that by tomorrow at least we may know precisely what we are going to do.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. GORE. I should like to change the date appearing on page 1, lines 8 and 9 of the amendment, from January 1, 1937, to October 1, 1936.

The VICE PRESIDENT. The Senator from Oklahoma has modified his amendment. The question is on agreeing to the modified amendment of the Senator from Oklahoma to the committee amendment.

Mr. BAILEY. Mr. President, I will undertake to state the effect of offering my substitute as an amendment by the chairman of the committee.

I offered an amendment as a substitute for the entire bill. The chairman of the committee takes my proposed substitute, and undertakes to make an amendment of it and add it to the bill. I shall insist that my amendment be considered as a substitute, and I shall oppose the motion to adopt it as an amendment.

The whole effect of the procedure of the chairman is to restore the proposed legislation to the form in which it was first presented to the Senate about 3 weeks ago. The Senate passed upon that, and the Senate rejected section 1 of the bill and adopted section 2.

If the motion of the Senator from Oklahoma shall prevail, the bill will stand before us as it did when it was first presented to the Senate. So I ask that the motion to adopt my proposed substitute as an amendment be defeated, in order that it may be considered as a substitute.

Mr. GORE. Mr. President, I think there is one point of difference which the Senator from North Carolina failed to call to the attention of the Senate.

The adoption of this measure as an amendment to the committee amendment would restore certain features of the measure as it was recommitted. There is one point of difference, however. Some of the chief arguments urged against the measure when it was pending before was that tankers would enjoy certain reductions in their tolls. That was really the spearhead of the argument against the bill. Section 1 of the Senate committee amendment meets that objection. It imposes a differential of 10 cents a ton on tankers as compared with commercial ships; and as that was the chief objection urged against the bill, I should like to have it removed so that Senators who voted to recommit the bill may now vote for the measure, since that objection has been obviated.

I hope the amendment which I have offered in lieu of the motion of the Senator from North Carolina will be adopted by the Senate. I hope the Senate will adopt the pending amendment, and let us dispose of the matter.

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from Oklahoma to the committee amendment.

Mr. BAILEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

The question is on the modified amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. JOHNSON. Mr. President, I find in discussing the amendment on this side of the Chamber that there is some misapprehension about what it will do and what its effect may be if adopted by the Senate. I wish to state, therefore, the proposition as I understand it, asking the attention of the Senator from North Carolina [Mr. BAILEY] to confirm or disavow the situation as I shall attempt to set it forth.

An amendment in the form of a substitute was offered by the Senator from North Carolina for the entire bill. That substitute provided for an investigation in detail; I will not attempt to state it. It would supersede the bill and take the place of the bill and the bill would be inoperative if it were adopted. The Senator from Oklahoma [Mr. GORE] accepts as an amendment the particular provision which was offered as a substitute, and the effect of accepting the amendment and attaching it upon the bill would leave the bill operative and would leave in it all those features that are good or bad, as the case may be; so that, if passed, while it would contain the amendment it would also in other respects embody exactly the provisions desired by its proponents.

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

Mr. JOHNSON. I yield.

Mr. ROBINSON. The Senator from North Carolina could still offer the provision as a substitute for the entire bill.

Mr. JOHNSON. I realize that.

Mr. ROBINSON. So there is merely a question as to whether or not the amendment will improve the bill.

Mr. JOHNSON. I realize that; but there were some with whom I discussed the matter who imagined that the adoption of the amendment now accepted by the Senator from Oklahoma, which constitutes the substitute presented by the Senator from North Carolina, will accomplish the result which the Senator from North Carolina is seeking to accomplish, namely, the elimination of all the provisions of the bill that have been objected to upon this floor.

What I want to make plain is that by adopting the particular language as an amendment nothing in reality is accomplished by those who oppose the bill, and their object can only be accomplished by the ultimate adoption of the language presented by the Senator from North Carolina as a substitute for the entire bill.

The PRESIDING OFFICER. The Chair will state the parliamentary situation. The Senate committee reported this bill back to the Senate with the language of the House bill stricken out and with one amendment proposed as a substitute. The Senator from North Carolina [Mr. BAILEY] offered an amendment in the nature of a substitute for the language recommended by the Senate committee. The Senator from Oklahoma offered to accept that amendment as an amendment to the committee amendment, and, the offer being declined, himself offered the language of the substitute proposed by the Senator from North Carolina as an amendment to the Senate committee amendment. If that should be adopted—and whether it should be adopted or not—unless the Senator from North Carolina should withdraw his substitute, it would then come to a vote as a substitute for the Senate committee amendment, as amended, or as it is now in the bill. So the question is on the amendment offered by the Senator from Oklahoma [Mr. GORE].

Mr. BAILEY. Mr. President, I wish to thank the senior Senator from California [Mr. JOHNSON] for making a very clear statement as to the parliamentary situation. I wish to confirm it; I do not think I could elucidate it. However, the effect of the adoption of my substitute as an amendment would simply be to restore the proposed legislation to the status in which it was when the Senate passed upon it several weeks ago. I realize there is a further remedy down the road, but I think I should stand on the remedy here. I do not wish my substitute to become an amendment; I want it to remain in its character as a substitute for the entire measure. So I am asking that the pending amendment be voted down, and then I shall offer my amendment as a substitute for the entire bill.

Mr. GORE. Mr. President, this bill was recommitted by the Senate some 3 or 4 weeks ago. The main reason for the recommitment was the apprehension on the part of certain Senators that, if passed in the form in which it was then pending, tankers would enjoy certain benefits; that they would receive a reduction in the tolls paid by them. I think that was the argument which controlled the vote that sent the bill back to the committee. That objection has been removed; that argument no longer obtains. The tankers will not receive the benefit which Senators feared they would receive. An express differential of 10 cents a ton is imposed cn tank ships under the measure as it is now pending. So the reason for recommitting it before now ceases to exist.

The Senator from North Carolina has offered as a substitute an amendment which does nothing more or less than call for an investigation of this subject. I again exhibit to the Senate these two vast tomes [indicating] which were prepared some 24 years ago by one of the greatest living experts upon the subject of tolls and tonnage measurement. One of these volumes relates to rules of measurement; the other volume relates to the tolls to be imposed. As I have previously said, the Commissioner of Navigation says this is the best report on these questions ever prepared in any language. There has been no revolutionary change in conditions since then, but there has been a more recent investigation.

I now hold in my hand, Mr. President, an exhaustive report [exhibiting] prepared by the Bureau of Efficiency in the year 1932, a report upon this very subject of the rules of measurement and tolls to be imposed for the transit of vessels through the Panama Canal.

I state to the Senate, as eminent authorities have stated to me, that if this measure should pass without containing any reference to an investigation, the subject would be checked and rechecked and the latest changes and modifications in the structure of ships would be taken into account; in fact, the responsible authorities have already indicated to me and to others that the only changes that will be necessary or that will be feasible will each and every one be favorable to the shipping industry. They intend to make allowances, to subtract from the toll-paying capacity the space devoted to the crews that attend upon passengers.

They also intend to subtract from the tonnage of the ships subject to tolls, social room, saloons, lounges, and quarters of that kind which, while they add to the attractiveness of a ship and while they attract patronage to the ships, do not directly contribute to the earning capacity of the ships. That will be subtracted from the tonnage subject to tolls. That has been announced by the Canal authorities.

Mr. President, I repeat that the substitute is merely another plea for time. It requires a report by January 1, 1937. When January 1, 1937, arrives and that report is submitted, a measure would be introduced to carry into effect the recommendations of the new commission, I do not doubt that the opposition to the enactment of positive legislation upon this subject would be as stubborn and unremitting as it is now.

The reason why the shipping interests object to this legislation is not because the rules of measurement would be unfair; it is not because the rate of tolls would be unfair. It is because the resort to certain devices on the part of certain shipping concerns to reduce their own tolls would be done away with if this measure should become a law.

Under the measure as now pending, if my amendment should be adopted, it would call for an investigation and report by October 1 of this year. If it be adopted, I shall then move to amend section 1 so that it shall not go into effect until April 1, 1937, in order that the investigation can be made, the report can be submitted, can be considered by the President, the rules and regulations revised and promulgated, the revised rates promulgated, and then section 1 will take effect April 1 of next year and the matter will automatically go into operation.

The only object of section 1 is to do away with the dual system of measurements, which everybody admits ought to be abolished, which no one has insisted on the floor of the Senate should be continued. It is universally agreed it ought to be done away with. Then let us vote to do away with it,

and not merely, from a desire to delay, postpone action that would solve this question which has been knocking at our doors for more than 20 years.

Mr. BAILEY. Mr. President, I am very grateful to the Senator from Oklahoma for exposing his maneuver to the Senate. He states that my substitute calls for an investigation, which is true. He offers the substitute apparently in good faith, but says an investigation is not needed. Therefore I ask, when the Senate votes upon it, that his amendment be voted down in order that my substitute may be offered and voted for by all those who think there ought to be an investigation.

Mr. GORE. Mr. President, there is no effort or purpose on my part to evade responsibility for what I have said. This investigation is not necessary. I have said that repeatedly. A provision for the investigation was inserted in the bill originally as a concession to the shipping interests in order to remove that argument against the passage of the bill in the absence of that provision. The investigation is not necessary, and every Senator on the floor knows it is not necessary.

Mr. STEIWER. Mr. President, I desire to address myself to certain suggestions which grow out of the debate on this amendment. From my own standpoint the pending amendment is a matter of but little concern. It may be it is not necessary. I shall vote for it when offered as a substitute as proposed by the Senator from North Carolina [Mr. BAILEY], not because it is strictly necessary but because it would seem to afford a means of escape from the evils of the bill itself.

What is it that we have here? What is the proposal we are getting ready to enact in case the substitute of the Senator from North Carolina is not adopted? Obviously it is an amendment of the Canal Zone code made for the purpose of changing the measure of tonnage or of changing the rate of tolls, or both. In my humble opinion, many difficulties inhere in the proposition.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. STEIWER. I yield.

Mr. GORE. I thought I stated those two points very clearly. A change of the rules of measurement or else a change of tolls is proposed, according to the Senator from Oregon; but that is not what is proposed. There are now two methods of measurement, and the purpose of the legislation is to do away with the dual system so that all ships will be measured in accordance with their capacity to pay tolls, and we will have one toll per ton applicable to the actual measurement of the ships, so that every ship will pay on its earning capacity and will pay the same toll.

Mr. STEIWER. I am indebted to the Senator, but his contention is a phase which I had understood, and one which I think has been understood, by all Members of this body. It has always been claimed by the sponsors of the legislation that the purpose is to avoid the dual system; but I make the assertion, which is based upon my interpretation of the legislation itself, that the bill actually accomplishes the two results which I stated—one, to change the system of measurement and the other to make a change in the tolls themselves.

I had said that the proposal as it is presented in this legislation submits a number of very serious difficulties. I had started to mention two of them which suffice for the purposes of making known the basis of my objection to the legislation.

The first is that in the first part of the section, commencing in line 6, page 4, we find that the basis for determining net registered tonnage shall be under certain rules now in existence and under other rules which may be called into existence at some future time. The language is under rules "as may be amended from time to time by proclamation of the President." The net effect of the enactment of legislation of this kind, so far as rules for determination of net registered tonnage is concerned, is to leave the matter wholly in the hands of the Chief Executive. Congress is not legislating upon the subject beyond the simple fact of delegating to the Chief Executive the power to make the legislation by proclamation at some future time.

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

Mr. STEIWER. I yield.

Mr. GORE. There would be some force in the Senator's argument if that were not the law now.

Mr. STEIWER. I think the Senator is right in his view of existing law, but I am unwilling to perpetuate an evil of that kind. There is force in my argument. The argument is based literally upon the language which the Senator from Oklahoma is pressing upon us in the legislation.

The other proposition to which I desire to call attention is the language found at the bottom of page 4, where there is a provision for the fixing of tolls. The provision for the fixing of tolls is almost identically on the same basis as the provision for determining the net registered tonnage of ships. The provision for fixing tolls does indeed limit the maximum and it does limit the minimum, but it does not prescribe any rule at all for determining between the maximum and the minimum as to what that toll shall be.

There is no provision in this comparable to the language of the Interstate Commerce Act. There is no requirement that the tolls shall be equitable or fair; that they shall not be discriminatory; that they shall not be discriminatory as against ships or shipping lines or as against different areas of the country served by the ships. In the bill there is no formula of any kind, and I make that declaration with very considerable confidence also.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. STEIWER. I am happy to yield.

Mr. GORE. I remind the Senator that that is the law today.

Mr. STEIWER. That is another vice which I do not wish to perpetuate.

Mr. GORE. That is to say, the law as it now stands fixes the maximum at $1.25 and fixes the minimum at 75 cents. If the Senator favors a reduction in tolls the pending bill fixes the maximum at $1 instead of $1.25 and fixes the minimum at 60 cents instead of 75 cents. An evil will not be averted by resisting the enactment of this bill, because that is the law as it stands today; so it is not an argument for resisting the pending motion.

Mr. STEIWER. There is no occasion for perpetuating an evil of that kind.

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

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. STEIWER. I do.

Mr. NORRIS. I am asking the Senator for information, because I am somewhat in the dark on this particular matter. I think I am in accord with the Senator unless some reasons can be given for this kind of a measure, which delegates our authority to somebody else; yet, as I understand the matter, I am impressed with this thought, about which I should like to ask the Senator:

The Senator objects because of the two reasons he has given, which I myself think are weighty reasons if the rejection of the bill would remedy the condition. The question I wish to ask the Senator is this:

Suppose we reject this bill. Will not the evil about which the Senator complains exist then the same as it does now?

Mr. STEIWER. I think it may, Mr. President. That is the contention made by the Senator from Oklahoma; and I think these difficulties, or at least a part of them, are inherent in existing law, but they ought not be needlessly perpetuated. If the Senate sees fit to agree to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY], I am hoping that there will come back to the Senate, based upon the investigation and report, a plan so clear, a system so sound, that Congress may agree to it, and legislatively dispose of the propositions which are sought to be disposed of here by proclamation of the Chief Executive.

Mr. WHITE. Mr. President——

Mr. STEIWER. I am happy to yield to the Senator from Maine.

Mr. WHITE. The Senator from Oregon has stated precisely what I had in mind to say, but much better than I could have said it. That is the answer—that an independent study of this matter, and a report made to the Congress, would perchance permit the Congress to work out a solution of this difficulty.

Mr. NORRIS. Mr. President, may I interrupt again?

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

Mr. NORRIS. From what little I know about the matter, I concede that that might occur; but I have this idea in a general way in my mind:

We have been doing that very thing for years, and have had reports of investigations and considerations of the subject; and the result of agreeing to the substitute, as I understand, would simply be to do over again what has already been done. Is this true? I am not ascribing to anybody any bad motive, but I am asking the question for the purpose of ascertaining all the facts, if possible. Would the result of rejecting this bill and agreeing to the substitute be simply to prolong something that has been going on for years and years? Is there any assurance that it would bring us to a final result within a reasonable length of time?

Mr. STEIWER. I desire to be just as fair about the matter as the Senator from Nebraska has been. I do not think I can answer that there is an absolute assurance that this matter would be worked out in a way that would be satisfactory to all of us. I do feel, however, that inasmuch as attention has been specifically drawn to the subject, and inasmuch as the board of survey would itself be on its guard, there is an excellent chance that it would bring back to Congress such information that we might be able to act intelligently in the premises.

I desire to say further, and then I shall conclude—because I think nothing at all is to be gained in the presentation of a constitutional question here—that at the time of the original enactment of these codes the question of unconstitutional delegation of legislative powers by the Congress was not as well understood as it is now. Senators who have investigated the subject will remember that until the past year the question of delegation of powers had been carried to the Supreme Court a great number of times—I have heard students of law say, in excess of 40 times. I am not certain just how many times that matter has been considered by the Court; but until last year, never in the whole history of the Nation had the Court found that an amendment was void upon the ground of unconstitutional delegation of legislative power. It came nearest to it in Field versus Clark, the case which related to the Tariff Act of 1890, where it gave very serious consideration to the question. It there defined the rule, but, having defined the rule, abstained from holding that legislation unconstitutional.

The question never was finally determined, and the rule never was laid down with complete finality, until the Court considered the "hot oil" case last year. At that time the Court almost unanimously determined—eight justices concurring in the opinion—that section 9 (c) of the National Industrial Recovery Act was unconstitutional upon the ground assigned. They then again defined the power and duty of Congress in words so clear that no person can reasonably escape the force and effect of that declaration. Still later the question was considered in the Schechter case, and there a united Court, by a unanimous opinion, again declared the rule.

Under these opinions by the Supreme Court I submit that whatever else may be said, either of the Court or of its opinions, here is one thing that stands out with remarkable clarity:

Congress cannot delegate legislative powers unless at the same time it fixes a standard by which the executive agency is to be guided.

This proposal, as I regard it, is utterly unconstitutional. It is completely in violation of the rule as laid down for our guidance by the Court, and it cannot be sustained, because, as I said in the beginning, there is in it, with respect to the determination of the net registered tonnage, not even a beginning of a hint of a standard; and, with respect to the rate of toll to be charged per ton, there is no limitation save that the minimum shall be not less than 60 cents and the maximum shall not exceed $1.

In view of these considerations I regret that I cannot give my support to the proposed legislation. I am utterly indifferent as to the disposition of the amendment now offered by the Senator from Oklahoma [Mr. GORE]; but I hope a reasonable solution of the matter may be attained by agreeing to the substitute proposal offered by the Senator from North Carolina [Mr. BAILEY], that we may strive in the future to do in a sound and right way the thing which is unconstitutionally attempted in this proposed legislation.

Mr. GORE. Mr. President, I think the Senator from Oregon is shying at ghosts. He tries to conjure up a constitutional question in connection with the pending bill. I am familiar with the rule laid down by the Supreme Court in the case of Field against Clark; and the Supreme Court did say in express terms that Congress cannot delegate legislative powers to the President. It said so categorically. There is not any doubt about it. There is nobody who will challenge that principle. The question is, in each particular case, as to whether the power delegated is legislative power—if so, the delegation is void—or whether the power delegated is executive power or is administrative power, in which case the delegation is valid and constitutional.

That is the point in this case. This proposed legislation relates to the Panama Canal Zone, which in a sense is a military zone. It is not an integral part of the United States. It is not within the purview of the Constitution per se. It is subject to administrative regulation. The President is Commander in Chief of the Army and the Navy; and the proposed legislation seeks to delegate to the President administrative power concerning which it seems to me there can be no doubt.

Mr. President, there is another argument; there is another consideration which completely answers and invalidates the constitutional point raised by the Senator from Oregon.

The Panama Canal Zone and the Panama Canal belong to the United States. They are the property of the United States. The Canal was constructed by the United States. It is owned by the United States. It is operated by the United States. It is public, not private property. The Government of the United States has the right and the power to regulate the traffic, to fix the tolls, to prescribe the conditions, and Congress has the undoubted right and power to vest in the President the authority and the discretion to prescribe the tolls, to fix the tolls which shall be imposed upon ships of commerce, private property, making use of the Canal, which is exclusively the property of the United States.

So far as the Constitution is concerned, there is no analogy between the Government prescribing tolls for the use of the Panama Canal, which it owns, and the regulation of freight rates on the railroads, which are private property, privately owned.

I think that disposes of the constitutional question.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. GORE. Yes.

Mr. STEIWER. Does not the Senator concede that this bill by its express terms seeks to prescribe tolls applying to the transit of vessels of commerce?

Mr. GORE. Undoubtedly.

Mr. STEIWER. And are not those vessels of commerce, in very many cases at least, proceeding from one State in this country to another State in this country?

Mr. GORE. Yes, sir; they are.

Mr. STEIWER. So that the transaction comes under the commerce clause and peculiarly within the jurisdiction of the Congress.

Mr. GORE. So far as the Canal Zone is concerned, I think that does not necessarily follow. The Supreme Court held that the Philippines did not become an integral part of the United States and that the Constitution was not applicable there as it is to a State or even to a Territory.

Mr. STEIWER. Is the Senator contending that the Canal Zone is on the same basis that the Philippine Islands were at the time the original decision was made?

Mr. GORE. No, sir; not entirely. There is a difference.

Mr. STEIWER. I am glad the Senator makes that concession.

Mr. GORE. The Canal Zone is a military and naval zone, and I think the Commander in Chief of the Army may be given the power to prescribe these tolls.

But, Mr. President, that point is not essential to this discussion. Let me indicate what will follow if my amendment shall be adopted.

The investigation concerning which Senators are so solicitous—and their search for knowledge, I believe, has never been more eager since my service here—will be held if my amendment shall be adopted.

The report will be made in pursuance of that investigation, and will be made by October 1 of the current year. Section 1 will not take effect, as I intend to change the bill, until April 1 of next year.

When this all-important and indispensable investigation shall have been had, and when this report so essential to illuminate the pathway of Senators shall have been submitted, it will be submitted by October 1 of this year. It will be available when Congress convenes on the 3d day of January next. Section 1 will not go into effect until April 1 of next year. Congress can, in the discharge of its duty, legislate upon this subject before section 1 goes into effect. So there is no point or force in that argument.

Let us pass the bill, let us adopt one rule of measurement, and then the question of rates and detailed measurements can be considered by the Congress, so eminently qualified to legislate upon details of that sort.

Mr. STEIWER. Mr. President, I wish to add just one observation, and then I will conclude.

If I understood correctly the statement just made by my friend the Senator from Oklahoma, it was to the effect that he proposes to alter section 1 of his pending bill so that it would not become effective until April 1937. Did I understand him correctly?

Mr. GORE. Yes; that is correct.

Mr. STEIWER. I thank the Senator. Then the amendment which he offers, and which was originally the substitute proposed by the Senator from North Carolina, would go into effect immediately, contemplating a report prior to January 1, 1937. I am also right, I believe, in that understanding?

Mr. GORE. I have changed that to October 1, 1936; but it is immaterial.

Mr. STEIWER. So, in any event, the report would be made prior to the effective date of section 1?

Mr. GORE. Yes, it would be.

Mr. STEIWER. In view of that, in all good nature and yet most seriously, I ask, what is the reason for enacting section 1 at this time?

Mr. GORE. Mr. President, those points were involved in the bill as originally introduced. The bill that was recommitted provided that section 1 should go into effect several months after section 2, which calls for the investigation. I will say to the Senator that the sole object is to meet the complaints and pretenses of the shipping interests, which insist and persist in insisting that this investigation shall be had. They want time, time, time! As Queen Elizabeth said in her dying moments, "Millions for an inch of time." Every inch of time allows the shipping interests to pass through the Canal paying less tolls than they owe, and the proposed investigation was to take that argument out of their mouths.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. BAILEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). The present occupant of the chair is paired with the Senator from Delaware [Mr. HASTINGS], who is absent. Not knowing how the Senator from Delaware would vote if present, I withhold my vote.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am not informed how he would vote if present, so I withhold my vote. If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. McNARY. I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from New Hampshire [Mr. KEYES] and vote "nay."

Mr. BYRD. I announce that my colleague [Mr. GLASS] is detained on account of illness in his family.

Mr. DIETERICH. I announce that my colleague [Mr. LEWIS] is unavoidably detained.

Mr. ROBINSON. I announce that the Senator from Arizona [Mr. ASHURST], the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], and the senior Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

I further announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Minnesota [Mr. BENSON], the Senator from New Hampshire [Mr. BROWN], the Senator from Mississippi [Mr. HARRISON], the Senator from Louisiana [Mrs. LONG], the junior Senator from Nevada [Mr. McCARRAN], the junior Senator from Maryland [Mr. RADCLIFFE], and the senior Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Alabama [Mr. BANKHEAD] is detained on account of illness.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35

Bilbo	Couzens	McKellar	Robinson
Black	Duffy	Minton	Russell
Bone	Fletcher	Murphy	Schwellenbach
Bulow	Gore	Murray	Sheppard
Burke	Hatch	Neely	Thomas, Utah
Capper	Hayden	Norbeck	Truman
Chavez	Holt	Norris	Van Nuys
Clark	King	O'Mahoney	Wheeler
Connally	McGill	Pope	

NAYS—37

Adams	Costigan	Hale	Reynolds
Austin	Davis	Johnson	Smith
Bailey	Dickinson	Logan	Steiwer
Barbour	Dieterich	Lonergan	Townsend
Bulkley	Donahey	McAdoo	Vandenberg
Byrd	Frazier	McNary	Wagner
Byrnes	George	Maloney	White
Caraway	Gerry	Metcalf	
Carey	Gibson	Moore	
Copeland	Guffey	Overton	

NOT VOTING—24

Ashurst	Brown	La Follette	Radcliffe
Bachman	Coolidge	Lewis	Shipstead
Bankhead	Glass	Long	Thomas, Okla.
Barkley	Harrison	McCarran	Trammell
Benson	Hastings	Nye	Tydings
Borah	Keyes	Pittman	Walsh

So Mr. GORE's amendment as modified to the committee amendment was rejected.

The PRESIDING OFFICER. The motion now recurs on the amendment, in the nature of a substitute, offered by the Senator from North Carolina [Mr. BAILEY].

Mr. BAILEY. Mr. President, I send to the desk my proposed substitute amendment, and ask to have it read.

The PRESIDING OFFICER. The Chair will state that the amendment in the nature of a substitute has already been read, and is now the pending question.

Mr. CLARK. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote on this question, I transfer my pair to the senior Senator from New Hampshire [Mr. KEYES] and vote. I vote "yea."

Mr. SHIPSTEAD (when his name was called). I make the same announcement as on the previous roll call, and withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness.

I further announce that the Senator from Arizona [Mr. ASHURST], the Senator from Washington [Mr. BONE], the Senator from Texas [Mr. CONNALLY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Florida [Mr. TRAMMELL] are detained in important committee meetings.

I further announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Minnesota [Mr. BENSON], the Senator from New Hampshire [Mr. BROWN], the Senator from Mississippi [Mr. HARRISON], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mrs. LONG], the Senator from Nevada [Mr. McCARRAN], the senior Senator from Maryland [Mr. TYDINGS], and the junior Senator from Maryland [Mr. RADCLIFFE] are unavoidably detained.

Mr. BYRD. I announce that my colleague [Mr. GLASS] is detained on account of illness in his family.

The result was announced—yeas 35, nays 34, as follows:

YEAS—35

Adams	Costigan	Guffey	Reynolds
Austin	Davis	Hale	Smith
Bailey	Dickinson	Johnson	Steiwer
Barbour	Dieterich	Logan	Townsend
Bulkley	Donahey	Lonergan	Vandenberg
Byrd	Frazier	Maloney	Wagner
Byrnes	George	McAdoo	Walsh
Carey	Gerry	McNary	White
Copeland	Gibson	Metcalf	

NAYS—34

Bilbo	Duffy	Murphy	Russell
Black	Fletcher	Murray	Schwellenbach
Bulow	Gore	Neely	Sheppard
Burke	Hatch	Norbeck	Thomas, Utah
Capper	Hayden	Norris	Truman
Caraway	Holt	O'Mahoney	Van Nuys
Chavez	King	Pittman	Wheeler
Clark	McGill	Pope	
Couzens	McKellar	Robinson	

NOT VOTING—27

Ashurst	Brown	La Follette	Overton
Bachman	Connally	Lewis	Radcliffe
Bankhead	Coolidge	Long	Shipstead
Barkley	Glass	McCarran	Thomas, Okla.
Benson	Harrison	Minton	Trammell
Bone	Hastings	Moore	Tydings
Borah	Keyes	Nye	

So Mr. BAILEY's amendment, in the nature of a substitute, was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles; and

S. 2961. An act for the relief of Peter Cymboluk.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I inquire if the substitute was agreed to?

The VICE PRESIDENT. Yes; the substitute was agreed to, the vote being 35 yeas and 34 nays.

Mr. GORE. Mr. President, I desire to make one observation.

The ruling of the Attorney General which precipitated this chaotic situation upon our shipping and upon the Panama Canal tolls was handed down, I believe, November 21, 1914. In January following that ruling Mr. Adamson, of Georgia, then chairman of the House Committee on Interstate and Foreign Commerce, introduced a bill to accomplish what the pending bill was designed to accomplish. Since that time there have been 11 hearings in support of this proposed legislation. Since that time every Governor of the Canal Zone has recommended the proposed legislation. Since that time every Secretary of War has recommended the pending legislation, or the legislation which was pending until a moment ago.

President Wilson immediately recommended legislation such as this bill sought to accomplish before it was emasculated. President Roosevelt has repeatedly urged upon us the enactment of this legislation. The House has four times passed a bill of this character to correct the abuses resulting from the dual system. It has taken 22 years to bring this question to a vote in the United States Senate. It is now defeated by one vote.

Mr. President, I desire to move that the pending bill be indefinitely postponed. I think the enactment of this legislation in its present form is nothing more than a sham. It does nothing that the constituted authorities charged with the administration of the Canal have desired to have done. We go around and around. We mark time. We do not march. We get nowhere.

On the first day of next January we would stand, and the shipping interests would stand where they could begin another fight of 22 years to delay and defer and postpone and adjourn this proposed legislation. I do not want the Senate to enact this measure in its present form. I do not want it to sanction this sort of culmination of this long-drawn-out fight to rectify an evil and to correct an abuse. I have reasons for urging the postponement of this measure, for asking the Senate not to pass this measure, that I should not care to put into the RECORD.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma to postpone the bill indefinitely.

Mr. DUFFY. Mr. President, in a colloquy with the junior Senator from Oregon [Mr. STEIWER] on this bill yesterday or day before, I suggested that I would obtain for him the information he requested with reference to the proportional benefit which foreign ships have over our own under the present system.

I have had prepared a very brief statement, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, showing the fact to be that, by reason of this dual system, United States shipping has been able to save $199,000 for each 1,000,000 tons, while foreign shipping has been able to save $224,760 for each 1,000,000 tons.

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

The statement is as follows:

REDUCTIONS IN TOLLS SECURED THROUGH THE OPERATION OF THE DUAL SYSTEM SINCE THE OPENING OF THE PANAMA CANAL UP TO THE END OF THE FISCAL YEAR 1935

Reductions secured must be looked on as a subsidy which up to now has accrued to foreign vessels in a larger proportion than to United States vessels.

Since the opening of the Panama Canal by the operation of the dual system vessels have been relieved of approximately $84,000,000 in tolls charges from the established rates, of which $46,750,000 went to foreign vessels and $37,250,000 went to United States vessels.

United States vessels secured a reduction of less than 18 percent while foreign vessels secured a reduction of 19.8 percent from the established rates.

Table showing reductions secured by operation of dual system

Vessels	Tolls at established rate of 120–72	Tolls actually collected	Decrease	Percent	Panama Canal net tonnage	Saving per 1,000,000 tons
United States	$207,835,000	$170,585,000	$37,250,000	18.0	186,538,479	$199,730
Foreign	235,800,000	189,050,000	46,750,000	19.8	207,994,421	224,760
Total	443,635,000	359,635,000	84,000,000	19.0	394,532,900	212,910

For the 17-year period, 1914–31, covered by the Bureau of Efficiency report

	Panama Canal net tonnage	Saving to vessels	Saving per 1,000,000 tons
United States	138,349,044	$26,942,035	$194,750
Foreign	149,231,371	32,032,770	214,650

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. GORE].

Mr. DUFFY. Mr. President, I do not know what has motivated the chairman of the committee, but, as a member of the Committee on Interoceanic Canals, my own idea is that while the present bill is emasculated by requiring this investigation to be made, perhaps it would be a good idea to have the investigation made. I am sure the chairman and I agree that no new facts will be brought out, but at least that will be one reason why, when the legislation comes up the next time, there cannot be a request for further delay on the ground that the facts are not known.

I merely make that suggestion to my colleague the chairman of the committee. Might not that be a good idea?

Mr. GORE. Mr. President, I myself have considered that suggestion. I conferred with Representative LEA of California who has several times succeeded in having the measure passed through the House, and I think he concurs in my conviction that it would be better not to pass this bill through the Senate, because an acceptable bill is now on the calendar in the House.

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

Mr. GORE. I yield.

Mr. CLARK. I should like to say, as one member of the committee, that in the shape in which the bill has been placed by the adoption of the Bailey substitute the measure amounts to nothing on the face of the earth except a sham and a fraud; and I should say it would be far better not to have any legislation passed than to deny the reform which has been asked for and advocated here and try to foist on the public what is absolutely an outrage and a snare.

I agree with the chairman of the committee.

Mr. BARKLEY. Mr. President, may I ask the Senator from Oklahoma if the adoption of the motion made by him to postpone indefinitely will eliminate the probability of any legislation on this matter at this session, so we will have to take it up at the next session?

Mr. GORE. Yes; unless the House bill should come over to the Senate.

Mr. BARKLEY. Assuming that would be so, does not the bill as now amended provide for the investigation to be reported to the Congress by the 1st of next January?

Mr. GORE. No.

Mr. BARKLEY. Is there any date fixed in the substitute when the report shall be made?

Mr. GORE. It provides that the report shall be completed by that date. I do not believe it requires that the Commission shall report to Congress.

Mr. BARKLEY. The report must be finished by that time and would be available. I presume the object of the investigation would be to have a report made to Congress. I am wondering whether we would not pass legislation probably earlier, assuming the report will be made by the 1st of January, than we would by postponing indefinitely the pending bill providing for the investigation.

Mr. GORE. Mr. President, I do not think it makes a particle of difference. That is not the point at all. There is no mystery to be solved. The shipowners do not want to pay the tolls they ought to pay and they will not want to pay them when the report is made. They will not want to pay them when a bill is introduced based upon the report. They will be as persistent then as they are now in their opposition.

Mr. NORRIS. Mr. President, I should like to submit to the chairman of the committee the idea expressed by the junior Senator from Wisconsin [Mr. DUFFY]. It seems to me he ought to give the suggestion consideration. I am not a member of the committee. I am not an expert on the subject. Senators have argued, and I think they are conscientious in their argument, that we would get something valuable out of the investigation. I am inclined to agree with the Senator that perhaps someone is hiding under that chip, but as the Senator from Wisconsin said, it would at least clear that chip away if we should adopt the substitute. If that be true, and I do not know whether it is or not, and if the opponents of the legislation are hiding behind that kind of cover, it would certainly take off the cover, and we would ultimately have a chance to enact this kind of legislation.

Mr. GORE. The Senator from Nebraska will remember, when this debate was in progress on a previous occasion that the main argument was that the tankers would get an advantage which Senators did not want to concede to them. The opportunity to enjoy that advantage has been removed, but it does not abate opposition to the measure.

Mr. NORRIS. No; but a different reason is given. I voted with the Senator every time I had an opportunity. I concluded, from the little I know about the matter, that he was right about it. However, another reason is given now, and, untenable as it may be, it seems to me, if it is untenable, an investigation will show in time that there is nothing in it.

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

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

Mr. GORE. I yield.

Mr. ROBINSON. It requires action by the two Houses of Congress to enact legislation. If the bill should pass the Senate in its present form and go to the House of Representatives it would be subject to amendment there. The House could then insert the language of the Senate bill if there were votes there sufficient to do so.

In view of the very close vote which was had here on the adoption of the substitute, I respectfully suggest to the chairman of the committee that he might avail himself of another opportunity for a vote on it when the matter comes back from the House of Representatives, if the House should act on the bill.

Mr. GORE. Mr. President, I appreciate the force of the suggestion made by the Senator from Arkansas. Viewing the facts from his point of view and as he sees them, his conclusion is perfectly logical and justified. I made the motion after conference with Mr. LEA of California, who has for years been sponsoring this proposed legislation in the House. A bill on the subject has four times passed the House. Perhaps I ought not to say this point-blank, but Representative LEA thinks this measure ought not to pass in its present form. A similar bill in a desirable form is now on the House calendar. If it passes the House in that form the Senate can once again consider the subject.

The Committee on Interstate Commerce of the House has always favored this proposed legislation.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. GORE. Not at this moment.

That committee has reported the bill time and time again, had it placed on the House calendar, and four times the measure has passed the House. In the House jurisdiction over legislation of this character has been taken away from the Committee on Interstate and Foreign Commerce in the House, a committee friendly to the legislation and favorable to it, and has been transferred to another committee, a committee which is unfavorable. If the bill should pass the Senate in this form, it would be referred in the House to a committee which is unfriendly to it, and it would die in that committee. I am trying to kill this sham so that the House can pass this legislation which is desired by every responsible official in the departments of the Government. If this bill fails in this session, it probably fails forever.

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

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. GORE. I yield.

Mr. BARKLEY. It seems to me, in spite of what the Senator has said, that if this bill should be passed even in its present form as amended and should go to the House it would give the House two opportunities to pass upon it or to enact legislation. They could either take up the Senate bill and amend it by inserting whatever language they desire, or they could ignore the Senate bill entirely and pass their own bill and send it to the Senate, when we would have an opportunity to deal with the subject again. It seems to me to pass the bill in any form is preferable to postponing it indefintely, because it would give two chances at legislation of some kind rather than take away any chance to do anything at this session.

Mr. GORE. Representative LEA of California in the House, who is undoubtedly a friend of the legislation, thinks the course I have suggested is preferable. He does not want to be encumbered with this bill in the House. If this bill should be sent to the House, it would go to a committee unfriendly to it. Representative LEA now has on the House Calendar a desirable bill, and I think he desires an opportunity to pass that bill if he can. The Senate will be afforded another opportunity to legislate when that bill comes over, if it ever does come over.

Mr. MINTON subsequently said: Mr. President, I enter a motion to reconsider the vote by which the Bailey amendment was substituted for Senate bill 2288.

Mr. McNARY. Mr. President, did the Senator from Indiana enter a motion to reconsider, or did he make a motion to reconsider?

The PRESIDING OFFICER (Mr. POPE in the chair). The Senator entered a motion to reconsider.

Mr. McNARY. Then it is not the desire of the Senator to present the motion for consideration until the first of next week?

Mr. MINTON. That is correct, sir.

Mr. McNARY subsequently said: Mr. President, a motion to reconsider the vote by which the Bailey amendment to the Panama Canal measurement bill was agreed to was made a few moments ago. It has occurred to me that there is already pending a motion made by the Senator from Oklahoma [Mr. GORE].

Mr. GORE. Mr. President, I had just risen to address the Chair and withdraw the motion.

Mr. McNARY. I think that should be done, so that the parliamentary situation may be cleared.

Mr. GORE. I withdraw the motion.

Mr. ROBINSON. I understand that the pending motion, then, is a motion to reconsider the vote by which the so-called Bailey substitute was agreed to.

Mr. McNARY. That is correct.

The PRESIDING OFFICER. That is the status.

RIGHTS AND PREROGATIVES OF INVESTIGATING COMMITTEES

Mr. BLACK. Mr. President, I desire to say a few words on a subject not connected with the pending bill. This is on account of the fact that there has been a gross and malicious campaign of misrepresentation perpetrated on the people of the United States in the last few days with reference to the activities of a committee of this body. This campaign of misrepresentation is not accidental. It is concerted. It is deliberate. It is a malicious effort to impede the progress of one of the committees of the Senate because of a desire on the part of those responsible for the campaign of misrepresentation to prevent an investigation of things which the people are entitled to know.

As an example of the deliberate campaign of misrepresentation, which has even been dragged into the editorial columns of newspapers which assume great piety on their part, and consequently arrogate to themselves a lofty position of holiness and purity far above that of all ordinary human beings, I call attention to an editorial appearing in the Chicago Daily Tribune of Wednesday, March 4, 1936. This is the second time the same falsehood has appeared in this paper with reference to the Senate and its resolutions.

All of us know that the resolutions of the Senate are public. They are available even to the Chicago Tribune; but, of course, the Chicago Tribune was not disturbed by what appeared in the resolution. For the second time it has made this statement about the Senate resolution under which the committee is acting in the investigation of lobbyists, propagandists, and so-called patriotic societies supported by tax dodgers and racketeers.

In this editorial the following statement appears, and it is the second time it has appeared in an editorial in the Chicago Tribune:

> Mr. BLACK, under the authority of two Senate resolutions, is going after the chief organized opponents of the Roosevelt administration with hooks, tongs, and carving knives. One of the resolutions was drawn foolishly. A large nerve was required to specify by name the political opponents of the New Deal. The resolution named them—

The resolution is available for any Senator to see. The editorial says:

> The resolution named them—the Sentinels of the Republic, the American Federation of Investors, the Liberty League, and other organizations the members of which have been standing up to the Rooseveltians and punching back.

The resolution did no such thing. If the editor, or the man who wrote this editorial, did not know that the resolution did not contain any such statement, he could have easily ascertained it; but, of course, the truth does not disturb many people who prate loudly about their piety and their loftiness of character.

Now, I desire to make this statement to the Senate: Your committee is proceeding in exactly the same line of policy and under the same type of proceedings that have characterized every investigating committee since the first resolution of investigation was adopted in 1792. In the first resolution which was adopted for an investigation in this country, the congressional committee was given the power to investigate and obtain letters and papers. That course has been followed in practically every one of the 350 or 400 resolutions of investigation which have been adopted and carried out since that time.

It is true that in 1792 there were no telegraph wires, but there were telegraph wires in 1860 and 1870; and at that time the exact objection so loudly talked about now was made. A committee of the Congress issued numerous subpenas for telegrams to the telegraph companies, not designating the exact telegrams that were desired, but designating telegrams passing to and from individuals. There, of course, appeared at that time those who were outraged that such an effort should be made. They said it was an invasion of the rights of the people; and one of the telegraph companies even permitted its agent to be cited before the Congress. But the Congress made short work of the matter, and it was agreed that it was wholly unnecessary to desig-

nate with particularity the telegrams that were desired, by reason of the fact that that would make the telegraph company or someone else the judge of what was admissible and what was not admissible.

In numerous instances it has also been held, not only in connection with congressional committees but by the courts, that if there is any objection to a subpena duces tecum to bring letters and papers into a court or before a committee of Congress, that objection must be made when the return is made to the subpena. An effort has been made to convince the people that something extraordinary has been done. As a matter of fact, it is not extraordinary. There is nothing extraordinary in the howls that have been raised by those who are interested in preventing the people of the Nation from knowing of the crookedness and the corruption that has been in existence, and from which many have profited to the disadvantage of the public as a whole.

That has always been done. There is nothing astonishing about it. Let me read you what was said before when a gentleman had distributed $750,000, and it was shown that he had done so. He wanted a subsidy bill passed about 75 years ago, so he came to Washington with $750,000; and he was very much disturbed because he was asked to testify what he did with the $750,000. He said he could not do that; that that would be a breach of honor and integrity, and would invade his private affairs. It was proved that he had spent the money. He brought $750,000 here to influence this subsidy bill for a steamship company known as the Pacific Mail Steamship Co. The matter is reported in the Congressional Globe, Forty-third Congress, second session, page 291.

This man's name was Irwin. Listen to this statement, and see what a familiar note it has:

I am prepared to tell the committee—

He said—

the whole truth so far as it relates to myself; but when it comes to revealing matters which exist in confidence between myself and other members of the committee—

That is, the committee of lobbyists—

I stand upon my honor as a gentleman and upon my rights as an American citizen, and most respectfully decline to answer these inquiries.

In spite of the fact that this gentleman stood upon his "honor as a gentleman" and upon his citizenship of America, Congress concluded that in spite of his lofty and holy sentiments he was guilty, and sentenced him for contempt. Many instances of exactly the same kind may be found. This sort of thing happened even in colonial days. Macaulay tells about what was done in England when an attempt was made to investigate graft, corruption, and crookedness, and those who were cited to appear said their privacy was invaded. They contended that they had a perfect right to do anything in the world they desired to do in connection with legislation and public contracts, and that was a matter of private interest to themselves; but the Congress and the Parliament have always taken a different position. They have always held that the man who attempts to influence legislation or governmental contracts straightway steps out of the veil of privacy, and subjects himself to be inquired of by the representatives of the people of the Nation in order to learn who put up the money, and what was the object of putting up the money.

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

Mr. BLACK. I yield.

Mr. NORRIS. The Senator's illustrations are very interesting, but I think he ought to take into consideration the fact that in those days a process which is now of everyday occurrence was not known of, or thought of, at least. Now we have the injunction, and are becoming to a great extent a government by injunction; and the jurisdiction to pass on these questions is sought at least to be taken away from Congress and conferred upon the judge.

Mr. BLACK. I fully agree with the Senator that the Senate has the right under the Constitution to determine who its witnesses shall be, and certainly has some privilege to have those witnesses come to this body before they are restrained in any way by any court.

Mr. NORRIS. That is subject to the possibility of some judge's enjoining the Senate or its committees from pursuing that course.

Mr. BLACK. I understand that.

Mr. WHEELER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. I should like to call the Senator's attention to the fact that during the Tea Pot Dome investigation, and during also the Daugherty investigation, the investigation of the Department of Justice, we got the same kind of misrepresentation from the Chicago Tribune and papers of that ilk throughout the United States. In the Daugherty investigation the same claim was made when we went into the bank owned by the Daughertys in Ohio.

They claimed then, and even some Members of the Senate claimed, that we were invading the rights of private individuals by going into the banks and looking at Jess Smith's account, and Mel Daugherty's, and Harry Daugherty's books. They got an injunction against us, and finally the case went to the Supreme Court, and before we ever got into those books and records they burned all the records they had in the bank pertaining to the matter, so that we would not be able to go into them. It was supposed, of course, that had we been able to get into those records, we would have exposed some of the most crooked and corrupt officials who ever invaded the National Capital.

Mr. BLACK. Let me call the Senator's attention to the fact that burning has not been abandoned. The Senator will recall that last year we proved that the representatives of the Associated Gas burned their messages, or they were burned and destroyed. Today we proved that the representatives of the Crew-Levick Co., a subsidiary of the Cities Service, destroyed their records on the Wheeler-Rayburn bill, burning them, or some of the entries.

Mr. NORRIS. Mr. President, the injunction process, as related by the Senator from Montana, really had the same effect as the burning, because before the court finally determined that the injunction should not be issued, which it did ultimately in the Daugherty case, some of the witnesses were dead of old age, Senators had served their terms and were retired to private life, and the jurisdiction of the committee had long passed away. So that although the injunction suit was won by the Senate in the end, the delay itself was so great that the effect was the same as though the injunction had been made perpetual.

Mr. BLACK. Of course, when the Senate found that some lawsuit was being tried in court to prevent certain testimony which it desired from being submitted, it might, if it saw fit, summon the witnesses to come to the Senate and obtain jurisdiction of the witnesses. As a matter of fact, there should be the utmost comity between the different branches of this Government in connection with their relationship with each other. It is just as wrong for the judicial branch to attempt to usurp the powers of the legislative branch as it is for the legislative branch to attempt to usurp the powers of the judicial branch.

Mr. NORRIS. Let me call the Senator's attention to the particular case to which the Senator from Montana refers. The ultimate decision by the Supreme Court cannot be complained of.

Mr. BLACK. That is correct.

Mr. NORRIS. An injunction might be issued by some very inferior tribunal, perhaps in Alaska, or Honolulu, or Puerto Rico, or Maine, or California, and before it could wind its weary way to a place where it could be passed on by a competent court and proper adjudication made the necessity for the testimony might long have disappeared, people interested in the case might have died, just as they did in Jarndyce against Jarndyce.

Mr. BLACK. The Senator is correct. Of course, if the time ever comes when each time the Senate has an investigation different courts can issue injunctions to each sep-

arate witness to prevent the production of papers, then, of course, the power of the Senate to investigate will be lost.

Mr. McADOO. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from California?

Mr. BLACK. I yield.

Mr. McADOO. Since Congress under the Constitution has power to constitute the inferior courts of the United States, and Congress has the power to regulate their procedure and define their jurisdiction, does not the Senator think that Congress has the power by enactment to prevent interference with its prerogatives by these courts?

Mr. BLACK. I will state very frankly that, in my judgment, if any judge ever issued an injunction to prevent the delivery of papers that were sought by this body through subpena, the Congress should immediately enact legislation taking away that jurisdiction from the courts. Congress creates the jurisdiction of those courts.

Mr. WAGNER. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. WAGNER. As an illustration of the power Congress has to limit the jurisdiction of the inferior courts, 4 years ago the Norris anti-injunction law was enacted.

Mr. BLACK. That is correct.

Mr. WAGNER. Which prohibited injunctions in some cases altogether and provided for injunctions in other cases only in certain instances, for certain reasons, so that the power has been exercised.

Mr. BLACK. I may say to the Senator that if I had ever had any idea that any judge would issue an injunction against this body's getting certain evidence, I would long ago have introduced a bill to take away the jurisdiction which enabled the court to do that. Either this body has a right to summon witnesses or it has not.

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

Mr. BLACK. I yield.

Mr. CLARK. An inferior Federal judge has as much right to enjoin the Senate itself as to enjoin any committee of the Senate, has he not?

Mr. BLACK. Yes.

Mr. CLARK. That is what the action amounts to, an enjoining of the Senate itself.

Mr. McADOO. Mr. President, will the Senator yield further?

Mr. BLACK. I yield.

Mr. McADOO. Does the Senator concede that a judge has the power to enjoin such proceedings of the Senate as those to which he has referred?

Mr. BLACK. I do not.

Mr. McADOO. I do not concede it.

Mr. BLACK. Certainly he has not.

Mr. McADOO. I think the dignity, as well as the power, of this body are such that when the Senate undertakes an investigation no court has the power to interfere with the processes of the Senate.

Mr. BLACK. I agree with the Senator fully.

Mr. President, there are several other things I desire to state. In the first place, every telegram this committee has sought to get by subpena, and has in its possession, it obtained either through a subpena duly and legally issued or by reason of the fact that the telegrams were turned over in answer to questionnaires. The telegrams which this committee has in evidence have not been supplied to it by any other branch of this Government. In spite of the fact that the committee has itself sought to get the telegrams by subpenas, there has been a deliberate, malicious effort to convince the public that the committee has had telegrams by the thousands copied by some other bodies connected with the Government.

Here is the story behind the summoning of telegrams: We have already established by the evidence that two companies have been burning their records. The destruction of records is not limited to those two companies. That destruction of records is as widespread as the 48 States of the Union. It is not limited to two companies.

This committee only found, as other committees have found, that if it wanted to obtain evidence with reference to the thing it was charged with investigating, it must get it before those whom it was investigating had had a chance to destroy the evidence. It was by reason of the fact that the committee had gotten evidence that was thought to have been successfully destroyed and burned, so that it had gone beyond all hope of recovery, that these people have suddenly become so patriotic, such great lovers of freedom. What they mean by "freedom" in their editorials and in their partisan diatribes is freedom for these people to continue to destroy the evidence of their activities designed to exploit the great mass of the people of America. That is what they mean by "freedom." That is the freedom they want.

Here is another man. He set up that he was a lawyer and he therefore could not be compelled to make any statement before a congressional body. But the committee heard him speak, and when he had finished speaking the question was put; and when the question was voted upon he, too, in spite of all his appeal on the ground of patriotism and American citizenship, was convicted of contempt by reason of the fact that they saw he was trying to wrap himself in the Constitution to keep from revealing facts that showed he had been exploiting the people of this Nation for his own peculiar advantage and that of his clients.

Mr. President, another thing has been stated—that this committee has the authority to investigate only some person who goes out and seizes a Senator or a Representative by the coat and lobbies with him out in the lobby. That is not the most successful lobbying today. That is not the way it is done. We all know that. One of the ways to try to defeat legislation is to work from behind the scenes, and the most successful way to do that is to get a high-sounding name. It is said that about a year ago—a little more than that—when the question came up of a name to be given to a certain widespread organization in America, someone suggested it should be "The League to Protect Property"; and straightway came back the reply, "That will never do. It should not be named 'The League to Protect Property.' We must get a title that will deceive the people and lead them into believing that what we are really after is to protect liberty." So they decided to name it the Liberty League.

Now, if an organization, instead of being named the Liberty League, were named the Democratic Party or the Republican Party or the Socialist Party, no one would say a word if we attempted to find out who made the contributions to those parties. It is now accepted in this country as a matter of right that the people have a right to know who supports the political parties. But if corporations which are prohibited from contributing to political parties may conceal their political contributions behind a name invented by someone to talk about liberty and the Constitution, then they may flout the law; so there is nothing whatever surprising in the fact that inquiries have been made of various organizations that are engaged in activities over the radio, on the stump, and even attempting to usurp the functions of the Supreme Court itself, and then directing people that they should not answer a Senate subpena. Is there anything surprising in the fact that someone should be interested to know who is putting up the money for this organization which seeks to shape and fashion the destiny of the millions of people of this country? If at the same time the same group organizes farm unions, sentinels of the Republic, protectors of liberty, guardians of the Constitution, self-defense leagues, and even takes the money of industrialists who have made billions at the expense of the farmers to put up a fake organization on the farmers of this country, is it

true that we are invading their private affairs when we try to find out if this so-called farm organization is supported by munitions manufacturers or an aluminum company or Wall Street bankers?

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

Mr. BLACK. I yield.

Mr. WHEELER. Speaking of the Liberty League and contributions to it, it is my understanding that in many instances contributions to it are made in the nature of loans. Because of the fact that the contributors cannot write off their straight contributions in their income-tax returns, they make them in the form of loans; and when the loans come due, and cannot be paid, they can write them off as against their income taxes as losses.

Mr. BLACK. Of course, it is necessary to invent many new methods. The Chicago Tribune several weeks ago were required to pay back some three or four hundred thousand dollars by reason of the fact that they had had some kind of a corporation, and they had manipulated and managed it around until they thought they were not obliged to pay. But do Senators know the strange thing is that the Supreme Court of the United States had said that that was illegal? And it is almost impossible to believe that with the Supreme Court already having declared it illegal, this great defender of the Constitution and the Supreme Court should have sought to put over on the Treasury Department a deal whereby they could keep from paying some three or four hundred thousand dollars in income tax. Perhaps they thought they could keep on doing that until there would be some administration which would not make them pay it back.

Mr. WHEELER. The Senator does not intimate that the Chicago Tribune would do anything illegal?

Mr. BLACK. On February 12 that was published in a press dispatch. Of course, I would not intimate that. But it was indicated—not only indicated but it was true—that they had been forced to pay this income tax by reason of the fact that the scheme and device which had been arranged had been stricken down by the Board of Tax Appeals.

The whole thing is this, Mr. President: A small group of people of immense power in this Nation have had their grip upon the ship of state. They have been directing its destiny for so long that it is impossible for them to believe that there is anything that can shake them loose. It was immaterial to them whether the party in control was Democratic, Republican, or whatever it might be called, so long as they could direct its policies. They wanted to shape the tax program. Therefore they have organized their societies under various high-sounding names, and made contributions under cover behind the scenes, without the public knowing it, sending forth speeches over the radio, announcing at the beginning that this was a very patriotic organization, where its people worked without funds. At the very moment the radio speeches were being made it was known that the same little group that had financed the Liberty League and various other so-called leagues to advance the cause of patriotism and the Constitution had supplied the money, and they did not want the public to know it. But I desire to tell the Senate that your committee intends that the public shall know all about these matters. We have sought evidence wherever we thought it could be obtained in accordance with the rule that has been adopted by this body over a period of more than 150 years. We have not departed one iota from the established custom.

We are using exactly the same methods of subpena that were adopted by the Caraway committee and by other investigating committees all the way back, even to the time of Jackson, when the national bank was investigated. At that time the investigating resolution was almost in the words of the present resolution, in order to determine who it was behind the scenes that was manipulating the finances of the country for their own peculiar benefit and advantages. It was then said, "You are invading privacy. You do not designate what you want." But the committee went right ahead and made the investigation.

In the Credit Mobilier case the same objections were raised and the same high-sounding and sonorous phrases were invented by those who, because of the fact that they had a financial interest, were making the protest, but the committee went right ahead and disclosed what had happened.

The same occurred when President Garfield told the men under him, "I want you to investigate the mail frauds and I want you to do it thoroughly, let the chips fall where they may." They did investigate and showed the corruption where it existed.

Senators will find in the records of this body in the Senate library that one of the reasons given at the hearings involving the assassination of President Garfield was that the same poisonous Pandora's box was turned loose against him by the papers and the propagandists who wanted to get something to fill their own pockets by espousing the cause of those who had exploited the people of the United States.

All the way down through the years the same fight has been made. It was made before this country was settled. It was true of England and true of America. Every time an investigation starts the same propaganda begins.

This committee, upon which is my friend from Vermont [Mr. GIBSON], a distinguished and able member of the opposition party, has subpenaed only the telegrams where it already had in its possession reasonable ground to believe certain parties had been engaged in some activity which came within the scope of the investigation. We do not ask and we do not care to what party they claim to belong. That is wholly and completely immaterial to us. We do not ask and we do not care whether they support one administration or another administration.

In spite of all the false statements that may be distributed throughout the country, the five members of your committee have been working harmoniously to bring out the truth in order that the people of the Nation may know who it is that seeks to control legislation for their own peculiar benefit, for their own financial advantage. We shall not be deterred, and we shall not be stopped by any of their activities. We intend to observe every constitutional right accorded every citizen of the Nation. We believe we are trying to protect the rights of free speech and free citizenship in this Nation, because we cannot have free speech and free citizenship if we turn the Nation over to propagandists who are paid to propagandize the Nation by a small group of favored individuals who have grown rich out of the Public Treasury.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. I take it the Senator does not think this matter of lobbying is a partisan matter?

Mr. BLACK. It is not.

Mr. WHEELER. I have noticed that when we have a Republican administration the lawyers who are employed as lobbyists are generally Republicans, and the minute the Democratic administration comes into office we find former Democratic national committeemen and prominent Democratic lawyers then employed as lobbyists by the same concerns which formerly employed the Republicans. I think it is a deplorable situation that here in the National Capital men who have been prominent in Democratic councils should lend themselves to these great nonpartisan concerns to act as lobbyists in the city of Washington.

Mr. BLACK. Mr. President, your committee has summoned, without any distinction as to party, and it will continue to do so, every lobbyist, whatever may be his title, whatever may be his official position in any party. We on the committee are acting as one to see that they all come before the committee, whenever it is necessary and when we reach them in due course, to tell the country exactly what they have been doing, what contributions have been made to them, who paid them, and for whom they are working.

I am sure I can receive the approbation of every member of the committee when I state it is wholly and completely immaterial to us, if it comes within the range of our inquiry, whether the individuals investigated belong to one party or another. Not in one single instance has a member of the committee asked that a questionnaire be sent to anyone or an investigation be made that it has not been done. We shall continue to do so.

Let these partisan papers which seek to inflame the people by appealing to party partisanship continue their harangues. We shall continue on our course. We are not interested in their political harangues. We are not interested in their attempt to inflame partisanship. We are interested in letting the people know whose money it is that seeks to corrupt the legislation of this Nation in any manner or that seeks secretly to influence legislation.

I have no objection and I believe no member of the committee has any objection to any group in the United States seeking to have its views made known to the Congress. That is perfectly legitimate and perfectly proper. We have sought in no way to abridge this right. We do not desire to do it. We do claim, however, that the public has a right to know who it is that seeks to influence legislation, who pays these lobbyists for their services, and if it is a so-called society of some kind disguising itself behind a high-sounding name, that the people of the United States are entitled to know whose money is behind it and what it really is in which they are interested.

We have made no effort to investigate either the Democratic or the Republican Party. Each party is required under the law to submit its report. If we found that false statements had been made in those reports, we would take one just the same as we would take the other for investigation. No one who is genuinely or honestly interested in anything he wants investigated within the rights of this committee, whether on this side of the Chamber or the other, if he is honest about his desire to have the investigation made and has something on which it can be based, has been denied the opportunity to present his views. We have welcomed such things and we will welcome them hereafter.

What I want the Senate to know is that its committee of five are not acting on any partisan basis. We decline to permit the committee to be carried to any such point. We shall continue to show from time to time the destruction of records as we have shown today, and shall continue to show who it is that is supplying the money and what is their sinister interest when they seek to deceive the people of the country into believing that certain societies are legitimate, honestly formed societies, patriotic societies, defense societies, or any other kind of societies. We believe the public is entitled to this information and we intend to continue on our course. We believe that the men in this body on each side of the aisle who put the welfare of their country and honest, decent Government above partisan politics will back us up to the limit.

CONDITIONS IN THE STEEL INDUSTRY

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD two letters, both of which relate to problems confronting Pennsylvania communities dependent upon the steel industry. The first letter is from Mr. B. E. Kibbee, executive vice president of the Sharon Steel Hoop Co. The conditions which he recites in his letter threaten the very existence of his plant and the thousands of workers who are there employed. If steel mills are abandoned in this area, it will mean the migration of thousands of families to other places at a very great cost to themselves and the Nation.

The second letter is from Mr. E. R. Crawford, president of the McKeesport Tin Plate Co. The industry which he represents provides employment for a fair proportion of the McKeesport area.

These letters are protests against pending legislation which would have the effect of disrupting the industry, producing great economic waste and a needless shifting of population. I ask that the letters be referred to the Committee on Interstate Commerce.

At the present time the operations of the iron and steel industry in the United States are but a little above 50 percent of capacity; 450,000 persons are now employed in the industry, which is slightly less than the number employed in 1928 and 1929.

Over a period of 50 years, during which I have been familiar with the industry, work was provided for not more than 8 months on an average each year.

With unemployment conditions with us as they are, and with a large number of well-qualified workers in our mill towns without work, the question arises as to why we should now be importing steel from abroad.

Imports of semifinished and finished steel products for the month of December 1935 amounted to 24,570 net tons. This is the equivalent of 1,302,210 man-hours. While not quite equaling the figures for September and October, the imports of December nevertheless represented an increase of 27 percent over those of November and were nearly three times as great as the imports for December 1934.

Structural shapes were far in the lead among the December steel imports, amounting to almost 25 percent of the total.

Other items were merchant and other bars, steel pipe, barbed wire, hoops and bands, nails, wire rods, and ferroalloys.

Imports of steel are constantly increasing, having practically doubled in 1935 over 1934.

I ask unanimous consent to have a detailed report of these findings, published by the Iron and Steel Institute, printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letters were referred to the Committee on Interstate Commerce, the tables were referred to the Committee on Finance, and all ordered to be printed in the RECORD, as follows:

Re: Wheeler bill (S. 4055)

SHARON STEEL HOOP CO.,
Sharon, Pa., March 3, 1936.

HON. JAMES J. DAVIS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I note that you are a member of the Senate Committee on Interstate Commerce and will shortly be giving consideration to the Wheeler bill (S. 4055), and I desire to go on record with you as to what the net result will be to our particular company; and it will be the same for many others, if this bill is enacted into law in its proposed form. I am not going to take your time to recite the various chaotic conditions which will be inevitable under this proposed bill, but only to recite the final results.

We are a steel company controlling manufacture from ore and coal through to finished products in flat rolled form, such as strips and sheets. We are giving employment to more than 4,000 men, and with our affiliated companies more than 10,000 men. Our plants are located at Sharon, Pa.; Youngstown, Ohio; Niles, Ohio; Warren, Ohio; and the Pittsburgh district. Our principal consuming markets are in the Detroit area and the Chicago area. The present carload rate of freight on such steel commodities as we produce are as follows:

Pittsburgh district to Detroit district, 28½ cents per 100 pounds, or $5.70 per net ton.

Sharon-Youngstown district to Detroit district, 26½ cents per 100 pounds, or $5.30 per net ton.

Pittsburgh to Chicago district, 36 cents per 100 pounds, or $7.20 per net ton.

Sharon-Youngstown to Chicago district, 33 cents per 100 pounds, or $6.60 per net ton.

Under the proposed bill each mill would be forced to sell its products f. o. b. mill, which would mean we would be forced to absorb freight rates as above set forth in order to compete in the Detroit or Chicago districts, inasmuch as producing units are located in both of those districts; and they, likewise, would be compelled to sell their products f. o. b. their mills. It would be absolutely impossible for this company to continue to compete in either the Detroit or Chicago districts. Therefore, we could not hope to continue operating our plants in their present location. We would be faced with two alternatives—one to either abandon our plants or to shrink them to such smaller size as would be required to make such minor tonnage as we might be able to distribute in districts other than Detroit and Chicago; the other alternative would be to abandon our present location and build plants in the Detroit and Chicago districts. Either of these alternatives would certainly be most serious for our present employees as well as for holders of our securities.

There is another point to be considered at the present time. There is not sufficient producing capacity in either the Detroit or

Chicago areas to cover the requirements of those districts in all lines of steel as used in those two districts; therefore they are compelled to go to other districts to secure a portion of their requirements; but under the proposed set-up, selling f. o. b. mills, we could not meet the demands in the Detroit and Chicago districts for such tonnage as consumers in those districts would be forced to buy outside their own districts without serious loss to our companies. Therefore it seems to me a hardship would be worked on the consumers of steel in the Detroit and Chicago districts until such time as additional mills could be built and placed in operation in those districts.

A program such as is outlined in the Wheeler bill can only result in a great realinement of the steel industry, i. e., in the abandonment of many mills in present locations and the concentration of new mills adjacent to or directly in the large consuming centers for their products, such as Detroit and Chicago, with the resultant concentration of greater population in certain areas and the throwing out of work of tens of thousands of employees in various smaller communities where mills are now operating.

I sincerely hope that you fully realize the serious aspects of this proposed bill, and that your interest in the welfare of the working people of the steel industry will cause you to vigorously oppose the Wheeler bill in its present form.

Sincerely yours,

B. E. KIBBEE,
Executive Vice President.

McKEESPORT TIN PLATE CO.,
McKeesport, Pa., February 27, 1936.

HON. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR: There has come to my attention Senate bill 4055, introduced by Mr. WHEELER, which, if enacted into law, would have the effect of prohibiting the basing-point method of quoting prices.

This proposed legislation would very seriously affect the steel industry and all others with which business relations are conducted by it.

It is not my purpose here to advance detailed reasons why this legislation should not be passed, but only to point out in a general way some of the disastrous consequences of its passage.

The entire price structure in the steel industry would be upset. This price structure has a historical background which is concerned with the original locations of steel manufacturing plants. It would necessitate the establishing of a new price structure, and this would be controlled by the buyer, rather than the seller.

It would deprive the steel industry of the advantages of location in those centers which are peculiarly adapted to the industry, and because of which the industry so located, and has enjoyed for so long.

It would have the effect of disrupting the industry, placing a premium on locating industries at regions of greatest consumption, rather than at sources of raw materials, etc., at great economic waste. Shifting population would be another wasteful result of this. To be considered is the fact that areas of consumption are constantly changing, and the same situation again arises.

No problem would be solved; the cost of transportation would have to be borne at some point of manufacture; and if the industry were forced to relocate at points of consumption, this cost would merely be transferred to the cost of raw materials.

In view of these far-reaching effects, especially upon a district in which you are particularly interested, I urge you to give the foregoing your earnest consideration.

Respectfully submitted.

E. R. CRAWFORD, *President.*

P. S.—Knowing your particular interest and intimate knowledge of this industry, Senator, I feel that I can depend upon you to give this subject your particular attention. You know as well as I do what it would mean to the Pittsburgh district.—E. R. C.

TABLE I.—*Imports of iron and steel products into the United States, December 1935*

Product	Total imports, December 1935	Atlantic ports	Gulf ports	Pacific ports	Canadian border and interior points	Alaska and colonies
Semifinished and finished steel (net tons):						
Total imports	24,570	13,813	3,561	6,417	584	195
Structural shapes (including sheet piling)	6,039	4,305	547	1,187	----------	----------
Merchant and other steel bars	2,896	2,004	132	710	50	----------
Steel pipe	2,490	654	719	1,058	59	----------
Barbed wire	2,455	786	968	281	392	28
Hoops and bands	2,397	1,632	346	419	----------	----------
Nails, tacks, and staples	2,367	1,335	92	926	14	----------
Wire rods	1,441	1,183	----------	258	----------	----------
Sheets, skelp, and sawplate	1,178	591	203	384	----------	----------
Rails and fastenings	788	263	----------	474	27	24
Round and flat wire and strip	750	629	39	82	----------	----------
Ingots, slabs, and iron bars	582	146	415	14	----------	7
Concrete reinforcing bars	406	5	----------	290	----------	111
Wire rope and strand	311	93	55	134	29	----------
Plate, boiler, and other	157	6	----------	151	----------	----------
Castings and forgings	141	108	----------	2	8	23
Hollow bar and drill steel	93	40	12	41	----------	----------
Miscellaneous	79	33	33	6	5	2
Pig iron, etc. (gross tons):						
Pig iron	16,289	12,738	30	2,827	694	----------
Ferro-alloys	4,305	1,164	189	4	2,948	----------

TABLE II.—*Imports of iron and steel products into the United States, month of December 1935, fourth quarter 1935, and year ending Dec. 31, 1935, compared with previous periods*

Product	December 1935	November 1935	December 1934	Fourth quarter 1935	Third quarter 1935	Fourth quarter 1934	12 months 1935	12 months 1934
Semifinished and finished steel (net tons):								
Total imports	24,570	19,330	8,589	71,316	67,975	31,007	244,165	128,714
Structural shapes (including sheet piling)	6,039	4,288	1,862	15,354	11,659	8,553	46,592	28,025
Merchant and other steel bars	2,896	2,404	1,615	8,043	7,457	5,146	27,719	21,011
Steel pipe	2,490	926	385	5,628	7,316	1,389	23,058	5,383
Barbed wire	2,455	1,665	372	7,406	5,575	1,109	27,905	9,920
Hoops and bands (including cotton ties)	2,397	1,789	1,156	7,070	12,828	5,164	34,251	19,999
Nails, tacks, and staples	2,367	2,110	489	7,434	6,931	1,446	23,875	7,860
Wire rods	1,441	2,925	1,078	7,138	3,620	2,323	18,794	11,934
Sheets, skelp, and sawplate	1,178	606	161	3,956	3,963	909	12,374	4,799
Rails and fastenings	788	853	56	2,894	1,602	1,028	6,338	3,442
Round and flat wire and strip	750	643	497	2,247	1,758	1,460	7,748	5,801
Ingots, slabs, and iron bars	582	155	450	1,319	1,227	1,046	4,413	3,294
Concrete reinforcing bars	406	186	42	677	1,899	175	3,479	1,430
Wire rope and strand	311	315	89	826	541	393	2,401	1,693
Plate, boiler and other	157	61	42	221	356	66	765	320
Castings and forgings	141	139	134	424	390	328	1,474	1,659
Hollow-bar and drill steel	93	98	66	348	437	180	1,312	1,027
Cast-iron pipe and fittings	----------	51	----------	54	----------	29	135	72
Miscellaneous	79	116	95	277	416	263	1,532	1,045
Pig iron, etc. (gross tons):								
Pig iron	16,289	15,550	3,642	49,007	28,444	16,379	130,937	115,470
Ferro-alloys	4,305	8,241	3,809	19,120	12,740	16,953	54,821	41,074

TABLE III.—*Imports of iron and steel products into the United States, year ending Dec. 31, 1935, by countries of origin*

Product	Total imports, 12 months	Belgium	France	Germany	Netherlands	Norway and Sweden	United Kingdom	Canada	All other
Semifinished and finished steel (net tons):									
Total imports	244,165	93,499	16,031	93,912	2,163	27,563	4,214	3,059	3,724
Structural shapes (including sheet piling)	46,592	32,840	7,407	4,922			22	29	1,372
Hoops and bands (including cotton ties)	34,251	17,238	4,180	10,426	1,725	44	446	7	185
Barbed wire	27,905	3,250	41	24,115	340		119		40
Merchant and other steel bars	27,719	16,251	3,044	3,209		3,940	824	85	366
Nails, tacks, and staples	23,875	4,835	82	18,532	62	116	87	40	121
Steel pipe	23,058	760	110	16,730		3,156	170	799	1,333
Wire rods	18,794	2,323	7	4,622	11	11,104	716	1	10
Sheets, skelp, and sawplate	12,374	7,248	273	4,611		134	92	4	12
Round and flat wire and strip	7,748	829	110	1,509		4,779	511	7	3
Rail and rail fastenings	6,338	2,289	309	1,823			16	1,901	
Ingots, slabs, and iron bars	4,413	912	292	631	4	2,491	22	4	57
Concrete reinforcing bars	3,479	3,040	123	316					
Wire rope and strand	2,401	92	26	1,507	8	87	527	12	142
Castings and forgings	1,474	333	27	199	12	393	430	48	32
Hollow bar and drill steel	1,312					1,309	2	1	
Plate, boiler, and other	765	749		3		9		4	
Cast-iron pipe and fittings	135			3			12	85	35
Miscellaneous	1,532	510		754	1	1	218	32	16
Pig iron, etc. (gross tons):									
Pig iron	130,937	100	50	4,877	48,122	3,327	14,500	13,771	46,190
Ferro-alloys	54,821		2,091	1,075	1,095	15,277	2,572	31,760	951

Mr. WHEELER. Mr. President, I did not understand what bill the Senator was speaking about. I assumed from the general tenor of his speech that the letters were with reference to the anti-basing-point bill which I introduced.

Mr. DAVIS. Yes.

Mr. WHEELER. Will not the gentlemen whom the Senator mentions, who have written these letters, come before the Interstate Commerce Committee and testify, rather than write letters? We expect to have open hearings; and I am exceedingly anxious to have the highly paid secretary of the Steel Institute come before the committee and testify, and state what his opposition is to the bill.

Mr. DAVIS. I shall be very glad to invite these gentlemen to come before the committee.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, I have just returned from West Virginia from a short tour of investigation of the operations of the Works Progress Administration. Due to the fact that it is so late in the day I shall not discuss the Works Progress Administration tonight except to bring out two facts which will be examples of the speech of the Senator from Alabama [Mr. BLACK] about lobbying.

The other day I spoke about the Fairmont district of W. P. A. and named some of the bosses who were in the list to be consulted.

One of those bosses was C. E. Smith, a member of the National Bituminous Coal Board. Mr. Smith was for 2 years the secretary of the International Joint Commission, the Boundary Commission. He was appointed on the 30th of September 1933. While receiving $5,000 a year as the secretary of the International Joint Commission, Mr. Smith was paid by the Appalachian Coals, Inc.

I am going to read to the Senate an original letter from the president of Appalachian Coals, Inc., dated April 1, 1935, addressed to Mr. C. E. Smith, care of the Mayflower Hotel, Washington, D. C.:

DEAR MR. SMITH: Herewith is a check in the amount of $197.06 covering your expenses for the week of March 24, as listed in your memorandum dated March 30.

The items on this memorandum covering your expenses for the week of March 17 were paid by check March 25, which was mailed to you, care of The Times, Fairmont, W. Va., as requested in your memorandum of March 23.

Yours very truly,

APPALACHIAN COALS, INC.

Here was a Government official, secretary of the International Joint Commission, being paid $5,000 a year and also having his expenses paid by Appalachian Coals, Inc.

Now let me tell you what he was doing. Let me read you a copy of a letter that he addressed on the 8th day of March 1935, to Senator C. W. Watson, Waldorf-Astoria Hotel, New York City, N. Y. Here is what he said:

DEAR SENATOR: Huntress told Thurmond we would not be needed here next week.

Let me explain who that is. Mr. Huntress is secretary of the coal operators and Mr. Thurmond is internal-revenue collector for the State of West Virginia.

Huntress told Thurmond we would not be needed here next week. He knows best, but I think somebody should be constantly in touch.

Confirming my telephone call this morning I am afraid you are right that GUFFEY has taken too much for granted. When I got in touch with him he immediately made a luncheon engagement with the President for Monday and will insist that his bill is in keeping with the President's message concerning coal, oil, and gas.

GUFFEY is inclined to minimize McIntyre's attitude, but as I told you he will talk it out with him later today.

I am going to Fairmont this evening.

Sincerely yours,

C. E. SMITH.

Here is Mr. Smith saying that Mr. Huntress, of the coal operators, was to tell the Collector of Internal Revenue of the State of West Virginia and the secretary of the joint boundary commission when they should be in Washington and when they should be at work, sending a check, as I showed in a former letter, to Mr. C. E. Smith for his expenses.

What was that for? It shows what was allowed him.

Let me exhibit the original letter here from Walter R. Thurmond, collector of internal revenue, to Mr. Smith, dated March 18, 1935. This is what he says:

I am very glad that Senator Watson feels that I can be of some service down there—

Listen to this—

but he told me that when I was employed, and I believe it was in your presence, that I would be subject to the orders of Mr. Huntress and I would, therefore, not feel justified in returning to Washington without official request from someone.

This is the collector of internal revenue of our State saying that—

He told me that when I was employed.

By whom? He does not say.

And I believe it was in your presence.

That he was subject to the orders of Mr. Huntress, of the coal operators.

Then he proceeds to say in his letter:

Personally I do not know whether I could do them any good or not, but I am willing at all times to try. On the other hand, I do not want to build up one dollar's expense for the coal industry unless I feel that I am giving them an equal value in my services.

It was perfectly all right for him to come from Parkersburg, W. Va., to Washington, D. C., and put the expense on the Government, but he did not want to bill it to the coal operators.

Who are these two men? Mr. Smith is one of the bosses of the W. P. A. of the Fairmont district. Mr. Thurman is nightly having conferences with Mr. Forsythe, the director

of the Parkersburg district, in the Chancellor Hotel, Parkersburg, telling who should be placed and who should not be placed and who should manage and who should not manage the Parkersburg district of the Works Progress Administration.

Not only does he have control of the Parkersburg district but Mr. Thurman, through some of the committee, dictates exactly who shall be put on the W. P. A. pay roll in Logan County, W. Va. Yet, as I have said, here is a collector of internal revenue lobbying in Washington, admitting it in his own handwriting, and cooperating with the coal operators.

I need not tell more about some of these "big boys." Next week I expect to tell the Senate more on the Works Progress Administration, but these are two of the people who are running the policy of the Works Progress Administration in our State.

DISTRICT COMMERCIAL AIRPORT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That there is hereby created a commission to be known as the 'District of Columbia Airport Commission' (hereinafter referred to as the 'Commission'), to be composed of three Members of the United States Senate, to be appointed by the President of the Senate, three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and three persons to be appointed by the President of the United States, who because of their official positions are interested in the development of a commercial airport in the District of Columbia. No person shall serve on the Commission who has any financial interest direct or indirect in any site or sites for said airport which may be the subject of consideration. The Commission shall proceed immediately after its appointment and organization to examine all available data concerning potential sites for commercial airports and to inspect such potential sites, and shall select a site for such purpose with due regard to the cost of its acquisition and development, its safety, and its adaptability to the requirements of commercial aviation and national defense.

"SEC. 2. The Commission shall preserve its decision and selection in confidence, and shall make a confidential report thereon to the President of the Senate and the Speaker of the House of Representatives, or the Secretary of the Senate and the Clerk of the House of Representatives if Congress is not in session: Provided, however, That said report shall be made not later than June 30, 1936.

"SEC. 3. The members of the Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of official duties as such commissioners. There is hereby authorized to be appropriated the sum of $100,000, to be charged one-half to the moneys in the Treasury to the credit of the District of Columbia and one-half to the moneys in the Treasury not otherwise appropriated, of which not to exceed $10,000 shall be used for the purpose of employing appraisers and other assistants, and $90,000, or so much thereof as is necessary, shall be used for the purchase of land and buildings, or for the negotiation of options to purchase land, or land and buildings."

And the Senate agree to the same.

WILLIAM H. KING,
MILLARD E. TYDINGS,
WARREN R. AUSTIN,
Managers on the part of the Senate.
VINCENT L. PALMISANO,
JACK NICHOLS,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. KING. I move that the Senate agree to the report.

The report was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I wish to state that unless there is objection I shall move an executive session, and then move a recess until next Monday, in order that Senators may have opportunity to look after their mail. I know of a number of Senators who have several hundred letters to which they have been unable to give attention.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate messages from the President of the United States submitting a nomination and a convention, which were referred to the Committee on Foreign Relations.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

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

He also, from the Committee on Appropriations, reported favorably the nomination of James W. Carey, of Washington, to be State engineer inspector for the Public Works Administration in Washington.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

GOLDEN W. BELL

The legislative clerk read the nomination of Golden W. Bell, of California, to be Assistant Solicitor General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

STUART A. RICE

The legislative clerk read the nomination of Stuart A. Rice, of Pennsylvania, to be chairman of the Central Statistical Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until Monday, March 9, 1936, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 5 (legislative day of Feb. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

Francis R. Stewart, of New York, now a Foreign Service officer of class 4 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 5 (legislative day of Feb. 24), 1936

ASSISTANT SOLICITOR GENERAL

Golden W. Bell to be Assistant Solicitor General.

CENTRAL STATISTICAL BOARD

Stuart A. Rice to be Chairman of the Central Statistical Board.

POSTMASTERS

CALIFORNIA

Algera M. Rumsey, Saugus.

COLORADO

Adelbert E. Humeston, Collbran.
James M. Brown, Mancos.

ILLINOIS

Benjamin F. Price, Allendale.
Harry O. Johnson, White Hall.

INDIANA

Cassius W. Cottingham, Sharpsville.
James E. Purkiser, West Baden Springs.

KANSAS

Jay F. Higbee, Formoso.
Anna M. Bryan, Mullinville.
Edwin W. Coldren, Oberlin.
Leo P. Gallagher, Osborne.
Paul J. Voran, Pretty Prairie.
James E. Gay, Spring Hill.
Grover Miller, Syracuse.

MASSACHUSETTS

Charles E. Morrison, Falmouth.
Thomas F. Donahue, Groton.
Nelson J. Buckwheat, Huntington.
John H. Gavin, Manchester.
Margaret E. Rourke, Prides Crossing.

NEW YORK

Alberta J. Webber, Atlanta.

NORTH DAKOTA

Oscar J. Haner, Douglas.
Harold J. Rock, Hamilton.
John C. Black, Plaza.
Seth E. Garland, Tioga.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 5, 1936

The House met at 12 o'clock meridian.

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

Thou art our very life, O Lord; do Thou consider and hear us. Let all things be hallowed by Thy blessing, enriching our wills and affections with abiding treasure. With deepest gratitude, we thank Thee, that Thou hast been pleased to reveal Thyself in the earthly life of the Man of Judea. Every sin that blasts is condemned by His cross and every inspiration that saves flows from it. We rejoice, blessed Father, that it testifies to Thy everlasting love and sympathy with burdened humanity. Let us cherish and hold on to it. It means hope and fellowship when the strain of the day is severest. We pray for the renewal of patience and strength in this time of need. Keep in our breasts the spirit of thanksgiving, for there is always more reason for joy and gladness than for bitterness. Guide us in all our ways, for infinite love in Thy heart means light in Thine eye. Through Christ our Savior. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2219. An act for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force;

S. 2875. An act for the relief of J. A. Jones; and

S. 2961. An act for the relief of Peter Cymboluk.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 10265. An act 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.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) entitled "An act to standardize sick leave and extend it to all civilian employees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) entitled "An act to provide for vacations to Government employees, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10630) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NORBECK, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to request the House to return to the Senate the bill (S. 3586) entitled "An act 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."

PATRICK J. CARLEY

Mr. TONRY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TONRY. It is with profound regret, Mr. Speaker, that I rise in my place to announce the death of a former Member of this House and my predecessor, Hon. Patrick J. Carley.

He served with great honor and distinction as a Member of Congress from the Eighth Congressional District of New York for 8 continuous years and retired voluntarily because of serious illness.

He was a highly successful businessman and held the respect and confidence of not only the people of Brooklyn, N. Y., but the people throughout my State as well. Our country has lost a great patriot and my State a respected and honored citizen.

Personally I feel that I have lost a very devoted and loyal friend.

LEAVE TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker and ladies and gentlemen of the House, I am not going to talk about somebody that died but about somebody that is very much alive. I am going to talk about myself. [Laughter and applause.]

For the information of the Members, I am going to read a letter from a constituent in my district that I received this morning.

This letter is of interest to Members of the House who try to represent their districts as their judgment directs.

The letter is as follows:

MARINE ENGINEERS' BENEFICIAL ASSOCIATION, NO. 13,
303 MARINE BUILDING, DELAWARE AVENUE AND SOUTH STREET,
Philadelphia, March 4, 1936.

HON. MICHAEL J. STACK
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I notice the opposition being set up against your candidacy for reelection.

I am not a party man, always voting independently for the man who appears to me to be best fitted to represent my interests.

I know nor care nothing as to whether or not a man plays politics with the politicians. His actions upon questions concerning the welfare of the majority of his constituents govern my appraisal of his qualifications for office.

I have closely followed your work as the Representative of the Sixth Congressional District of Philadelphia (my home district),

and want you to know that unless you make an inexcusable blunder during the remainder of this session you can count on my support as against any of those so far announced as opposing you.

[Applause.]

I am not a politician and may not have a following outside of our association, but many marine engineers vote in your district, and, since we are almost wholly governed by Federal statutes, we are all vitally interested in the man who is sent to Washington as our Representative, and I feel certain that you will receive a very great majority of their votes.

I have been very free to ask of you what I thought I might be entitled to, and have in each case received what I asked for, and I believe in giving flowers while one is able to admire them and smell them.

Sincerely yours,

WARREN C. EVANS,
Business Manager.

[Applause.]

COMMITTEE ON MILITARY AFFAIRS

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the session of the House this afternoon.

The SPEAKER. Is there objection?

There was no objection.

SESQUICENTENNIAL ANNIVERSARY, COLUMBIA, S. C.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8886, an act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C., and agree to the Senate amendments.

The SPEAKER. The Clerk will report the amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, lines 3 and 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, line 11, strike out "city of" and insert "capital of South Carolina at."

Amend the title.

The Senate amendments were agreed to.

CONTESTED-ELECTION CASE—MILLER *v.* COOPER

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report from the Committee on Elections No. 3 on the contested-election case of *Locke Miller* v. *John G. Cooper*, which was referred to the House Calendar and ordered printed.

FILING OF COPIES OF INCOME RETURNS

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

THE DAIRY INDUSTRY

The SPEAKER. Under the special order, the Chair recognizes the gentleman from Wisconsin [Mr. BOILEAU] for 20 minutes.

Mr. BOILEAU. Mr. Speaker, yesterday the gentleman from Ohio [Mr. HARLAN] made certain references to the dairy industry, which I cannot let go unchallenged. The distinguished gentleman from Ohio is one of the industrious and hard-working Members of the House, and has, I am sure, very ably represented his individual district, the principal city of which is Dayton. I can readily understand why he and I have a different viewpoint with reference to the beneficial effects of the so-called reciprocal trade agreements. In view of the fact that the gentleman from Ohio, who resides at Dayton, took occasion to give the impression to the House that the dairy industry of the country is making an unjustifiable complaint against the trade agreements, I thought it only fair to analyze his own particular district with reference to any benefits that the reciprocal trade agreements might have bestowed upon the people living in his district. I noticed that in the city of Dayton, Ohio, there are many large manufacturing establishments. This morning I called up the Commercial Intelligence Bureau of the Bureau of Foreign and Domestic Commerce of the Department of Commerce to ascertain from them which were the largest industries in Dayton, Ohio. They gave me a list of those industries that do a business of $500,000 or more annually, a list of 20 industries. We find that one of the principal industries is the paper industry, and along with that the printing industry, the printing of account books, stationery, and so forth. Then, too, they manufacture many boilers and stokers, golf supplies, steel, shock absorbers for automobiles, billing machines, Frigidaires, fire-extinguishing equipment and apparatus, proprietary medicines, paints, optical goods, oxygen and acetylene, ice plants, malleable iron, pumps of all kinds, rubber goods including automobile tires, cash registers, scales, internal-combustion engines, and taximeters. Those, I am informed, are the principal industries of that city, and I say to you that practically each and every item that is listed as a principal industry of the city of Dayton benefits directly from the Canadian and other reciprocal trade agreements.

I say to the distinguished gentleman from Ohio that I do not blame him for having a sympathetic feeling for these trade agreements, because if he wrote the trade agreements himself he could hardly have given better consideration to his constituents than they received under the provisions of the reciprocal trade agreement with Canada. Practically all of the industries are beneficiaries of reduced rates that are paid upon the exportation of those commodities into Canada. The Netherlands agreement, the Swiss trade agreement, and the Brazilian trade agreement also give some consideration to the products manufactured within the district, but, in view of the fact that yesterday most of the discussion was with reference to the Canadian agreement, I took occasion to check those items more particularly than the others. If the gentleman from Ohio can give us the name of the persons who wrote the Canadian trade agreement, those who participated in the negotiations on the part of the American Government, I believe it would be of interest, because certainly they were at least friendly to the industries of Dayton, Ohio.

Mr. Speaker, I find no fault with that. If the gentleman's industries receive some benefits, I find no fault with it. I am glad that there is something in the agreements which will help him and his district, but when at the same time the dairy industry is being traded off for the manufacturing industry, then we representing the dairymen strongly protest and make our position very clear on the floor of this House, and to the entire country.

The gentleman in the early part of his remarks referred to a petition now lying on the Speaker's desk and said—and I am sure he is substantially correct—that this petition is designed to bring a bill out on the floor of the House that would increase the tariff on the importations of dairy products and poultry. He stated that it would increase the tariff rates from two to two and one-third times. That is absolutely correct, and we of the dairy industry make no apology for our attitude in that regard, and when he says that we would, if we could, have a complete embargo on the importation of dairy products, I agree with him again and say that that is exactly what we would want. Who is more entitled to the American market for dairy products than American dairy farmers? He made this statement:

This industry has seen the wholesale price of butter, cheese, live cattle, hides, and beef more than doubled in the past 3 years, and the wholesale price of milk increase 66 cents a gallon.

I know the gentleman meant to be accurate, but I say to the membership of the House that the statement that the wholesale price of milk has increased 66 cents a gallon is absolutely erroneous. There is no foundation for such a statement. As a matter of fact, we are only receiving in this country at the present time an average of about 16 cents a gallon.

Mr. HARLAN. Will the gentleman yield?

Mr. BOILEAU. I will be glad to yield to the gentleman.

Mr. HARLAN. The statement should have been 66 cents per hundred pounds.

Mr. BOILEAU. The gentleman's statement was 66 cents a gallon. I knew he must have been in error, and I am glad that he took occasion to correct that statement.

Mr. O'CONNOR. Will the gentleman yield?

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

Mr. O'CONNOR. I listened to the gentleman from Ohio very attentively, and he did not make that statement on the floor. He did not say "gallon." He said "66 cents." He did not even say "per hundred."

Mr. BOILEAU. I do not want to take an unfair advantage of the gentleman. I am willing to accept his explanation of it. There is no question but what 66 cents a gallon is away out of reach, but that is the statement attributed to him in the RECORD.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. KNUTSON. Any increases that have been reflected in the prices of agricultural products have been more than offset by the reduced buying power of the dollar?

Mr. BOILEAU. I think so.

Mr. KNUTSON. According to recent Government figures, agricultural prices are 13 percent below what they were in 1932, based upon the buying power of the dollar.

Mr. BOILEAU. I must proceed with my statement.

The gentleman from Ohio makes the point that we are urging the House to sign this petition to discharge the Hull bill. It is true that the effect of that bill would be to double the tariff, but we are doing that in our fight for self-preservation. My distinguished colleague the gentleman from Wisconsin [Mr. HULL] filed that bill because he felt it was necessary to have that protection from the importation of dairy products. Under the reciprocal trade agreements the President can cause the tariff to be reduced by half. If we double the tariff on dairy products, at least we will not be in any danger of having it lowered below what the tariffs are at present. Unless we take such precautions we are going to see a gradual reduction in the tariff on dairy products, because in the trade agreements that have already been promulgated and entered into with dairying countries they have already reduced the tariff on dairy commodities brought into this country.

The Canadian treaty reduced the tariff on Cheddar cheese from 7 cents to 5 cents. The Swiss trade agreement reduced the tariff on Swiss and other types of cheese from 7 cents to 5 cents. So that, generally speaking, the tariff has been reduced from 7 cents to 5 cents on cheese coming in from every country in the world. Swiss cheese is not produced only in this country and in Switzerland but it is also produced in Germany, in Lithuania, in Finland, and the Netherlands. Other countries producing a considerable amount of Cheddar and Swiss cheese will also have the privilege of bringing their cheese in here at the reduced rate.

What has been the effect of these reciprocal trade agreements thus far? I do not know if the reciprocal trade agreement is the only cause for the reduction in the price of cheese since the 1st of January, but I do know that the price of cheese has been reduced 3 cents a pound, approximately, since the 1st of January. It is quite generally rumored among those interested in dairying that certain large processors of cheese in this country, immediately after we negotiated the treaty with Canada, entered into contracts with Canadian producers to import millions of pounds of Cheddar or American cheese to this country at 2 cents below the market price. Whether that is true or not I am unable at this time to say. I do say, however, that it is quite generally understood among the dairy interests of the country that such a thing has happened, and because the dairy industry believes it has happened, because of the fact that those people who buy cheese from the factory, the grinders who buy this Cheddar cheese for processing purposes and put it up in small boxes and sell it to you at several times what it costs them, have quite generally had it brought to their attention that they can buy cheese 2 cents a pound cheaper in Canada than formerly; as a result of the reciprocal trade agreement the price of cheese has gone down.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. BOILEAU. I yield.

Mr. SNELL. Under usual conditions in this country, during the months of January and February the price of cheese usually goes up, if it changes at all?

Mr. BOILEAU. The gentleman is absolutely correct. This is the time of the year when we have an increase in price, and you will soon see large importations of dairy products, which will then force down the domestic price.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. BOILEAU. Briefly; but I must conclude my statement.

Mr. BANKHEAD. I did not object to the gentleman having this time, because I thought he was entitled to it in order to reply to the gentleman from Ohio [Mr. HARLAN].

Mr. BOILEAU. I yield for a question.

Mr. BANKHEAD. Is it not a fact that the price of cheese, after the enforcement of the reciprocal-trade treaty, is higher than it was a year ago, before this treaty was in effect?

Mr. BOILEAU. Yes. I will say to the gentleman I think it is. I would not say it is higher, but I would say it is about the same price. I am not positive. The price of cheese in the Chicago market today is 15.2 cents a pound.

Mr. BANKHEAD. And what was it in January 1935?

Mr. BOILEAU. I am sorry, but I do not have the figure for January a year ago with me at this time.

Mr. BANKHEAD. The gentleman does not deny, however, that it is higher now than it was then?

Mr. BOILEAU. I say I do not believe it is higher, but I believe it is about the same. There is not much of a reduction; but the fact remains that it is 3 cents a pound less than it was in December of this year. That is the important thing. That is the important part of the situation, and this is the time of the year when such prices should be on the increase.

Now, the gentleman from Ohio [Mr. HARLAN] used a great deal of his time in stating that the prices of dairy products are higher now than they were 3 years ago. I have here the figures showing that the price of butter on May 15, 1933, was 19.9 cents a pound. These are farm prices and not market prices. On January 15, 1933, the price of butter was 29.7 cents a pound. The market price at Chicago today—not the farm price but the Chicago price—is approximately 35½ cents.

The gentleman from Ohio also said that the price of dairy products had more than doubled during the last 3 years. I do not believe that is an accurate statement. At least, according to the figures I have just quoted, which are provided by the United States Department of Agriculture, a different situation is shown. Any increase in price was the direct result of the drought, which removed the accumulated surpluses. However, I want to call to your attention that other commodity prices all the way down the line increased in the same proportion. Wheat, corn, hogs, cotton, tobacco, all increased in price as much as did the price of dairy products. In addition to that, in addition to this increase in the market price, the producers of those other commodities received hundreds of millions of dollars from the Treasury of the United States as a result of the Agriculture Adjustment Act program.

I want to call to your attention the fact that in addition to the increased price received for these commodities during the period the A. A. A. was in operation and up to December 31, 1935, the corn-hog farmers had received in benefit pay-

ments $597,000,000; the cotton farmers, $333,500,000; the wheat farmers, $255,500,000; the tobacco farmers, $53,250,000. So that in addition to the increased prices that were received by the growers of these other commodities they received these millions and millions of dollars as a result of the Agricultural Adjustment Act, and thus were far better off than the dairy industry. It is true prices for dairy commodities were increased, but they were not increased in proportion any greater than the price of any other commodity, and the increase was not as great, when you figure in the payments made under the Agricultural Adjustment Act, as was the increase with respect to other agricultural commodities.

Mr. HARLAN. Mr. Speaker, will the gentleman yield for a question?

Mr. BOILEAU. I yield for a brief question.

Mr. HARLAN. The gentleman, of course, is familiar with the fact that the Department of Commerce has statistics showing the ratio between farm prices and industrial prices, and that during the last 3 years this ratio has been constantly increasing in favor of the farmers, including the dairy farmers.

Mr. BOILEAU. Yes; there is no question but that dairymen are better off than they were 3 years ago, but so are all other industries.

Mr. HARLAN. The ratio is more in favor of the farmers.

Mr. BOILEAU. Not the dairy farmers. But do not forget we have to milk our cows regardless of the price of dairy products. No matter what the price of cream or butter, we have to milk our cows day after day; but they do not have to make refrigerators or scales in Dayton, Ohio; these plants can close down. So if you compare the income your manufacturers received during these depression years with the more favorable conditions prevailing at the present time, you will find by comparison a much better and more healthy situation in Dayton, Ohio, than you will on the dairy farms of the country.

The gentleman thought we must worry about our exports. Why, we are not on an export basis in dairy products. It is true we do export a little. In 1934 we exported $5,194,000 worth of dairy products. In 1935 we exported only $4,533,000. In other words, our exports decreased in 1935, whereas our imports increased. In 1934 we imported $11,007,709 worth of dairy products. In 1935 we imported $15,262,388 worth of dairy products. In other words, in 1935, as compared with 1934, there was a substantial increase in the importation of dairy products; and now with these reciprocal trade agreements coming into effect we can expect only one thing, and that is a much larger increase in the importation of dairy products, particularly in the case of cheese and cream.

It has been said on the floor oftentimes that the provision of the Canadian trade agreement under which a quota was fixed for the importation of cream in the amount of 1,500,000 gallons a year is insignificant. I want to say to those gentlemen who have made such statements that the 1,500,000 gallons of cream will practically all come from Canada and go into the eastern markets. It will go to the New York market, to the Boston and the Philadelphia markets. It goes into these markets during that time of the year when the local dairymen of those sections are unable to provide a sufficient amount of cream.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. O'CONNOR. If there is a shortage of cream in New York City—and it is used principally in industry, it is not drunk, not even in coffee, but it is used in the manufacture of ice cream—would the gentleman permit this shortage to continue instead of allowing cream to be imported?

Mr. BOILEAU. I may say to the gentleman from New York that during those times of the year when you in New York, Philadelphia, and Boston cannot obtain a sufficient supply of cream from your local producers, you have heretofore obtained it from the Middle West and the South. In other words, during those times of the year when you have a shortage you have purchased about 336,000 cans of 10 gallons each, or about 3,360,000 gallons of cream from the Middle West and the South; but now with this Canadian trade agreement, instead of the Middle West and the South supplying this shortage when you need it you will get it from Canada, and you will be robbing the Middle West and South of just about half its cream market. In other words, this trade agreement robs the Middle West and the South of about half of their eastern market for cream, a market that rightfully belongs to American dairymen.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Briefly.

Mr. O'CONNOR. It is a subject with which I have had a great deal of experience. We have got cream from Wisconsin, the Middle West, and the South, but also there have been times when we could not get enough cream from authorized sources that would meet our standards.

Mr. BOILEAU. May I say to the gentleman that the inspection standards of the Middle West are just as high and perhaps higher than they are in Canada. I may also say to the gentleman that the State of Wisconsin has a higher number of tubercular-free cattle than any other State in the Union, and our herds are practically all free of tubercular-infected cattle. Wisconsin has strict sanitary regulations, and we can produce all of the cream that is needed in the East over and above your local supply. We can supply all of the high-grade cream and high-grade milk you people need in addition to your local supply.

Mr. O'CONNOR. I am not talking about the gentleman's State particularly. There are many States which do not meet our standards. I may also state that there has been bootlegging in cream of a substandard, which New York has had to cope with year after year.

Mr. BOILEAU. That is true. Some sections have not in the past and do not now have the proper inspection standards. But there is an adequate supply of cream in this country which will meet the test of New York without going to Canada. We dairymen in this country have a right to that market. We of Wisconsin and the Middle West patronize the East, and the East should patronize us. We should have such part of the eastern market as cannot be supplied by local dairymen. [Applause.]

Mr. TABER. Will the gentleman yield?

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

Mr. TABER. Does the gentleman believe any State is farther behind than Canada?

Mr. BOILEAU. I do not believe so. I believe our dairy industry in this country is up to the standard of Canada and higher than that standard.

Mr. STEFAN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does the gentleman know whether or not the cream that is imported from Canada comes from tuberculin-tested cows up there?

Mr. BOILEAU. I am not so sure about the cream that comes in because of the Taber-Linwood Act that was passed a few years ago; but I do say that many of the dairy products of Canada do not compare favorably with ours so far as their manufacture under sanitary conditions is concerned.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Washington.

Mr. ZIONCHECK. The gentleman from New York referred to ice-cream plants using cream. As a matter of fact, they do not use very much cream. They use a composition now.

Mr. BOILEAU. That is true to some extent.

Mr. ZIONCHECK. And that situation exists in New York City, too.

Mr. BOILEAU. Mr. Speaker, there is a provision in the Canadian treaty, though, that does give some concession to

the dairy industry. It reduces the tariff from 14 to 12 cents on butter, but that is such a ridiculous proposition it should not have serious consideration. I cannot see why they have that provision in the agreement at all. The price of butter in Montreal today is 22½ cents. The price of butter on the Chicago market is 35½ cents. In other words, Canada will reduce its tariff on butter to 12 cents per pound, which means that the price of butter in this country must drop down to 10 cents before we could afford to ship any butter at all into Canada. So it is ridiculous to assume that we will ever get any benefit out of this silly provision that has been incorporated in the agreement.

I cannot see why that provision was put in there unless they thought that the dairymen were gullible enough to accept that as being a benefit under the trade agreement.

Mr. Speaker, in conclusion, I want to say that we of the dairy industry feel we are entitled to any protection from importations that the Government can give us. We feel that we should not be further subjected to these ruinous provisions contained in the reciprocal trade agreements which have demoralized the price of butter, cheese, and other dairy products.

[Here the gavel fell.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. 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. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such district for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District of Columbia appropriation bill, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I appreciate it is unpopular, and always has been, to talk about the District of Columbia appropriation bill at all. I appreciate that those Members of the House who give of their very best in an attempt to solve the problems of the District generally receive nothing but knocks. I can remember ever since I became a Member of the House that every chairman of a District of Columbia appropriations subcommittee has been berated by the local press and by different organizations of the District. I can remember when the Honorable CARL MAPES, of Michigan, than whom there is no abler nor better-minded Member of this House [applause] spent the biggest part of a year, including almost all of one summer, in attempting to work out the District problems and to put fair and honest taxation upon them. When the bill passed this House, almost unanimously, there was a storm of protest raised, not on the merits of the bills, but because there was an attempt to put a fair part of the burden of taxation upon the property of the District. They were defeated in the Senate.

The subcommittee has brought in a District of Columbia appropriation bill. When I was requested as the ranking Republican member of the Committee on Appropriations to make a suggestion for a Republican member of that subcommittee I looked over my list of members with the idea of selecting the best man I could get for this job. I selected the Honorable WILLIAM DITTER, of Pennsylvania [applause], because I believed that he could do the job, and do it as well as any man that I had to present. This committee, headed by the gentleman from Texas [Mr. BLANTON], who has given long years of service and long years of study to District problems, has brought in its report. Everywhere I have seen articles indicating that the daylights have been cut out of the District of Columbia funds. Now, I want the Members to listen for a moment while I state one or two of the facts. I have not had the opportunity to go over every word of the hearings, so I would not want to get up here on the floor and attempt to justify the bill right down the line from beginning to end; but I do want the Members of the House and the people of the District of Columbia to know what this committee has done for them.

May I say that as a whole this bill appropriates $1,650,210 more than was appropriated in last year's bill. May I say further that it appropriates $908,283 more than the estimates of the Budget for that particular proposition. May I say further that I believe insofar as they were able the committee has studied the situation in the District of Columbia from the standpoint of its merits, and whatever cuts have been recommended were because the committee believed the money was not necessary for the interest of the District of Columbia.

Whatever increases they have recommended have been because they felt there was an absolute need for the money which they are recommending.

I shall not say I agree with every single item in the bill, I shall not say that every single thing in the bill is as I would have it but I will say that I believe the members of this committee have given most conscientious and thorough study to the bill and have done their very best in making this report, and that I hope the membership of the House, when they come to consider the bill, will pay enough tribute to these men who have rendered this service to consider the various items fairly upon the evidence and upon the statements of fact that these men can give you.

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

Mr. TABER. Yes.

Mr. SNELL. I am not an expert on District matters, but the gentleman spoke about the criticisms of the newspapers. The criticisms I have read that really impressed me are with respect to such matters as health and related subjects in the District of Columbia which they have to pay for themselves and which they want and are willing to pay for. If this is true, why should we not give them a reasonable amount? I am just talking offhand and do not know the facts, and for this reason I am asking for the gentleman's ideas along this line.

Mr. TABER. As to the matter of health, I am going to make two or three comments on that. The items for health are $9,970 above last year's estimate. There is a Budget cut of $23,800. This, I believe, has been due to situations where the committee believed money was not being efficiently spent. These are details that I think should better be gone into as the particular items are reached. Just the exact reason for each cut or each increase I would not attempt to give, but I think in general we can say that with this picture of almost $10,000 above last year's Budget, the committee has not been unfriendly to the District.

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

Mr. TABER. Yes; I yield.

Mr. BLANTON. Answering our distinguished minority leader on the question of health, the main criticism was with respect to tuberculosis hospital facilities. The uncontroverted evidence of the hospital superintendents and of Mr. Street, who is at the head of public welfare, was that in the Children's Hospital now there are 120 beds and only 117 of them are occupied. There are three vacancies ready for children at any time they may come. In the Upshur Street adult hospital there are 227 beds occupied, and Mr. Street testified there were only 30 adults on the waiting list. In 60 days, when the new Children's Hospital is opened up, we will have 300 beds for tubercular children. In the Gallinger Hospital we will have 250 beds available for tubercular. In the new Glendale Hospital, which will be opened between now and the 1st of January, there will be 396 new beds, one of the finest tuberculosis hospitals in the world.

This is the reason the President's Budget did not provide for the maintenance of the Upshur Street Hospital after we open up Glendale. It will not be necessary, and we will have in Washington nearly twice as many beds as the present hospitalization facilities furnish plus those on the waiting list. This is the reason our committee backed up the President's Budget on this item, I will say to my friend from New York.

Mr. TABER. There is also provision for construction of school buildings of approximately $1,500,000.

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

Mr. TABER. Yes.

Mr. THURSTON. With regard to the alleged unfair attitude of Congress regarding the District of Columbia, I want to ask the gentleman if it is not true that the Government pays for the maintenance and care of the wonderful park system they have in this city?

Mr. TABER. Yes.

Mr. THURSTON. And the three great bands, the Marine, Army, and Navy Bands, which furnish music for public occasions in the District of Columbia, for which the Federal Government pays.

Mr. TABER. And back home the folks in the towns themselves have to pay for such music.

Mr. THURSTON. So in these respects the District has an advantage over every other municipality in our country.

Mr. TABER. Yes.

Mr. BANKHEAD. I was very pleased to hear the gentle-yield?

Mr. TABER. I yield.

Mr. BANKHEAD. I was very pleased to hear the gentleman's commendation of the work of this committee and his approval of the soundness of their conclusions with respect to all the items in this bill. Of course, the gentleman has not gone into the details of the bill as the members of the subcommittee have, but from the gentleman's knowledge of the measure, is it his opinion that every item in this bill affecting the interests of the District taxpayers provides for a public service up to the limit of reason and justice?

Mr. TABER. The gentleman puts me in a position where I do not know enough about the details of every item to answer the question directly, but I believe the committee has tried to make such provision. I believe they have used their very best judgment in doing so, because I know the type of men who are on this committee. I know BILL DITTER would not bring in a report that he did not believe he could justify, and I know that the gentleman from Texas [Mr. BLANTON] would not do anything of that kind.

Mr. BANKHEAD. I may say to the gentleman that that is also my judgment about it, and I trust that when we come to the question of possible amendments to this bill, what the gentleman has said with reference to the sound judgment of this committee on these problems will be considered before we attempt to increase the amount carried in the bill with respect to any item.

Mr. TABER. May I say to the gentleman that he and I may have differences as to the exact amounts, but I do not believe that there is a single item here which has not been treated just as fairly as it could be.

Now, I want to talk about something else for a few moments. The President of the United States sent in a tax message the other day, and in that message he asked for additional items in taxes which, as I remember the figures, run to something like $1,137,000,000. These items of taxes were divided between taxes on corporations and processing taxes and different types of income taxes according to the suggestion of the President.

The tax on incomes was suggested to be a tax on business surpluses of corporations. Frankly, I believe this tax would not produce any money because it would force corporations to dispose of these surpluses and the corporations would not have them to use for the necessary steps for recovery if we had a depression, and the necessary strength to enable them to survive. The result of such a policy would mean that every time we had a depression and they did not have the surplus to help them through, every one would go into bankruptcy.

In effect the processing tax would be a direct burden upon the poor, because they are the people who eat most of it.

(The time of Mr. TABER having expired, he was given 3 minutes more.)

Mr. TABER. I do not believe we ought to go into that sort of a thing. If there is a surplus of commodities, the price is reduced to the producer, and if there is a shortage it is increased to the consumer, and that is the way that works. I do not believe that we should go into that.

But, worse than that, is the policy of increasing the expenditures of the Government. [Applause.] Now, just about the time that the President's message arrived, the Interior Department appropriation bill was reported back to the House with an increase of $62,000,000 above what it was when it left the House of Representatives.

The most of that increase was for reclamation projects, which are useless and unnecessary, and which the House committee refused to consider. We have that from the chairman of the House subcommittee himself.

Worse than that—and I am not going into this in detail, but I will do it later—worse than that, they added authorizations for the construction of 7, 8, or 10 projects, and among them one of the worst was the Grand Lake Big Thompson project—a $22,000,000 project to dig a canal for 13 miles under a mountain 10,000 feet high to irrigate a lot of land many miles away.

That would go under a mountain at least eight or nine thousand feet high on the average for miles. That is one of the most ridiculous things I ever heard of. The estimated cost after a superficial survey, without any drilling to determine the character of the excavation, would run up to $22,000,000. Unquestionably, the tunnel alone would cost $18,000,000, and this whole project would cost probably $30,000,000 or $40,000,00 before they got through. The unsoundness of more reclamation projects at this time, when we ought not to have them, and ought to save the money, when we have an agricultural surplus, seems to me to urge us to insist upon the House position. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I want in this somewhat limited time to discuss the President's recent tax message. On January 3, 1936, the President sent in his annual Budget message, in which he said, "We are approaching the balancing of the Budget", but that there was a deficit of $1,098,000,000. The other day he sent in a tax message in which he stated that in his last Budget message the Budget was balanced. I merely wish to correct the RECORD and say that he made no such statement at that time, and read into the RECORD just what the President had to say in his annual Budget message:

> To state the case even more precisely, the gross deficit of the Government in 1934 was $3,989,000,000; in 1935, $3,575,000,000; in 1936, estimated, $3,234,000,000; and in 1937, estimated, but not including any new appropriations for work relief, $1,098,000,000.

I believe at that time that I took the floor and pointed out that that so-called Budget message was a hollow mockery, and a political sham, in the fact that it did not include anything for the relief, which is estimated at between one and two billion dollars, and it included nothing for adjusted-service certificates, which everyone knew would be paid by the Congress, although we cannot blame the President for that, and it included nothing for the return of processing taxes, which the Supreme Court held unconstitutional that very day. The President now comes in with another message that is equally fallacious and equally deceptive. Evidently it is another political attempt to escape the consequences of taxing people of small incomes and of moderate incomes, and to try to make the wage earner, farmer, small business and professional men and women believe that no more taxes will be imposed on them. Who is going to pay for the $15,000,000,000 deficit? The President has not even yet sent in his figures for relief, which may amount to one or two billion dollars more, and yet he sends in this kind of a message that is hard for anyone to understand, in which he proposes to take the undistributed surpluses of big corporations and pass them on as dividends to the people, who then will pay additional income taxes. It is just another form of soaking and swatting the rich. I am not here to defend a few rich men. I have been a liberal in politics all my life. I believe the rich should bear a fair burden of taxation, but, as I pointed out in the old "swat and soak the

rich" tax bill, in which you singled out 56 rich men and soaked them 75 percent of their income, you would not receive very much in the way of increased revenues.

In States like California there is an additional State tax of 20 percent of the Federal income tax, making 15 percent more, making 90 percent; and in addition to that there are real-estate, county, and city taxes, school taxes, sale taxes, gasoline taxes, and dog taxes. I estimated that in the State of California these taxes would approximate 101 percent of the income. It is quite evident that the breathing spell is now over. Business is told it was to be let alone, it was to have a breathing spell. It is the same kind of breathing spell that the cat gives the mouse—it plays with the mouse for a while until it gets ready to strangle it to death. So we are off now on another attack on business, and upon the big taxpayer, upon wealth, and actually upon private property and industry generally.

Mr. Chairman, what is the big issue in this country? It is reemployment of labor. It cuts across both party lines. It is the outstanding issue. We Republicans would not have a chance, we would not even have a right to criticize the New Deal if you had put ten or eleven million men back to work even at an expense of $15,000,000,000. If you had done that, you would have been justified, and we could not have criticized the New Deal, but here again you come in and seek to destroy business confidence. The main factor in the employment of labor, in the depression and throughout the depression, has been the reserves of the big corporations, so that they could continue to operate and employ labor at the American standard of wages and living. Now it is proposed not only to wipe out the surpluses, but the reserves—or at least to tax the reserves—I am not opposed to taxing some of the surpluses. Probably there are a few big corporations where they should be taxed, where they are excessive and exorbitant, and they should be singled out and should be distributed, but do not attack all business and all industry and destroy business confidence and promote further unemployment of labor in a further attempt to soak and swat the rich. What is behind it? Simply an attempt to escape telling the people the truth, that the people have to pay the bills, the people of moderate means and small means. It is an effort to keep on soaking the rich and singling them out so that this grand old political game will go on until after election day, then the turn of the small taxpayer and those of moderate means will come, no matter what administration is in power. When you singled out 56 rich men and soaked them to the limit in the last tax bill, you brought in only $250,000,000, enough to run the New Deal just 10 days. You only succeeded in driving big wealth into tax-exempt securities and out of the country to compete with American labor. You drove it out of the free flow of capital to expand industry and employ labor and the net result was that all you brought in was $250,000,000. The idea was really stolen from the proposals made by Senator Huey Long.

You remember what he said to the people over the radio. He said, "I propose to distribute wealth. I am going to give the needy people $5,000, a house, a Ford car, and a cow." The President, listening in to this appealing experiment, called in the "brain trusters" and he said, "Write me a bill that will go further than that proposed by Senator Long to distribute wealth." What really happened was that the President found Senator Long in swimming and stole his clothes. So they wrote that bill, soaking and swatting the rich, which was nothing but confiscation, socialism, and highway robbery all wrapped up in one.

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MAVERICK. I understand the gentleman is going to speak on the radio in answer to Earl Browder. Does the gentleman think that Earl Browder should be kept off the radio? I realize I am asking an irrelevant question, and I will not ask the gentleman to answer it if he does not want to.

Mr. FISH. I will answer the question, because it was raised in the House yesterday. I intend to answer it in detail over the radio tomorrow night.

I believe in freedom of speech, and as long as the Communist Party is a recognized political party by the various States of the Union, and goes on the ballot, I do not see how, in all fairness, they can be kept off the radio. On the other hand, I am going to point out that I do not believe the Communist Party is an American Party [applause], but that it is merely a section of the Communist International at Moscow, taking all of its orders from Moscow, and that it should be declared illegal by the different States of the Union and kept off the ballot. [Applause.]

Mr. CURLEY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CURLEY. As a matter of fact, the gentleman will acknowledge the fact, in view of the statement he has made, that it is merely a subterfuge for the Third Internationale, and is antagonistic to every institution of the United States Government and against the provisions of its Constitution. Is that not a fact?

Mr. FISH. It is absolutely a fact, but it is not the concern of the Federal Government. It is a matter for the States. They determine what political party goes on the ballot, and as long as they permit them to go on the ballot their spokesmen ought to have the right to be heard.

Mr. CURLEY. Will the gentleman yield further for a question?

Mr. FISH. Not now. Earl Browder is speaking tonight and I am going to speak tomorrow night, and I will cover all that ground.

Mr. MAVERICK. The gentleman feels that he can take care of himself all right? The gentleman can take care of Earl Browder, can he not?

Mr. FISH. I never doubted it.

Mr. MAVERICK. And I do not doubt it either. [Applause.]

Mr. FISH. Now, I only took time today to point out that the American people back home are being fooled. It does not make any difference who comes into power, the Republicans or the Democrats, they have to pay the bill. The New Deal "goes 'round and 'round and 'round and comes out", where? Out of the pocketbooks of the taxpayers. You have soaked the rich and you have raised only $250,000,000. Who is going to pay the other $15,000,000,000 deficit?

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

Mr. FISH. Not now; no. All you do is drive wealth into tax-exempt securities where the big fellows get protection. You are not soaking them. It is the little fellow who is going to pay the bill, but nobody wants to tell him the truth, or dares tell him the truth, that he is going to be lined up, no matter who wins, Republicans or Democrats, after election day, and he is going to be soaked and swatted and robbed and have his pockets picked with income taxes, consumers' taxes, and taxes of all kinds. I am tired of listening to this kind of baloney Budget message, talking about balancing the Budget, when it is nowhere near being balanced. Now, you propose to pick out some rich taxpayers and say, "There are some hidden assets left in the big corporations and we will take those and we will soak them." Just as soon as you begin soaking the rich, as you have already started to do, they go into tax-exempt securities and you get almost nothing at all. Let the people back home know in this campaign what is going to happen to them. Then they will become tax conscious. They will be able to understand the issues; but let us stop telling them that you are going to soak the rich and you are going to distribute the profits of some big corporations, when, as a matter of fact, in the depression the reserve and undivided surplus was the greatest single factor of safety and provided for the employment of American labor throughout the depression.

Let the Congress, which writes revenue legislation—not the President—be fair and honest. If you are going to put through a tax bill, let us first start to do away with tax-exempt securities. [Applause.] That ought to be the first step. Then proceed to write an honest bill, have a manufacturers' sales tax, collect it at the source; increase income taxes up and down the line. That is the only way to balance the Budget through taxation. That is the only way to meet this $15,000,000,000 deficit. The other way is to stop squandering the people's money. [Applause.]

If you do not provide for increased taxes and retrenchment, you will inevitably be confronted with inflation, bankruptcy, or repudiation. No thinking Member of Congress wants bankruptcy or repudiation. We have got to meet the mounting deficit with taxes. There is no other way to meet it except on an honest and fair basis. [Applause.]

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

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein in the RECORD a copy of the Frazier-Lemke refinance bill and the report of the Committee on Agriculture.

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

There was no objection.

Mr. LEMKE. Mr. Chairman, under the leave to extend my remarks in the RECORD, I include a copy of the Frazier-Lemke refinance bill and the report on the bill by the House Agricultural Committee. I do this because this bill is misunderstood and misrepresented:

A bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same

Be it enacted, etc., That this act shall be known by the title "The Farmers' Farm Relief Act."

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3-percent interest per annum through the use of the machinery of the Farm Credit Administration and the Federal Reserve banking system.

SEC. 3. Farm Credit Administration is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 75 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceed the fair value of any farm and 75 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Farm Credit Administration is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock, and the amount of the loan is reduced 10 percent each year.

SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, $100,000 for the use of the Farm Credit Administration to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions of this act shall be apportioned and prorated and added to each individual mortgage and such sums so added shall be paid to the Farm Credit Administration for administrative purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Farm Credit Administration, through the Land Bank Commissioner and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock. These bonds, after delivery to the Farm Credit Administration, may, by it, be sold at not less than par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve and national banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds.

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Land Bank Commissioner shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Land Bank Commissioner Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve. The outstanding Federal Reserve notes issued under this act shall at no time exceed $3,000,000,000.

SEC. 8. The Farm Credit Administration and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds for which the Federal Reserve Board issues Federal Reserve notes to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and shall be reinvested by him as a sinking fund in farm-loan bonds issued under the provision of this act.

SEC. 9. Whenever the amount of money issued under this act shall exceed $25 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds for which Federal Reserve notes were issued, not to exceed 2 percent in any 1 year of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona-fide farmers and otherwise eligible to participate in its proceedings.

SEC. 11. The Farm Credit Administration is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Farm Credit Administration, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive $15 per diem and necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 14. Immediately after their election the members of the Board of Agriculture, upon call of the Farm Credit Administration, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board, and who shall receive a salary of $7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments, and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Farm Credit Administration and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations, and with the agricultural colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the Farm Credit Administration or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his or her farm through indebtedness or mortgage foreclosure since 1921, and who desires

to purchase part or all of the farm lost or another like farm. It shall also extend to any tenant, or member of his or her family, who desires to purchase an encumbered farm, provided he or she has lived on and operated a farm as a tenant for at least 2 years prior to the enactment of this act.

SEC. 18. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Farm Credit Administration and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

REFINANCING OF FARM MORTGAGES

The Committee on Agriculture, to whom was referred the bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

It must be understood at the outset that the bill is not intended to increase farm indebtedness. If a farmer is out of debt he should not be encouraged to go into debt. The bill is designed to refinance existing farm mortgages at low rates of interest and extend them over a long amortization period so that the farmer can keep a home for himself and his wife and children and not suffer them and him to be cast out by the sheriff. The bill will not increase farm debts. It will, however, come to the relief of worthy farm people who, in the aggregate, number about one-fourth of our entire population.

Facilities for getting the farmer into debt are already quite adequate, but facilities for getting him out of debt are inadequate. It has now become our duty to provide farm credit at such rates and on such terms as will get farmers out of debt. Then, and not until then, will they acquire buying power and be enabled to enter the markets and take part in business activity and in the restoration of prosperity to the whole country and to all classes of people.

The farmer needs lower rates and better terms. The last issue of the Yearbook of Agriculture (1934) points out that while ordinarily a reduction of indebtedness is a favorable sign, nevertheless the small decline in farm indebtedness, which has taken place since 1928, was not the result of normal liquidation but of foreclosures, bankruptcies, and forced sales and of the inability of credit agencies to give that support which is absolutely requisite to recovery. In 1932 one-seventh of the mortgaged farms were encumbered for 75 percent of their value; the mortgage debt represented 40 percent of the value of all mortgaged farms and 25 percent of the value of all farm land and buildings. Because of the drop in farm commodity prices, payment became impossible for great numbers of farmers. About six and one-fourth million of our people are actively engaged in agricultural pursuits and 30,000,000 people depend upon agricultural solvency in order that human souls may stay in human bodies. The system of the Federal land banks may have done some good but it has not been adequate to the situation. State legislatures have been compelled to resort to moratoriums else the sheriff would now be selling more farm homes than he ever did and more of our farm people would be seeking shelter in charitable institutions and more of them would be dependent upon bread lines for bare sustenance.

The present desperate condition of agriculture has been reflected in serious outbreaks in some sections of our land. Men who have lived upon their homesteads and who work in the hardest kind of toil from 12 to 14 hours a day during 8 months of summertime and almost 10 hours a day for 7 days in every week during wintertime; men who are skilled and who work intelligently and who have no sense of wrongdoing and who are without blame but are overwhelmed by conditions for which they are not responsible and who have exhausted their resources are loath to permit their homes to be taken away and their loved ones sacrificed to a ruthless juggernaut of insolvency and foreclosures. The American farmer is a manly man. He believes that he must always perform his contracts and keep his promises and be loyal to his country and keep and preserve its laws and fulfill his duty to society in general. But is not his duty to his wife and his children the most sacred of all of these?

Is not his promise to his loved ones as consecrated as all others? If he is thrown out of house and home without fault of his own, he is likely to feel that sense of resentment which might even impel him to resist force with force. Despair may, at times, drive the best of our citizens to desperation. These men are feeding America, and no American citizen has a right to eat the bread that they produce unless he is willing to share with them all of the things that bring about beautiful home living and establish them in society on a basis of decent, bountiful, intelligent, and religious twentieth-century citizenship.

The conditions following the debacle of 1929 remain. While farm prices of many commodities have risen in unit value, still the things the farmer must buy have risen in greater degree and he still remains in relative submergence. No man can win in an economic race while carrying such a handicap. On the basis of the present income of agriculture, and of the present indebtedness of agriculture, and of the present taxes and interest rates which agriculture must pay, it is impossible for agriculture to carry on successfully. When it can carry on—when it does prosper, then we will not be compelled to furnish relief to millions of nonfarmers who are now dependent upon governmental bounty and governmental doles. Farm tenancy is growing apace. Foreclosures have divested real farmers from ownership, while moratoriums against foreclosures are mere temporary palliatives and are not permanent nor remedial.

The bill provides that farm indebtedness shall be refinanced through the use of existing governmental machinery at an interest rate of 1½ percent and a further payment of 1½ percent annually to amortize the loan. It will take 47 years to liquidate such an indebtedness, during which time the mortgagor will make a yearly payment of $30 on each $1,000 of the loan. Provision is made to issue bonds which will be secured by first mortgages upon the farm lands of the country. These bonds will draw interest at 1½ percent and will be amortized at 1½ percent annually. In the event that there is not a ready market for them, the Farm Credit Administration will deliver them to the Federal Reserve Board, which in turn will cause currency (notes) to be issued and given to the Farm Credit Administration dollar for dollar. These Federal Reserve notes are not to exceed $3,000,000,000, this being the amount of the revolving fund fixed in the bill. The Federal Reserve Board will issue these notes just the same as it does today, except that the Federal Reserve banks are getting them today and do not pay anything for them. They pay no interest upon them. They pay nothing for the use of the credit of the Government. Surely there ought to be some way for the Government when in need to get money without borrowing it from a bank.

This bill has met with unprecedented public approval. It agrees with the party promises and the party platforms of all political parties. No other bill before this Congress compares with it in the backing and endorsement which has been given to it. The National Farmers' Union and many State Grange and Farm Bureau organizations are for it. It has been endorsed by leaders in the Veterans of Foreign Wars and in the American Federation of Labor and by the National Union for Social Justice. Twenty-nine State legislatures have memorialized Congress for its passage, including those of Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, California, Nebraska, Oregon, Indiana, Arizona, Idaho, Colorado, Oklahoma, South Dakota, Tennessee, Iowa, South Carolina, Kansas, Michigan, Ohio, Texas, Kentucky, Wyoming, North Carolina, Arkansas, New Mexico, New Jersey, and Washington. In addition the lower house in each of the following States has endorsed the bill: New York, Delaware, Pennsylvania, Alabama, and Missouri. Our people want to have it enacted into law during this session. The realization of their hopes should not be postponed.

Section 2 is a simple acknowledgment of the solemn promises and duties of the Government to place American agriculture on an equality with other industries. This section recites that farm mortgages now existing may be refinanced for 1½-percent interest and 1½-percent principal per annum, all through the machinery and use of the Farm Credit Administration and the Federal Reserve Board, and the employment locally of the Federal land banks and national loan associations.

Section 3 authorizes the liquidation of farm mortgages and other farm debts existing at this time by the making of real-estate loans to the extent of the fair value of the farm and of 75 percent of the value of the insurable buildings. This section authorizes the Farm Credit Administration to make all necessary rules and regulations to carry out the purposes of the act. The section also provides that farm indebtedness may be scaled down in accordance with the provisions of existing laws. It is believed that such a loan will be a safe one and that the farmer can meet its conditions. The low rate of interest stipulated and the favorable terms given the borrower enhance his ability to pay and make the loan easier of payment. Furthermore, when a loan of this character is placed upon a farm home then the value of the property will be increased because the advantageous conditions for payment surrounding the mortgage will make the property more desirable and of greater value.

There should be no question about the safety of this security provided that the bill is honestly administered and that loans are made on real values as provided in the bill and not on fictitious or puffed-up values. The very fact that a piece of land carries a governmental loan at 1½-percent interest will in itself establish its value on a higher basis and therefore make the loan increasingly secure.

Section 4 provides for chattel-mortgage loans which are limited to 65 percent of the fair market value of the livestock. The present practices regarding chattel-mortgage indebtedness are very harmful to the farmer. High rates are exacted, with the result that the income of the farm is absorbed in meeting the requirements of chattel mortgagees. Experience has shown that many cases of foreclosures upon the land itself have resulted from the insistence of local and exacting chattel mortgagees whereby farmers were dispossessed of their ability to carry on. Section 4 of the bill is designed to remedy such evils. In some cases it will be necessary to resort to livestock in addition to real estate, and the loan on the real estate will be supported by the chattel loan.

The chattel-mortgage provisions of this section can be readily used to supplement the real-estate loan so that the Farm Credit Administration may get the benefit of both personal and real-estate security. Furthermore, it is desirable that the entire indebtedness of the farmer, both real and personal, should be held by the one agency.

Section 5 authorizes a small appropriation to carry out the provisions of the act; but all necessary and actual expenses so incurred must be apportioned and prorated and added to each individual mortgage. Such sums so added shall be paid to the Farm Credit Administration for administrative purposes. Through this means the expenses of the administration of the act will be paid by those who get its benefit and not by the Federal Government. By this bill farmers are not asking for charity or for a dole or for any subsidy. They will repay these loans. In this respect they are asking for much the same treatment that the Government has already afforded to other industries, such as railroads and banks and insurance companies, through the Reconstruction Finance Corporation and through other instrumentalities.

Section 6 provides that the funds to refinance existing indebtedness shall be provided through the issuing of farm-loan bonds by the Farm Credit Administration through the land-bank commissioner and Federal land banks, as now provided by law. These bonds shall bear interest at the rates provided in the mortgages extending to farmers and must be sold at par.

Section 7 supplements section 6 and relates to the sale of bonds in case they are not readily purchased. The provision is that the Federal Reserve Board shall take these bonds and issue Federal Reserve notes against them up to their par value. The amount outstanding of these notes at any one time shall not exceed $3,000,000,000. Is this sufficient? This legislation will be administered under the regulations of the Federal land bank system. This system has been in operation for more than 20 years, and to date it has now outstanding in farm loans less than $2,000,000,000. The fund named is a revolving fund and will surely be sufficient to cover loans that can safely be made for some period of time and until repayments are made and recovered under the revolving features of the plan. It is sufficient to take immediate care of those farmers who are in imminent danger and in sore distress and who are about to be dispossessed. As time goes on and as amortization payments in excess of what is required for redemption of bonds are returned into the fund, new and increasing numbers of mortgagors will get advantage from the act.

There is a prospect also that private money to some extent will be invested in the bonds, and when this happens the revolving fund will be augmented and increased. The amount of farm loans outstanding in the whole country approximates $8,500,000,000. About 29 percent of them are held by individuals where there is more or less of a personal relationship existing between debtors and creditors. The holders of many of these private loans will not desire to have them rewritten right away, but will carry them indefinitely into the future; and many of these private mortgages will be refinanced upon terms which will not be wholly out of line with the present proposal. In this respect also, debtors will gain substantial benefits.

Section 8 has to do with the payment of the interest and principal which will acrue on the farm-loan bonds, and provides that payments upon the bonds shall be turned over to the Treasurer of the United States for the purpose of redeeming the notes that have been issued and for the further purpose of reinvestment as a sinking fund in new issues of farm-loan bonds. If we compare this plan for the issuance of currency with those which have heretofore been used whereby the Government has loaned its credit to the banks, and has also given them as a free and gracious gift the right to issue currency, and, moreover, has actually paid interest to them besides, we will be compelled to agree that the Frazier-Lemke bill will prove to be of great value to the Government itself. Instead of paying 3-percent interest to these banks the conditions will be reversed and the Government will be receiving interest at 1½ percent. And at the end of the amortization period (47 years) as computed on the amount of the revolving fund, the Government will have made a profit of $6,345,000,000 above what it is now costing us under plans now practiced and schemes now fashionable. Instead of paying out money it will be receiving money.

This is one of the few times in the history of this Republic that anybody has seriously proposed to pay the Government a profit for the use of its own credit. Heretofore the money changers have demanded and derived that income and that profit. Heretofore certain banks have issued currency at a cost to them of only about 27 cents per thousand dollars, being the amount that is paid for preparing and printing the bills or notes.

This profit would keep our schools open; it would build a network of broad highways throughout the land; it would establish and maintain hospitals and colleges and libraries. It would reduce taxes. It would help to restore buying power to common people and prosperity to the country.

It is not necessary at this time to examine into the propriety of the privilege of issue extended by Federal Reserve laws. Many people who are in full support of the Frazier-Lemke bill believe that such privilege is proper and necessary. It must be remembered, however, that the 12 Federal Reserve banks are private corporations, that they and their stock are privately owned, and that none of their profits go to the Government. Why should the credit of the Nation be given away absolutely free? Why should a bonus (interest) be paid to those who receive such largess? Those who believe in this privilege, as well as those who do not, ought to be able to unite in refusing to monopolize it. Those who get it are not in a position to claim exclusive rights in it. Nobody owns a charter right to it. Safety and security being conceded then it must follow that the right involved in the issuance of currency based on Government bonds ought not to be a special one to be exercised alone by those who are affluent. Security regarding such issuance must be guaranteed always; but when this is done and when safety is assured, why cannot some of the benefits of this privilege be extended to farmers and home owners?

Section 9 prevents any undue or dangerous or uncontrolled expansion of the currency. Whenever the amount issued under the act shall exceed $25 per capita the Treasurer is authorized to retire the notes from further circulation and thus always keep within safe and controlled bounds. And the same section protects against any undue or harmful deflation in providing that the Treasurer shall not be allowed to retire more than 2 percent of the notes in any one year.

On February 28, 1935, there were outstanding from the Treasury $5,466,702,738, being about $43.07 per capita. On October 31, 1920, we had $53.21 per-capita circulation. Since then it has decreased $10.14 per capita. Furthermore, in 1929, before the crash, we were using at least $62,000,000,000 of bank money or bank checks. Some authorities make this figure much larger. This is now down to about $20,000,000,000. In other words, we formerly had at least three times the amount of bank money (checks, drafts, etc.) than we have now. These facts call for explanation and remedy.

A goodly part of the money that has gone from the Treasury is really not in circulation at all. Some of it is in foreign countries. Some of it is in Cuba, where it is used as money almost exclusively, and some of it is in other countries which use it in one way or another. A lot of our money has been lost or destroyed in fires, and still more of it is hiding in safety deposit boxes and in old socks and mattresses. We can take the $8,580,000,000 of gold that is now idling in the Treasury and redeem every dollar of our outstanding currency and then have a balance of more than $3,000,000,000 of gold left untouched in the Treasury and not obligated in any way. We have also $1,000,000,000 of unused silver. We could issue an enormous sum of currency based upon those $4,000,000,000 worth of extra gold and silver.

Let it be remembered that this bill does not propose to create any new or additional interest-bearing tax-exempt securities. It provides for an intelligent and regulated expansion. There are specific limits provided and safe boundaries set against uncontrolled issues of currency. The contemplated issues do not so far exceed our previous experience as to cause any honest apprehension among those who desire in real good faith to restore prosperity to agricultural as well as to commercial interests.

Sections 10, 11, 12, 13, 14, 15, and 16 describe machinery and procedure. The gist of this is that a board of agriculture is created consisting of one member from each State. Members will receive $15 per day and necessary traveling expenses while on official business. They will elect an executive committee of three, each of whom will receive $7,500 per annum. This executive committee is to advise with the Farm Credit Administration and supervise the work of refinancing farm mortgages. Neither the board nor the executive committee is given absolute power, but, on the contrary, these bodies are cooperative. They receive complaints, report delinquencies to the executive division of the Government or to the President, and act as a go-between. They are really an advisory body. The real truth is that Congressmen now act as chore boys for the people in performing the very work that this board and this executive committee will do after the bill is enacted into law. It is believed that actual experience will prove that little new machinery will be required to operate the act, because the bill uses the present set-up of the Farm Credit Administration.

Section 17 extends the benefits of the act to those who have lost their farms since 1921 and to those who desire to repurchase their land or another like farm. Like benefits are also extended to tenants and members of their families.

Provision is made in section 18 for extensions of time of payment in case of crop failures and for other meritorious reasons, providing the mortgagor keeps up the payment of all taxes.

The bill should be enacted.

Mr. LEMKE. Mr. Chairman, I shall discuss briefly the farm situation, because it is so much misunderstood and so much misrepresented in the public press—not only misunderstood by some of the people in the cities and towns but very much misunderstood here on the floor of Congress.

I will state to you Members that the total farm population in 1930 was 30,445,350; that this population increased so that in 1935 we had 32,779,000 living on the farms of this Nation. This comprises over one-fourth of the population in the United States.

The total number of farms in 1935 was 6,800,000, ranging from 3 acres up to over 1,000 acres, of which approximately 5,500,000 are smaller than 174 acres. The majority of these farms are less than 100 acres in size.

The value of the farm property in 1930 was $77,900,000,000. In 1934 this had shrunk to $37,000,000,000. In 1935 it had shrunk to $32,884,000,000.

The value of the average farm in 1920 was $12,000; in 1930 it was $9,000; in 1935 it was $4,840. Out of a total of 5,962,000 farms not owned by corporations, 4,162,000 are

covered by first mortgages. The statement given out by the Agricultural Department that only a little over one-half of the farms of this Nation are mortgaged is incorrect. It may be that only one-half of the 3-acre farms are mortgaged, but if we will take the total number of farms and take into consideration the total acreage, we will find that over four-fifths of the farms of this Nation are covered by first mortgages, exclusive of those owned and acquired by corporations by mortgage foreclosures.

The average monthly wage of employees on farms, including board, in 1920 was $47.24; excluding board, it was $65.05; and I want to bring this home to the representatives of labor in this body. In 1934, including board, it was $17.89, as compared with $47.24 in 1920. Excluding board, it was $24.15 in 1934, as compared with $65.05 in 1920.

Out of every 1,000,000 people agriculture employes 85,294. In other words, agriculture employs almost twice as many people per million of population as any other trade or occupation in the United States of America, and your unemployed problem is due to the fact that the farmers have been selling their products since May 1920 on the average below the cost of production.

Let us compare the number of people employed per million by agriculture with that of the number employed as clerks, which is the second largest group of employees and which number about 49,000, or about one-half as many per million as are employed by agriculture. Therefore, we see that the agricultural problem is closely related to the unemployment problem as agriculture absorbs about one-fifth of the total employees gainfully employed in this Nation.

The gross income from farms in 1924 was $11,337,000,000; net, $5,709,000,000. In 1929 it had shrunk, gross $9,941,000,000, net $5,655,000,000; and in 1934, with the processing taxes added, which the Secretary of Agriculture now admits were largely paid by the farmer because of lower prices, the gross income was $7,163,000,000; net, $3,250,000,000. We come now to bank credit per capita. Let us consider this for a minute. The average in the United States is $117.33 per capita. In New York the per capita today is $406.60 as against the average of $117.33 for the whole of the United States. In North Dakota the per-capita average credit is $31.05 as against New York's $406.60. In South Carolina it is $21.56 as compared with New York's $406.60; and in Mississippi it is only $21 as compared with $406.60 in New York. The total credit curtailment in the United States of America existing today, as compared with 1926, is $6,500,000,000.

The Frazier-Lemke refinance bill would put back $3,000,000,000 of this $6,500,000,000 of credit that we are short in the various States. It would distribute it fairly equally. Let us consider first the State of Alabama, and I am sorry not to see the name of a single Member from Alabama on the Frazier-Lemke petition. In Alabama the total curtailment was $56,000,000. The Frazier-Lemke refinance bill would give Alabama's laboring men, its merchants, and people in the State of Alabama $28,000,000 of the $56,000,000 that you are short. Arkansas is $40,000,000 short by credit curtailment. The Frazier-Lemke bill would give $26,000,000 of this curtailment back to the people of this State.

Then why can we not get this bill out for consideration? It will help every State in the Union. Up to the present time we have not a single name on petition No. 7 from Connecticut. Yet $101,000,000 has been the credit curtailment for the State of Connecticut. The Frazier-Lemke bill will give that State, although it has not very many farmers, $17,000,000 back of that curtailment.

Mr. RANKIN. Will the gentleman yield?

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

Mr. RANKIN. What would be the effect in Mississippi?

Mr. LEMKE. I will get to that in just a moment.

Mr. Chairman, we have only one name on petition No. 7 from Georgia, and God bless that one Member. In that State there is $37,000,000 curtailment in credit and they will get back under the Frazier-Lemke bill $26,000,000 of the $37,000,000 that they are short in that State.

In Illinois the credit curtailment is $671,000,000, and the Frazier-Lemke bill would give to the businessmen and to everybody in the State of Illinois $100,000,000 back of that credit curtailment. Why are not all of the Members from that State for this bill?

In Indiana the credit curtailment is $174,000,000, and under the Frazier-Lemke bill $84,000,000 would be received back.

We have only one name on petition No. 7 from the State of Kentucky, which has a credit curtailment today of $78,000,000. The Frazier-Lemke bill will give back to that great State $27,000,000 of that curtailment.

In the State of Louisiana the credit curtailment is $25,000,000 and the Frazier-Lemke bill will give them back $20,000,000 of the $25,000,000 that they are still short.

In the State of Maine there is a curtailment of $29,000,000. The Frazier-Lemke bill will give them back $17,000,000.

In Massachusetts they are $300,000,000 short in credit by curtailment, and the Frazier-Lemke bill, although there are not very many farmers in that State, will replace $25,000,000 for the textile workers and the laboring people of Massachusetts. The sum of $25,000,000 put into circulation will mean hundreds of millions in trade and traffic.

I come now to the State of Mississippi, which is $32,000,000 short in credit. The Frazier-Lemke bill will return $27,000,000 of that $32,000,000.

In the State of New Hampshire the credit curtailment is $9,000,000, and they will get back $6,000,000. The State of New Jersey is $317,000,000 short, and they will receive $30,000,000.

And so on down through the States. I shall not take the time to read any more, with one exception.

The State of Texas is short $163,000,000. The Frazier-Lemke bill will give them $150,000,000 back. Every Member from Texas ought to sign this petition.

Every other State in this Union will, by the passage of the Frazier-Lemke refinance bill, receive similar benefits to those I have named above. Time, however, prevents me from enumerating them all. The undisputable facts are that there is still a credit curtailment of $6,500,000,000 as compared with 1926.

The Frazier-Lemke bill will replace at least three million of that credit and will distribute it among all the States in proportion to the farm indebtedness, and it will distribute it among the people where it will do the most good, and not among the bankers.

The bankers need no new money because there is no credit left, but this bill will give an intelligent expansion of the currency and give to us the only real, sound money in this Nation—money secured by first mortgages and real estate in place of debts—and it will again set the wheels of industry rolling.

Mr. RANKIN. Will the gentleman yield?

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

Mr. RANKIN. When the gentleman from North Dakota says that the States will get that amount back he means that the farmers would get that amount of money in loans on their land at low rates of interest and on long terms, does he not?

Mr. LEMKE. Yes; and it will put that much money in circulation, because it is new money.

Mr. PIERCE. Will the gentleman yield?

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

Mr. PIERCE. I should like to have an answer to the cry that has been raised from ocean to ocean that this is an inflation bill.

Mr. LEMKE. I will come to that.

Mr. Chairman, what is money? The Frazier-Lemke refinance bill is the only real money which we will have in the United States of America which has something back of it besides the debts of the Government of the United States and hot air. Why do we take these Federal Reserve bills? Is there anything back of them besides hot air and the debts of the Government of the United States? There is not; and I defy any man or woman to make a contrary statement. Oh, it may be said that there is a gold certificate back of it or some gold, but you get the gold, and I will put you in jail for having unlawful gold in your possession. The so-called gold certificates are just a meaningless camouflage. You might just as well sink the gold beneath the ocean.

waves and issue a good certificate against it. It will do you just as much good.

Why do we take this money—Federal Reserve notes? We take it, and I wish I had more of it, because back of it is the full faith and credit of all the men and women of the United States. That is what makes it money. Back of it are the finest and most splendid, up-to-date men with inventive genius; back of it are the world's most beautiful women, with industry, and with intelligence, and the unborn babies for generations to come. That is what makes money, and that is the reason we take these Federal Reserve notes.

Now, let us take up the Frazier-Lemke money for a moment. That money will have a first mortgage back of it on the homes of America, upon the homes of agriculture, upon the homes of those industrious people who feed and clothe you and me. A former member of the Federal Reserve bank stated that is the safest and best security in the world. He stated, in fact, he did not understand why Congress ever passed the original Federal Reserve Act without making agriculture and real estate the basis of currency.

If you are intelligent, then do not repeat the phrase "fiat money." That is just a parrotlike expression and does not mean anything. No intelligent man can defend or define the parrotlike expressions "fiat money" or "inflation." I say to you that the Frazier-Lemke bill, if passed, will put $3,000,000,000 of real money of the United States, for the first time in the history of this Nation, on a 100-percent security basis, with something back of it. It will have agriculture and, in addition, it will have the human beings, the 32,000,000 men, women, and children who live on the farms, back of it. You may cry "inflation", but the Frazier-Lemke refinance bill is the only bill that will put honest-to-God money in circulation, money which will be supported by real estate in addition to the full faith and credit of all the people of the United States of America.

My friend the gentleman from Pennsylvania [Mr. RICH] always says, "Where are you going to get the money?" Here is the place where he can get the money, but we have not yet been able to convert him to our cause. For some reason, he things his new mouse trap in Pennsylvania should have 3 percent interest.

He seems to feel that the Federal land bank, which is supposed to serve the farmers, should pay 3 percent for Federal Reserve notes when the Federal Reserve Bank, which serves the banks and businessmen of the Nation, gets the same Federal Reserve notes for absolutely nothing save the cost of printing—seven-tenths of 1 cent per bill. These banks now have approximately 4,000,000,000 of these Federal Reserve notes. We are willing to be discriminated against and pay 1½ percent interest for that which the banking fraternity gets for nothing through the Federal Reserve Bank, but there is a limit to this discrimination business and the banking fraternity had better take notice and not arouse the public too much.

What does the Frazier-Lemke bill provide? It gives for the first time in the history of this Nation to the Federal land banks and to the Farm Credit Administration only part of the privileges that have been given to the banking fraternity for years under the Federal Reserve Bank. They can put up hot air; they can put up debts, if you please, and get money; but under the Frazier-Lemke refinance bill we put up honest-to-God security—first mortgages on farms.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman from North Dakota 5 additional minutes.

Mr. COLDEN and Mr. RANKIN rose.

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

Mr. COLDEN. Why does the gentleman limit this bill to the agricultural lands of the country and exclude the homes of the worker?

Mr. LEMKE. I am coming to that in a moment, and that is why I wanted the extra time.

Mr. RANKIN. I just want to ask the gentleman from North Dakota a question. Many Members are criticizing your bill without offering anything in its place. We all know the bill is not perfect, but, as I understand the procedure, it would be subject to amendment if it came to the floor of the House, and any defects could be straightened out. Is that correct?

Mr. LEMKE. We would have 6 hours of general debate under Resolution 123, 3 going to myself and 3 to the man whom the Speaker names in opposition, and then on amendments we would proceed under the 5-minute rule under the regular rules of the House. It is an open rule, and if we Members are not afraid of ourselves, then let us bring it out here and let us stop this headache that we are having here. I know some of you on both sides of the aisle have a headache and it is going to get worse and it will end, perhaps, fatally if you do not wake up in time and see that the people of the United States can get a vote on the floor of the House on a measure that they are overwhelmingly in favor of.

Now, answering my friend from California, this bill will help your city people in many ways. In the first place, we have over in the Judiciary Committee of the House a bill to help your people in the cities that I wrote and which passed the Senate without a dissenting vote. Let us get that measure up and give the home owners in the cities a moratorium until we can get something passed for them.

However, if you put this new money into circulation and loosen $8,000,000,000 of frozen assets tied up in farm mortgages in this great land of ours, you will find there will be plenty of money in circulation to do the Nation's business. These frozen assets when thawed out will go into the cities and will save home owners who are now about to lose their homes. There are 2,000,000 of such home owners on the farms, and perhaps an equal number in the cities and towns, all of whom would be helped and saved by this bill.

You will also find that when this bill is passed the farmer will again have purchasing power and will buy twice as much as he buys today, and in this way your textile mills will operate again. Recently the farmers have not had any purchasing power. Our purchasing power has been destroyed. The purchasing power of the farmers has been decreased to 38 percent of what it was in 1920. Give us this bill and your cities will be helped. You cannot help the city people without helping the farmer, and you cannot help the farmer without helping the city people. However, if we put both of these bills together, what a yell there would be from Wall Street—inflation! You cannot put every bill that you want for the good of the people in one measure.

Let us work together. I am with the home owners of America, whether they are in the cities or in the towns or on the farms. We must preserve these homes or we will have reds, and I will say to you, without criticism, the real reds in America are those Members of Congress who refuse to allow a vote on this measure. It is this attitude that makes "reds." There is disgust with existing conditions and procedure here in Congress on this bill, and I say to you that I am not afraid of any "reds" in America.

Let us be honest with ourselves and do something for the American people and nobody will get "red." Let us save the American homes. This is the best protection against "reds."

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. JOHNSON of Oklahoma. I am very much interested in the gentleman's very enlightening speech, and I may say that every member of the Oklahoma delegation has signed the petition to bring out this bill, and they have signed it in good faith, and I feel certain will vote for the Frazier-Lemke bill if given an opportunity.

Mr. LEMKE. I want to thank the gentleman, and I may say that you did the same thing before, and I take my hat off to those States west of the Mississippi River. There are only about four of them that are not 100 percent for the Frazier-Lemke bill regardless of party affiliations, and this is as it should be. This great question is not a party question.

Let me call to your attention the situation that exists today in this country. Every weekly paper that you pick up anywhere in the West, Middle West, and southern part

of this country contains at least 30 or 40 farm-foreclosure proceedings. Do you know that the Federal Reserve bank is the greatest offender in foreclosures? Do you know that they took the cream of the $8,000,000,000 of mortgages? They took $2,200,000,000, and as they are foreclosing on the cream, what is going to happen to the other $5,800,000,000? I will tell you, and I have it from a former high official in the Federal land bank. Most of that will be liquidated by foreclosure unless Congress passes this bill. Surely we do not want that condition to come about in this country. [Applause.]

A copy of the Frazier-Lemke refinance bill, and the report made thereon by the Agricultural Committee of this House, is inserted on page 3343 of this CONGRESSIONAL RECORD.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman and Members of the Committee, before going into the merits of the District of Columbia appropriation bill it seems to me entirely proper that a word of appreciation should go from the minority side to Members of the majority for the very gracious way in which they have accorded the minority Members every courtesy and consideration.

I feel that a word of commendation is due to the chairman of the subcommittee [Mr. BLANTON]. Since the bill was reported the press has seemed to take particular delight in making the chairman of this subcommittee the prey for all of its attacks, attributing to him all possible motives of vindictiveness and suggesting that the bill is not the bill of the committee but a bill of the chairman seeking to wreak his vengeance on those who have opposed him here in the District.

It seems to me in a spirit of fairness that he merits a word from me denying the justifiableness of the attacks that have been made upon him. I feel that he has been conscientious; he has been courageous; he has been industrious; and in every way that a chairman possible could he has approached these problems in the hope of bringing to the floor a bill which would merit the support of the majority of the Members of this House. [Applause.]

When I was appointed to the Appropriations Committee and told that I was to serve on the District subcommittee, some of my friends came to me and told me it was one duty that should be avoided if it was at all possible; that no matter how honest and conscientious a man might be, at best it would be love's labor lost; that the newspapers and many organizations here in the District could not be pleased.

I must say, in view of what has occurred in the last few days, I am inclined to believe that the friends who warned me at the time of my original appointment were correct in their opinion of the conditions prevailing here in the District.

I want to say that I accept all of the attacks, all of those charges that have been leveled against the committee and against individual members of the committee, and that I am here to defend this bill. I am here to defend the bill from the standpoint of its fairness, its equity, and say that it does justice to the taxpayers of the District of Columbia, and that the Members of this House can go back home and say that they have been fair to the people of the District of Columbia and fair to the constituency which they represent. [Applause.]

If by discharging a duty of that kind, I take upon myself the possibility of charges leveled at me by the press here in the District, I say, let them continue to fire, and I shall invite the onslaught and attack as long as I know that I can defend the equity, the justice, and the fairness of the bill.

In one of the newspapers the suggestion was made that the members of this committee could not fully appreciate the dignity and grandeur of this great metropolitan city, this city that has been spoken of as a city of magnificent distances, and that we were unfortunate in that we came from some small villages, where one could not fully appreciate the grandeur and the magnitude of this municipality. I represent a district of 265,000 people. It is made up of villages and towns, and I believe I can boast here on the floor of financial governmental operations of which few Members can boast. That group of villages and towns comprising 265,000 sturdy, energetic, thrifty people make up a district that has not a dollar's worth of bonded indebtedness, and that today can probably boast of a half million dollars cash balance. A district which within the last few years built an addition to the courthouse and paid for it out of current revenues; and for the encouragement of my Republican colleagues, may I say that that district has been under Republican rule for a long, long time. Probably these people are just villagers, but villagers who have learned the simple lessons of thrift, industry, frugality, and honesty. They hold fast to the theory of pay as you go. But they are willing to pay for the privileges which they enjoy. That is the difference between Washingtonians and the villagers which I represent.

Most of us have been confronted with the problems in our respective districts growing out of the depression. In most of our districts there are industries and business establishments which have suffered from the depression. Washington is an exception. There has been no depression in Washington, and there is not at this time any depression in Washington, for the business of the Government has continued, in spite of the years of depression. There have not been any idle factories here in Washington. There have not been any smokestacks here in Washington at manufacturing plants, thrusting themselves toward the skies, from which no smoke is emitted, which is an ominous sign in the industrial world that men are unemployed. Here in Washington business has continued uninterrupted. There has been no depression. There has been no cessation. During the past 3 years there has been not only no depression but there has been one of the finest booms that the most optimistic and speculative promoters could possibly dream of in their balmiest days. The Democrats have been coming into Washington as a result of this New Deal program to such an extent that you cannot rent houses or apartments or get hotel accommodations. I was interested the other day in reading a quotation from one of these New Deal Under Secretaries. You know, we have to commend the New Deal for that—the ability with which they can create new Under Secretaries. They are no longer Assistant Secretaries. They wrap them up with a new dignity and call them Under Secretaries.

One of these Under Secretaries with all of his educational affiliations and all of his pedagogic experimentation recently charged that America was suffering from the sterile morality of individualism. That is a remarkable phrase, "the sterile morality of individualism." Here in Washington there has been no sterility of morality of individualism. I want that Under Secretary to know that here in Washington we have had the fertility of immorality of patronage plums, extravagance, profligacy, and waste in its finest form. There has been no sterility. There has been fertility, out of which has grown as fine a job-creating program as anyone could possibly hope for, even a New Deal enthusiast at his best. The result is that here in this city of magnificent distances business has been booming. Out in Virginia new real-estate ventures are springing up. Here in the city of Washington everything keeps humming and buzzing. Go into the department stores; go look for an apartment; try to secure hotel accommodations; and after you have sensed the real conditions, go to the press and to these organizations which are shouting about injustices, which are making these loud protestations about a Congress that cannot appreciate this city of grandeur and elegance; go to them and tell them that the city of Washington enjoys privileges, and has had bounteous blessings bestowed upon it, such as no other city in the whole length and breadth of the country.

I want to discuss a few items in this bill, and I want the membership of the House to know something about the program provided by the town fathers. I have a profound respect for the gentlemen who are the Commissioners. I cast upon them no personal reflection whatsoever. I desire, however, to tell you something about their method of procedure. A municipality such as the city of Washington should have a revenue program to carry out the needs of the municipality. It should not look to the Federal Government for

an annual gift of $5,700,000. Nor should the town fathers excuse their failure to consider the subject of taxation by a spirit of dependence on the gratuities provided by the Federal Government. A dilatory attitude almost approaching unconcern has characterized the program of the town fathers. They have apparently been well satisfied to pass over to the Congress the task of raising the necessary revenue for the operation of the District government. It constitutes a splendid example of passing the buck.

I believe every Member of the House realizes the greater damage done to a street-paving system as the weight of the load increases upon that particular pavement. A 1-ton truck does much less damage than a 16-ton truck. A Chevrolet does considerable less damage than a big 5-ton Mack. Still, in spite of that fact, the town fathers here have decided that when you buy an automobile license plate, whether you are operating a small truck, a ton or a ton and a half truck, or whether you are operating a big 10- or 12-ton truck, your cost is the same. If you operate a Chevrolet, a car comparatively low in its potential damage to street paving, or if you operate a heavy Rolls-Royce, your license tag costs just the same. Automobile license privileges should certainly take into account the possible and potential damage to the highway which such automobile may cause, and such factors, which are used as the bases for license costs in other large cities, should apply here.

Let us consider the subject of taxes on gasoline. I do not know what you pay back in your districts as a tax on gasoline, but I do know that many drivers whose gasoline tanks begin to get low while they are in Virginia or while they are in Maryland will make every effort to get into the District, where they know there is practically no gasoline tax, or at least such a comparatively small gasoline tax that it is much more desirable to buy gasoline in the District than it is in the adjoining States.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I think the gentleman has raised a very interesting question. I notice in Tennessee they have a 7-cent State tax, with the 1-cent Federal tax, and that the price of regular gasoline is about the same as it is here in the District, where we have a 2-cent tax. I wonder if the gentleman could explain why that is.

Mr. DITTER. To be frank with the gentleman, I am not acquainted with the conditions to which the gentleman refers and can give him no explanation with respect to the costs of gasoline. I do know of the differences in taxes on gasoline in the District of Columbia and in the adjoining States.

Mr. McFARLANE. Will the gentleman yield further?

Mr. DITTER. I yield.

Mr. McFARLANE. On the license-tag proposition, for instance, in Texas we pay our license tag on our cars based on horsepower and based on the weight of the automobile.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 20 minutes.

Mr. DITTER. I yield myself 10 additional minutes, Mr. Chairman.

Mr. BLANTON. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. BLANTON. I am afraid the gentleman from Texas [Mr. McFARLANE] is incorrect about the cost of gasoline in Tennessee and in Washington. For instance, you can buy what is known as Esso gasoline, sold by the Standard Oil Co., today in Washington for 4 cents per gallon less than you can buy it in Tennessee. So there is quite a difference.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I do not deal with the Standard or the Gulf, but I deal with the independent companies. If you will look for those independent signs you can buy your gas just as cheap in Tennessee or Arkansas as you can in the District of Columbia. I did it coming up here.

Mr. DITTER. Now, I should like to turn to the subject of real-estate taxes for a moment. I wish the Members would read the hearings and acquaint themselves with the balances of unpaid real-estate taxes in the District of Columbia. Enormous sums are due the District for unpaid real-estate taxes. During the course of the hearings one of the Members suggested that probably an attachment could go out against the rents for the recovery of these real-estate taxes. That Member suggested that probably if such an attachment were to issue, much of those unpaid real-estate taxes would be collected. The admission was made that in many instances the properties on which these taxes were due were properties that were rented. Tenants were paying the rent and the owners of the property were taking into their own pockets the rent, but not discharging the liability due to the District for taxes.

Directing the attention of the Commissioners, particularly the auditor, to the need for possible legislation so that such attachments might be made, I was interested to receive on the 2d of March a letter from the auditor. This was after the hearings had closed. This was after we had directed the attention of the Commissioners to this condition of unpaid real-estate taxes. As late as the 2d of March the auditor advises that the Commissioners of the District have appointed a committee to go into this entire question of delinquent taxes. If past experience will hold good as far as this item is concerned, it is probable that another year will roll around, and when we have hearings on this District bill a year from now we will be told that they are still studying the problem.

Mr. NICHOLS. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. NICHOLS. Does the gentleman know whether or not the delinquent taxes that he mentions are less than a year old or more than a year old?

Mr. DITTER. If my memory serves me correctly, some of these taxes go back to 1879.

Mr. NICHOLS. My reason for asking the gentleman the question is that my recollection is that in the District Committee the other morning it was told to us, although I may be wrong, that it was necessary, under existing law in the District, that tax resale be had at the expiration of 1 year; that it was compulsory.

Mr. DITTER. I have no knowledge as to what method is being pursued presently for the recovery, but I do have knowledge that at the present time a large amount of money is due the District in delinquent taxes, and that to my mind aggressive efforts were not being resorted to for the recovery of these items.

Mr. COLDEN. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. COLDEN. Why have not laws been enacted in the District of Columbia similar to the laws in different States, by which the real estate would be sold for taxes if it was not paid within a reasonable time?

Mr. DITTER. In justice to the District, may I say that such sales are possible and that such sales are being resorted to at times, but a very considerable amount of back taxes is due on many properties that has not been collected.

Mr. DIRKSEN. May I be permitted to make this observation in response to the question of the gentleman from Oklahoma [Mr. NICHOLS]: The delinquent-tax law, as it exists on the books in Washington now, provides that in order to sell this property for delinquent taxes it is necessary to notify every party in interest. This means a rather extensive examination of records. A bill has passed the House and is now pending in the Senate which makes it necessary to notify only the last party of record, without having to notify judgment creditors, lienors, and everybody else.

Mr. COLDEN. How about notice by publication?

Mr. DIRKSEN. That cannot be done under existing law, but the bill of which I spoke has such a provision. If this bill passes the Senate the situation will be cleared up.

Mr. DITTER. I believe every man who has had experience in his district in the sale of real estate for taxes will agree with me that it would be much more desirable if, instead of resorting to a sale of the real estate, we could

attach the income from the real estate. If this were done it would avoid the necessity in many instances of resorting to a sale of the real estate.

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

Mr. DITTER. I yield.

Mr. DIRKSEN. The difficulty could be cleared up by new legislation providing for a tax receiver; but there you sometimes run into difficulties, because if you had a tax receiver in charge of property like the Carlton Hotel or the Wardman Park Hotel because of delinquency in taxes, the abuses would be almost as great as they are at present.

Mr. DITTER. In my opinion, we should avoid, as far as possible, taking title to the real estate, but, rather, we should make it possible for the tax collector to attach the rent coming out of any particular piece of real estate in satisfaction of the tax assessed against the property.

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

Mr. DITTER. I yield.

Mr. MAVERICK. I am asking this question for information only, because I do not know anything about it. A statement appeared in an editorial in the Washington Herald this morning to the effect that the Government of the United States has obligated itself to pay 40 percent of the expense of running the District. I would like to get information as to the amount the Federal Government is obligated to contribute, because I do not know anything about it.

Mr. DITTER. May I answer the gentleman by saying that if he will refer to the amount of the contribution made by the Federal Government during the past year and during the last 4 or 5 years, he will find there has been a uniform contribution of $5,700,000. The current bill reduces this amount.

Mr. MAVERICK. By how much?

Mr. DITTER. By $3,000,000.

Mr. MAVERICK. But I want to know if there is any requirement that the Government must pay 40 percent, as this editorial states?

Mr. BLANTON. Mr. Chairman, will the gentleman from Pennsylvania yield that I may answer the gentleman from Texas?

Mr. DITTER. Yes.

Mr. BLANTON. The amount the Government contributes depends exactly upon what Congress wants to do each year. This Congress fixes it. This Congress could say that we would not pay a cent if it wanted to.

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

Mr. DITTER. I yield.

Mr. CRAWFORD. What is the rate of taxation assessed against residential and business property in the District of Columbia?

Mr. DITTER. It is $1.50 per hundred.

Mr. CRAWFORD. Is that on market value or assessed value?

Mr. DITTER. The gentleman is going into a very, very delicate question. It is supposed to be on full value. If, however, the gentleman will examine the hearings and the record of ownership of certain pieces of property and the possible income from these pieces of property, the gentleman may feel that in all instances full value has not been established for the purpose of tax assessment. It is supposed to be on full value.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I hope my colleague will take all the time he wants. I would be very glad to give him my time. He is so familiar with the subject and has done such splendid work on this bill that I hope he will not feel he should leave out any part of his speech.

Mr. DITTER. Mr. Chairman, I yield myself 10 additional minutes.

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

Mr. DITTER. I yield.

Mr. MAY. If the gentleman has the information available, I wish he would point out how the rate of taxation on real estate in the District of Columbia compares with the rate of taxation in other cities of like size to the city of Washington.

Mr. DITTER. My answer to the gentleman is that the chairman of this subcommittee and the committee as a whole have made a very exhaustive study and a comparison with cities of like size. It is my honest opinion, and I believe it is the honest opinion of the committee, that the city of Washington enjoys a lower tax rate in proportion to the benefits it enjoys than any municipality anywhere in the country.

Mr. COLDEN. Mr. Chairman, if the gentleman will yield, I might state that in Los Angeles the tax rate on real estate is $4 per $100.

Mr. DITTER. I challenge any Member of the House to go back into his district and examine the tax rate in any cities in his district and compare the taxation there with the taxation here in Washington. I believe he will be satisfied that Washington enjoys a benefit and suffers no detriment in the program of taxation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Washington.

Mr. ZIONCHECK. I was not here during the entire speech of the gentleman, but may I ask him if he touched upon the question of personal-property taxes that have not been paid for a period of years and no attempt being made to collect them? I understand there is no law by which they may be collected.

Mr. DITTER. I have not touched on that subject as yet.

Mr. ZIONCHECK. Will the gentleman touch on that matter?

Mr. DITTER. I have tried to be very gracious and I shall yield to my colleagues at every opportunity. If I have the time, may I say to the gentleman, I shall touch on that matter.

Mr. HAINES. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I would like to know what occasioned this reduction in appropriation to the city of Washington by the Federal Government to the extent of $3,000,000 or more this year?

Mr. DITTER. I believe there is an old proverb that the Lord helps those who help themselves. I believe the primary obligation for the enactment of a satisfactory tax program rests upon those who are charged with the administration of municipal affairs. When they plainly indicate a dilatory attitude and no concern about the matter of taxation to such an extent that the committee feels they have no real regard for the needs of the District and the necessity for revenues for the District, then it seems to me the time has come when the Federal Government, instead of assuming a paternalistic attitude toward the District, should put the District on its own resources. [Applause.]

Mr. MAVERICK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Texas.

Mr. MAVERICK. I desire to read concerning the proposition of the contribution of the Federal Government being 40 percent, which I have since found. It is Public Document No. 256, Sixty-seventh Congress (H. R. 10101), being the District Appropriation Act for the fiscal year ending June 30, 1923. It says:

> That annually from and after July 1, 1922, 60 percent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges and the remaining 40 percent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis.

Now, I am asking simply for information. What is the effect of that statute? Does it not constitute a contract?

Mr. DITTER. May I say to the gentleman from Texas, I think my colleague the distinguished chairman certainly answered very definitely with reference to the matter of this need and the 40–60 proposition. It is my opinion, just as the chairman stated, that what we contribute to the District depends entirely on the action of the Members of this House.

Mr. MAVERICK. The statute is still in effect. Does the gentleman think this statute should be repealed, then? It seems to me that it constitutes a contract; in any event, if it is still legislation it is still law; if it is still law we should either obey it or repeal it.

Mr. DITTER. May I say to the gentleman, who serves on the District Committee——

Mr. MAVERICK. No. I serve on the Military Affairs Committee—a more important committee.

Mr. DITTER. I hope my friend the gentleman from Texas will in no sense feel that I was underestimating his worth or ability. I recognize him as a very distinguished and able gentleman. May I also say, in deference to those colleagues of ours who do serve on the District Committee, I feel they occupy just as important positions in committee assignments as the Members who may serve on the Military Affairs Committee.

Mr. MAVERICK. I do, too. In fact, I join that sentiment.

Mr. BLANTON. I used to serve on that committee myself.

Mr. NICHOLS. I want to thank the gentleman for defending us so ably against the gentleman from Texas.

Mr. DITTER. I shall not permit the subtle attack made by the gentleman from Texas against the members of the District Committee. There was a subtlety to that which would have done honor to the American Civil Liberties Union.

Mr. MAVERICK. I want to thank the gentleman for accusing me of being "subtle", because he is the first person who has ever stated that I was subtle.

Mr. DITTER. Should I say "cunning"?

Mr. MAVERICK. Maybe so, maybe so; a wolf is cunning, but he has teeth.

Mr. WOOD. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Missouri.

Mr. WOOD. Referring back to the question of collection of delinquent taxes, I think the gentleman said his position was that Congress should pass a law which would enable the authorities to file against the rents. This brings up the question in my mind as to how much of the delinquent tax applies to property rented or to properties that are used and owned by the owner.

Mr. DITTER. The information that came to the committee indicated that in a very large number of instances, in fact, the majority of instances, the unpaid taxes were upon those properties that were rented and from which an income was being derived.

Mr. WOOD. They are the ones that should pay the taxes?

Would it be constitutional to have a dual method of collecting these taxes, either by filing upon the rent or by sale of the property?

Mr. DITTER. In my opinion, if a law was enacted authorizing the Commissioners or the tax collector to issue an attachment against the rent, such a law would be constitutional.

Mr. WOOD. I thank the gentleman.

Mr. EATON. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from New Jersey.

Mr. EATON. I notice in the bill that the item for smoke control in the city is cut down from $15,000, as provided last year, to $11,000. There has been no very serious diminution in the smoke evil itself. I understand the amount for inspectors has been reduced in the appropriation bill this year, also that an engineer employed at $4,600 is on his way here to take the job. I understand further his salary has been cut down to $3,800. Can the gentleman explain that in the interest of people who want to get rid of smoke?

Mr. DITTER. I am happy the gentleman from New Jersey asked that question. We hear a lot of talk about economy. Statements are made about the tremendous costs of government and how we should economize; but let anybody come in here and cut out a favorite job or two, or cut the wage or salary down below that which someone feels that salary or wage should be, and immediately there is a hue and cry about smoke or some other such thing that is supposed to be relieved by these job holders. In my opinion, the smoke problem can be handled by a force such as is provided by this bill. In my opinion, the $3,800 for the engineer which the gentleman referred to will be an adequate salary. In my opinion, the provision herein provided for personnel is adequate. If we are going to actually try to economize, let us be honest enough to face the music and cut some of these jobs out.

[Here the gavel fell.]

Mr. DITTER. Before I go further, may I ask the distinguished chairman of the committee whether he feels I am encroaching in any way on his time; for if he does, I shall not consume any further time.

Mr. BLANTON. I hope sincerely that my colleague will take all the time he wants. I think he is making a fine presentation and a much better one than I could make.

Mr. DITTER. I reciprocate that gracious compliment.

Mr. EATON. May I continue by asking one more question?

Mr. DITTER. I shall be happy to yield further to the gentleman from New Jersey.

Mr. EATON. I am delighted to see this interchange of amenities between the two leaders on this measure. No amendment would probably stand much chance to put this $15,000 back if it were to originate among the unanointed.

Mr. DITTER. Well, I assume by "the unanointed" the gentleman means those who are not members of the committee.

Mr. EATON. Yes.

Mr. DITTER. May I say that we shall try at all times to pour all possible unction upon those who may not be members of the committee, but we shall reserve to ourselves the righteousness which we believe is ours in bringing a worthwhile bill on the floor of the House. [Laughter and applause.]

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

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

Mr. COLDEN. I wish to ask the gentleman from Pennsylvania about the proposed attachment of rents. This would not cover delinquent taxes on vacant property and would not serve the entire purpose.

Mr. DITTER. May I answer by saying I only suggested that as a supplementary procedure to facilitate the possible recovery of taxes that are delinquent and to avoid where possible the need for taking over the real estate. I in no sense suggest that it should be a complete substitute for the present procedure resorted to for the recovery of delinquent taxes.

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

Mr. DITTER. I yield.

Mr. STEFAN. I have read your hearings with a great deal of interest, especially those relating to the question asked by the gentleman from Michigan [Mr. CRAWFORD]. The gentleman states they pay $1.50 per $100 on the actual valuation of property in Washington.

Mr. DITTER. May I interrupt by saying that I said that was the representation made—that it was actual value.

Mr. STEFAN. That was the representation; yes.

Mr. DITTER. I in no sense want that declaration charged to me.

Mr. STEFAN. But it is not assessed on assessed valuation.

Mr. DITTER. Oh, yes; assessments are made and those assessments are presumed or alleged to be made based upon full value.

Mr. STEFAN. Your hearings have many statements indicating that property which was valued some years ago, for instance, a lot as worth $4,500 was sold a few years later at $11,000. What has your committee done about making a revaluation of property in Washington?

Mr. DITTER. My answer to the gentleman is that I very guardedly answered my distinguished friend by saying that it was assumed the assessments were upon full value. The allegation was made that it was on full value, but the Appropriations Committee has no authority by which it could compel the municipal agencies to reassess real estate. All that we have the power of doing is developing during the

course of the hearings the facts as we find them to be in order that remedial legislation may be enacted to cure the conditions about which the gentleman complains.

Mr. STEFAN. Does the distinguished gentleman know when property in Washington was revalued, or has there been a revaluation lately?

Mr. DITTER. Valuations are presumed to be made every year.

Mr. STEFAN. But still property has raised in value to the extent of a $4,500 vacant lot being raised to $11,000 within a few years. Did your committee, in your investigations, learn whether or not that particular property or similar property had been revalued and the valuation increased?

Mr. DITTER. Again may I say, the committee had no authority there. It seems to me, and I assume, the gentleman intends no criticism or condemnation of the committee.

Mr. STEFAN. No; not at all.

Mr. DITTER. As an individual member and representing the minority, I may say I feel commendation is due the committee for disclosing to the membership of the House the facts as they are gleaned by a reading of the hearings by the distinguished gentleman.

Mr. STEFAN. I wish to state to the distinguished gentleman that there was no intention on my part to criticize the committee, and I do wish to commend the committee in pointing out and disclosing in its hearings the fact that property values have increased from $4,500 on a vacant lot in Washington to the tune of $11,000 within a few years, and yet you have revaluations every year, and still you value this property, perhaps, at a lower value. Is this correct?

Mr. DITTER. Yes. Now, if the gentleman will let me continue, may I say that the most substantial way for the gentleman to show his commendation will be for him to give his whole-hearted support, shoulder to shoulder with the committee, to see that this bill goes through without any possible amendment. This will be a very substantial evidence of the gentleman's commendation of our efforts.

Mr. STEFAN. I do commend the committee; and may I ask the gentleman one more question?

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

Mr. DITTER. I must yield to my chairman.

Mr. BLANTON. If the gentleman will listen just a moment, I am sure he will see exactly the situation. If the gentleman does not believe that property has been assessed at less than one-half of its value heretofore, and during the last few years, look on page 64, at the property that has been condemned, and then look on page 78, at the property that has been condemned, where we have had to pay three or four or five or six times its assessed valuation in order to get the property for the Government. In addition to this, if the gentleman will look at the hearings he will see where the Commissioners admitted that in 1934 they arbitrarily lowered and decreased the assessed valuations by $80,000,000 and last year by $50,000,000 more, so that they have decreased assessed values arbitrarily $130,000,000 in 2 years.

Mr. PALMISANO. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. PALMISANO. I cannot go along with the gentleman in condemning the District of Columbia Commisioners for not properly assessing property and then at the same time accusing them of being extravagant.

Mr. DITTER. I must differ with the gentleman. The gentleman could not have been here during all the time of my remarks. Otherwise he would not say that I was attacking the Commissioners. In no sense did I intend any condemnation of the Commissioners. I do say, however, and I repeat it, that there has not at any time been such practices by the Commissioners as would bring about the recovery of delinquent taxes that should be recovered.

I further say that, in my opinion, the District of Columbia Commissioners should have resorted to a change of procedure with respect to delinquent taxes.

Mr. PALMISANO. One further question. Is the gentleman aware of the fact that the present Commissioners have prepared a bill permitting them to sell the property they have accumulated under a sales tax?

Mr. DITTER. I am gratified to learn that, and I appreciate the fact that the gentleman has persuasion enough to get the Commissioners to move.

Mr. PALMISANO. I did not do it, they did it themselves.

Mr. DITTER. Now, we have here, as in all municipalities, agencies, and offices, such as the recorder of deeds, register of wills, the surveyor's office, and other offices having to do with municipal needs of the Government.

I wish to speak with respect to one office, and that is the office of the surveyor. It is my conviction that these municipal offices should have, as a result of an adequate fee bill, sufficient revenue to maintain them, and not only to maintain them but that a possible revenue should come to the Treasury.

The surveyor's office in the District of Columbia is operated on a fee basis, and service is rendered to private owners of real estate and speculative land promoters at a cost which is less than that for which a private surveyor would render similar services, and less than the actual cost of the surveyor's office.

It seems to me that that condition should be changed. It seems to me that the surveyor should charge fees on a basis that would not only put his office on a self-sustaining basis, but at the end of the year have a surplus as the result of those operations to be paid to the Treasury. That condition does not exist here.

The newspapers have said a lot about these public-assistance funds, about these medical charities suffering. My answer to that attack is this: I challenge any fair-minded man in the House to read carefully the record. I want the Members to see the personnel built by this charity group. I want the Members to see the salaries that are paid to some of these administrative officers, and I want them to think how much money is going to distressed individuals out of appropriations made and how much is going into the pockets of the swivel-chair individuals that operate these charitable organizations that are intended for relief. Any fair-minded man will feel that this committee was justified in the position which it took. Not a man or woman in the House here can deny the efforts of the committee to be fair. There was not a man on the committee who was not mindful of the needs of the health of the District, who was not mindful of the charities of the District, who was not mindful of the schools, but we were opposed to a program of extravagance, to a program of profligacy.

Just a last word about the schools, and now I am going into a hornet's nest. We have heard a lot about the "red rider." We have heard a lot about the heinous crime that we committed last year by asking the teachers of the District to refrain from indoctrinating the school children of the District with communistic teachings.

Those of you who have had any pedagogic experience, those of you who have been in the schoolroom as a teacher, will agree with me, I believe, when I say that the most impressionable age is the age of adolescence. Those are the years when habits are formed, those are the years when opinions are molded, those are the years when impressions are made that in many instances are lasting. I have no objection whatever to having college students go as carefully into the matter of communistic government as they care to. If communism were only presented here in the District or in the high schools throughout the country factually, I question very much whether I would oppose it. But it is my conviction, as a result of the disclosures made during the course of the hearings, that the efforts here in the District, as we know the efforts in other school districts, have not been for the purpose of presenting factually the matter of communism, but that it was the method pursued by those who were trying to advance the cause of communism, to place communistic teaching in a most favorable light before the high-school students, in order that it might be a persuasive factor in their own lives and be a method by which they would endorse and espouse this un-American system of government. I have a boy in high school. I hope that the same privileges will be his that were mine. I remember well certain high-school teachers who made a pro-

found impression upon me during the days I sat with them in the classrooms.

I hope that boy of mine will have influences brought to bear upon him in the high school by which he will love America and American institutions and traditions, American ideals, more than he ever loved them before. [Applause.] I hope that there will be impressions brought upon him by which he will hate, with a hate that is lasting, those things that would tear down and destroy the liberties of our people and the freedom that you and I enjoy. That is what I ask for my own boy. I want him to love America, to be dedicated to its defense, to be consecrated to its cause. I say to you on behalf of the boys and girls of this District, that I shall stand upon the record of the hearings on this matter of communism here in the District. I am satisfied to let that record speak for itself. I am satisfied that if this were my last term in Congress and this were the last thing that I were called upon to do in public life that I would be discharging honestly and conscientiously as I see it, the duty which I believe is mine, not only to the boys and girls of this District but to the boys and girls of America and to the traditions and ideals and institutions that I love.

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

Mr. DITTER. Yes.

Mr. COLDEN. I feel with the gentleman, speaking for myself, that Members of Congress have gained their best lessons in patriotism in the schoolroom when they were young, but it is not a reflection upon the teachers of Washington to oblige them to subscribe to an oath every month, such as is provided by law, and would it not be better to repeal such a law and eliminate such teachers as disregard real Americanism?

Mr. DITTER. I can answer that by saying that, in my opinion, and from certain disclosures that have come to me personally, there are teachers who would be only too anxious to have the bars let down, not only here in the District but elsewhere, by which they could feel a freedom of not presenting communism factually, but of indoctrinating communism in the pupils that come under them. We have no opportunity of going into the classroom and watching that teacher day in and day out with respect to the methods pursued in the pedagogic effort put forth. We have not that means, and it seems to me that this present means is the only available way by which to safeguard against the sublety and cunning machinations of those who are anxious to destroy and tear down.

All observant men are aware of the efforts of radical leaders to extend their influence in America today. An attractive propaganda program has been developed which is intended to appeal to the emotions of the people and to arouse animosity and class hatred. While those directing the program appreciate the value of subtle maneuvers, nevertheless, the declarations of some of the New Deal keymen have encouraged the preachers of subversive doctrines to assume a boldness which cannot be ignored. From one occupying a lucrative and powerful post under the present administration comes the pronouncement of his belief in the "complete dominance by the Government in suitable areas of enterprise", and the accusation hurled against those engaged in private business of "determined sabotage of efforts to regularize their fields of industry." He delights to refer to those who disagree with his pedagogic mouthings as "enemies and autocrats", and insists "they must get out of the way, along with the moral system which supports them."

"The moral system" to which he refers is the same system which protects private enterprise from public confiscation, the same system which saves individual initiative from the deadening decay of a planned economy, the same system which defends the personal rights of the citizens against the encroachments of autocratic governmental agents. It is the American system as compared to the radical method. The same New Deal spokesman declares that it will be a "salutary purge if we are rid of the fainter hearted who confuse the Ten Commandments and the Constitution." He apparently takes exception to the philosophy of Lincoln, expressed in the words "with malice toward none", by referring to those who are not in accord with his scheme of upsetting and unsettling America as enemies "we can despise with a lasting and righteous anger." He strives to excite and agitate our people in typical radical style with the declaration that "the compulsion needed for industrial change is more likely to come from workers than the present owners." As we contemplate the effects of such statements by one of the New Deal leaders we are not surprised at the boldness of radical leaders in pressing their clamor for the adoption of the political philosophy of Karl Marx. Passing reference must be made to the added encouragement given to those who are antagonistic to the American system of government by another New Deal spokesman when he took exception to a recent decision of the Supreme Court and characterized it as "the greatest legalized steal in history." It is most unfortunate that the inconsistent and disorderly social and economic policies of the present administration have contributed materially to encourage the preachers of un-American doctrines to extend their efforts and to broaden their influence throughout the country.

In view of the encouragement given to the movement by leaders in powerful positions under the present administration and in view of the aid afforded by much of the legislative program, it is probably natural that radical strategists would feel welcome to enter the public schools for the purpose of disseminating their lessons and indoctrinating the pupils with their fanciful philosophy. Surely no more fertile field could be found for the sowing of seed. The impressionable age of adolescence gives a splendid opportunity to these purveyors of subversive doctrines to fasten their tentacles on the youth of America at a period in their life when thought is molded and future policies of life are largely determined.

Let us safeguard the youth of America.

Mr. BLANTON rose.

Mr. DITTER. I cannot yield any further. My distinguished chairman has been more than gracious to me. I feel that the House wants to hear a word from him.

I want to repeat what I said before—that this is the committee's bill. I, as one of the members, am willing to take my responsibility for the bill. I do not believe it is TOM BLANTON'S bill any more than it is the bill of any other member of the committee. I believe he has been fair. I believe he has been honest. I believe he has been courageous. [Applause.] I am here to stand with him to the end on this bill, without the dotting of an "i" or the crossing of a "t." [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, our colleague from Iowa [Mr. JACOBSEN] has done some splendid work on this bill, and every member of the committee appreciates his help. I yield to him such time as he may desire. [Applause.]

Mr. JACOBSEN. Mr. Chairman, a few years ago we heard a saying, and heard it often, that prosperity is just around the corner. This morning my colleague from New York [Mr. FISH] said the New Deal is going 'round and 'round. It just came to my mind that I would like to read one short paragraph of a letter that I got from home this week to show how far this prosperity is going. This letter is from my son. It was written last Saturday night, and I received it Tuesday morning:

> We have had a very busy day. We are all tired out tonight. The town has been like a beehive all day. Streets and sidewalks are crowded. We had four people come in and pay us today on deals that we had charged off in 1934. Those who are back on the railroad. Some men are going back on the road who have not been on for 6 years.

It is a long letter. That is all I want to read to you at this time.

I was here yesterday and part of the time the day before. I heard very little about the bill that is before us. Today I was glad to hear more said about it. I feel that a few words from me as a member of the committee may not come amiss.

I have sat in the hearings, and I have heard a lot of them. I want to say right now that the committee as a whole is united on this bill. I have sat on committees before where we were not all in harmony, but on this bill every man on

the committee on both sides of the aisle is in harmony with every paragraph in this bill.

When we finished the bill we sat down and talked a few minutes. We were patting ourselves on the back at what a wonderful bill we had for the people of Washington. We had an appropriation in that bill for Chain Bridge, that has been before the committee as long as I have been a member, and long before that. That bridge is now in the bill today at a cost of approximately $350,000. There is an addition to the Eastern High School at a cost of over $300,000. There is personnel and equipment for the fire department. The most needed of all, perhaps, is the police court building, at a cost of $1,500,000. So the committee was very much pleased with the bill. I got home late, thinking we had done a good job. The next morning when I came down to breakfast at my hotel I picked up the paper and I read a criticism of what we had done. I have been in the mercantile business all my life. I appreciate printer's ink. I know the value of publicity and I know the power of the press. I could not help but feel that they had the wrong impression about our bill. I knew they had. I read and studied all the papers that I could get. I was glad the gentleman from New York [Mr. TABER] and the gentleman from Pennsylvania [Mr. DITTER] brought this out so forcibly, because it has to come before the public. If the Members would read the hearings they would be convinced that the bill is the kind of a bill that should be passed.

I have heard more about communism the past few days than I have heard about the bill. From my point of view, there is a vast difference between teaching communism and studying communism. If it was not taught in the schools of Washington I would be perfectly satisfied, but from the evidence we have had, I fear it is being taught. We know that it is creeping into the colleges. We certainly should not have it in the schools of Washington, the Nation's Capital. That is the last place it should be taught.

Mr. MAVERICK. Will the gentleman yield?

Mr. JACOBSEN. I yield.

Mr. MAVERICK. If a man is a Communist and would violate his oath of allegiance, anyway, and try to overthrow the Government, does not the gentleman think a man like that would violate the oath that you require of him every 2 weeks, anyway?

Mr. JACOBSEN. Now, yesterday you asked not to be interrupted.

Mr. MAVERICK. Very well. I will not insist on the question.

Mr. BLANTON. But if he violated it to get his pay you could put him in the penitentiary, where he belongs.

Mr. MAVERICK. Oh, now, wait a minute.

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed.

Mr. ZIONCHECK. You will not obey them yourself.

Mr. MAVERICK. I ask that the rules be obeyed, Mr. Chairman.

Mr. BLANTON. We can handle this bunch all right, Mr. Chairman. I ask that my colleague [Mr. JACOBSEN] be allowed to proceed in his own course until he yields, so that we may proceed in an orderly way.

Mr. MAVERICK. Mr. Chairman, I make a point of order. I asked a question according to parliamentary rules in a respectful and parliamentary manner. That was broken into by the gentleman from Texas [Mr. BLANTON]. I did not push my question, but he broke into it. I am entitled to courtesy.

Mr. BLANTON. Mr. Chairman, that is not a point of order. I make a point of order.

Mr. MAVERICK. Just a minute; I am not through yet. Mr. Chairman, the gentleman had no right to interrupt me. I am not going to be bullied off this floor. I am addressing the Chair, and I am not going to be bullied off this floor.

The CHAIRMAN. The gentleman from Iowa has the floor.

Mr. MAVERICK. Mr. Chairman, I wish to finish my point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. I want to ask if I have a right to ask a respectful question without being interrupted and bullied on the floor.

The CHAIRMAN. The gentleman does if the gentleman who holds the floor yields for that purpose.

Mr. MAVERICK. That is all I want to know. I thank the Chairman.

The CHAIRMAN. The Chair understood that the gentleman from Texas [Mr. MAVERICK] withdrew his question.

The gentleman from Iowa will proceed.

Mr. JACOBSEN. Mr. Chairman, I prefer not to yield further. I will come to the question of allegiance very quickly.

Mr. Chairman, I observed during the hearings that books were distributed in our libraries here, in the school libraries. I saw one of them. I am not a saint myself, Mr. Chairman; I can listen to a spicy story, and I can tell a spicy story, but I would not read that book to a bunch of men; that is how bad this book is that is in the libraries in the schools. This book was passed on by the committee, yet the same committee acknowledges that the book is not fit even for a man to read, it is so vulgar and vile.

I saw another book, and while it is not in the school libraries they can get it; it is in all the libraries of Washington; and if I may be permitted I shall read just one short excerpt from it. It kind of got under my collar when I read the following:

> Immigrants describe America as they found it, a country dominated by capitalists with a sordid bourgeois society without ideals, a land of dollar chasers where wealth controls the Government and exploits the people.

I believe I can tell you something about that. I am an immigrant. I came to this country as a young man knowing there were chances for me here where there were no chances for me in Germany. I came with nothing but a strong mind and a healthy body. You have heard the story of the merchant who was in business for many years, who never made invoices but every year he would pull out a bunch of shoestrings, lay it aside and say that all the rest was profit. That is me. I made use of these two gifts every day since I have been here. I soon learned and mastered the language, and when I became old enough I applied for citizenship. When I became a citizen I had to denounce my foreign government, my German Government. This I was glad to do. I had to swear allegiance to the American flag. I took that oath because it was a privilege. I feel that perhaps I can appreciate this privilege more than my sons when they grow to be 21 years old. They will say, "I am a citizen, I can vote." That is all they think about, it is a matter of fact to them; but to me the oath I took will live with me until my dying day. I have taken oaths on many occasions and in many offices, but there is one oath that will not get away from me, the oath of allegiance to support the Constitution of the United States and the flag. [Applause.]

I did not want to speak today; TOM BLANTON forced me on the floor. [Laughter.] I would rather sit down and listen, but I have seen so much of this that I would recall some things to your minds. I would, first, ask the gentleman from Texas [Mr. BLANTON] if I am taking too much time.

Mr. BLANTON. Go right ahead.

Mr. JACOBSEN. When I was postmaster I saw some of the things that were going on. It was the time of the draft and the boys were being drafted one after another. Fathers would come in to my office and say: "Benny is anxious to do his bit; he wants to do his bit; get him a job down at the arsenal at Rock Island or in the shipyards, anything for a job." I could not help but smile and think. I would say to the man: "He is getting old enough for the draft, isn't he?" "Oh, no, no; he will will not be drafted for some time, but he wants to do his bit." They all wanted to do their bit. My boy was over in France. He enlisted the minute the war started.

Later we had these pep meetings. Postmasters always had to be at the head of the pep meetings to sell war-savings stamps and Liberty bonds. I remember the first meeting very well, called to order by the president of the chamber of commerce. At that time we called them commercial clubs. The

leading men of the town were there. I stayed in the rear. I did not want to get on the platform. The meeting started, or, rather, the dinner started. We had a little lunch, the usual baking-powder biscuit with chicken gravy over it and a little chicken here and there. [Laughter.] Then there were trinkets and coffee. There was no sugar during the war, of course, and the "cream" was milk. In fact, the only thing about the meal that was pure was the salt. That was always good. [Laughter.] After lunch the meeting started. The chairman called it to order. Everybody stood up facing the east, where the flag hung, and sang America. They started out with wonderfully strong voices.

When they got to the second verse it got kind of dim. Some of the lips were just moving, and the leaders had to make quite an effort to bring it out. Before the next meeting the chairman learned a lesson. He had cards printed with the song on it. Then they could start and continue through the song, holding in one hand the little flag and in the other hand they would hold the card. They would not pay any attention to it until the second or third verse, then they had to hold up the card and read it.

I learned that whole song in Germany before I came to this country. I remember very well in our English lessons we learned America and The Last Rose of Summer. Why we should have learned the song, The Last Rose of Summer, I do not know; but those were the two songs I knew and could sing.

Those are the things that appear ridiculous to me and so outstanding. [Applause.]

Mr. BLANTON. Mr. Chairman, I want to reserve enough time to speak on this bill myself, but I believe so strongly in free speech that I am bound to yield 5 minutes to the gentleman from California [Mr. SCOTT], who requested time.

Mr. SCOTT. Mr. Chairman, I have at least two minor ambitions as far as my stay in this House is concerned. One of them is when I leave here I can truthfully say that I never tried to win an argument by shouting the other fellow down. The second one is when I leave here nobody can truthfully say that I was ever unfair in debate or in connection with extension of remarks.

Mr. Chairman, yesterday I objected to the gentleman from Arkansas putting into the RECORD an editorial taken from a Hearst paper. I will say frankly that at all times I am on this floor if anybody ever asks to put a Hearst editorial into the RECORD I shall object. I think Mr. Hearst is the biggest menace to freedom and liberty in this country, and I do not believe it is necessary to crowd the RECORD with his statements. Anyone with 3 cents can buy a Hearst paper anywhere in the United States and get the same editorial that it was desired to insert in the RECORD yesterday.

I did not object to the gentleman reading the editorial. Yet when the RECORD came out this morning, after the objection I had made, the statement is made by the gentleman from Texas [Mr. BLANTON] that—

> As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial one of the advocates of this free speech who objected to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT], objected to his reading the editorial.

I did not do any such thing. Had the gentleman had time he could have read the editorial.

Mr. BLANTON. Will the gentleman yield?

Mr. SCOTT. No; I am sorry.

Mr. ZIONCHECK. It is dangerous. Do not do it.

Mr. BLANTON. I want to make a correction.

Mr. SCOTT. I yield to the gentleman.

Mr. BLANTON. On page 3284, when the gentleman from Arkansas [Mr. MCCLELLAN] asked about putting in the editorial, the gentleman from California [Mr. SCOTT] stated:

> I object to the editorial but not to the revising of the gentleman's remarks.

Then the Chair put the question:

> The CHAIRMAN. Does the Chair hear objection?
> Mr. SCOTT. Mr. Chairman, I object.

That kept the gentleman from putting the editorial in, so the gentleman from California is mistaken.

Mr. SCOTT. I beg the gentleman's pardon, but he is the one who is mistaken. The request was made for permission to insert in his remarks, as an extension, the editorial. He did not ask permission to read the editorial, and that is not what I objected to. I objected to his inserting the editorial in the RECORD without having read it on the floor of this House, and I said at the time that I did not object to his extending and revising his own remarks, but to the inclusion of the editorial I objected.

It was, in my opinion, exceedingly unfair in the revision or in the statement to say I objected to the reading of the editorial; and I think if the gentleman from Texas wants to be fair about it, knowing the rules as he does, he should take it upon his shoulders to correct the RECORD.

Mr. Chairman, the strategy of those people who have been advocating the Kramer bill and who advocate the "red rider" is to try to maneuver those who oppose these things into the position of being Communists or communistic sympathizers. It is eminently unfair to attempt a thing like that. Some of us see an attempt to suppress the teaching profession and an attempt to suppress freedom of speech and the dissemination of ideas in these restrictive laws.

It is not an attempt on our part to protect the Communist. I am not a Communist. I am not a communistic sympathizer. Here is the difficulty, and I think it is fair to point it out at this time. There are at least two different groups of people in the country. We have those, the signed members of the Communist Party, who advocate certain things. Then we have other people who are critics of our present economic order. They are not Communists at all. They say that the inequalities that exist under our economic institutions should be corrected by some kind of legislation.

[Here the gavel fell.]

Mr. BLANTON. I yield the gentleman 2 additional minutes.

Mr. SCOTT. Mr. Chairman, when the people who are critics of our present economic order start to talk, immediately somebody makes the statement that they are Communists. Let me ask the Members of the House a question. I have been a school teacher. I came out of a classroom to the House. If I were to teach school in the District of Columbia and at the end of 2 weeks they asked me to sign a statement saying I had not taught communism, I would not know how to answer the question. I would not know what to take into consideration in making the answer. If they asked me whether I had taught the violent overthrow of the Government by force, I would say "no"; I had not done that; but if they asked me: "Did you present in your classroom an article that was written by some individual criticizing our economic order?" I would say "yes." Now, if that may be interpreted as being communism, I suppose I would have to plead guilty to teaching communism in the schools. It is almost impossible, it seems to me, for a teacher to answer that question unless you have somebody there when the statement is signed to define exactly what communism is, so that the teacher could ask the question: "Well, I taught this and suggested that. I brought this subject up. Now, you tell me, did I teach communism?"

But you cannot have anybody like that down in the schools. We cannot have someone there every 2 weeks to answer such questions. The Superintendent of Schools and the heads of the different departments would say that they could not answer such a question for you, and this leaves the teacher in a position where he does not know what to say.

[Here the gavel fell.]

Mr. BLANTON. I am deeply indebted to my splendid colleagues on our subcommittee, which framed this bill. They all performed valuable work in helping me to hold the hearings and in writing up the bill. I am grateful to them for their references in this debate. I first want to discuss an extraneous subject.

Mr. Chairman, I hold in my hand a copy of the San Antonio Evening News for Thursday, December 8, 1921, which has in it a photostat copy of an order purporting to have been given by Gen. Malin Craig as Chief of Staff

of the American Expeditionary Forces, headquarters of the First Corps Area, on November 10, 1918. I read it:

Memorandum: It has been reported that there has been considerable pilfering of individual property in this command. Every effort is being made to find property that has been stolen, and any person found with such property in his possession will be publicly horsewhipped.

By command of Major General Dickman.

MALIN CRAIG, *Chief of Staff.*

This is the only explanation I have ever found for the kind of a general who as Chief of Staff, and without a hearing or trial, would decapitate a man like Gen. Johnson Hagood, who loyally, faithfully, and honorably had served his Government and flag for 40 years in the United States Army with honor and distinction.

No general could publicly horsewhip any soldier, or anybody else, in San Antonio, Tex., simply because he was found in possession of stolen property. No general could order it. It is against the law. There is no regulation of the United States Army that would allow any general to order any thief caught in the act to be publicly horsewhipped, much less to order every person "found with stolen property in his possession to be publicly horsewhipped", because the person found with the property might not have stolen it at all.

When the above San Antonio newspaper was sent me by my friend, Judge Leo Brewer, with law offices in the South Texas Bank Building, San Antonio, Tex., he advised me that when General Dickman was questioned in 1921 at San Antonio about his connection with this order, he claimed that "it must have been issued by General Craig, as Chief of Staff, without his knowledge." Such an order with Gen. Malin Craig's name signed to it is in violation of the forty-first article of war.

I want you to note that this photostat shows the official seal of "Headquarters, First Army Corps", with the word "Official" in the center of the seal, and also has on it the official stamp of the adjutant, to wit, "Official. W. A. Haverfield, lieutenant colonel, A. G. D., adjutant."

DAUGHTERS OF THE CONFEDERACY

The Daughters of the Confederacy in Charleston, S. C., have been interested from time to time in collecting the records of the sons of Confederate veterans, and they have collated a file on Gen. Johnson Hagood. I have secured a copy of their file, and for the reason I will state in a moment I believe that the people of the United States have the right to know something about this distinguished Maj. Gen. Johnson Hagood, who, for telling the truth while testifying before a committee of Congress in executive session, forced to testify by orders of the Chief of Staff, has suffered a punishment worse than "public horsewhipping", by that same Chief of Staff, Gen. Malin Craig, who had given his word over his own signature that General Hagood would be allowed to give his opinion freely and frankly.

This huge stack of letters and telegrams, that you now see in my hands, which tied together is a foot high, came to me within the last few days from all over the United States, some from every one of the 48 States, were all sent by well-known Democrats, vigorously denouncing this action of Gen. Malin Craig, and demanding that Gen. Johnson Hagood be restored to his command. I have in my office a similar stack of letters from citizens who state they are Republicans, also denouncing General Craig and demanding restoration of General Hagood, but I keep them separate, because I realize there might be some partisanship in expressions from Republicans.

Gen. Malin Craig might give an order to horsewhip anyone found with stolen goods in their possession, and be where his order might not get before the President for revision, but without a hearing or a trial, and upon a ridiculous excuse, he cannot inflict a punishment more severe than "public horsewhipping" upon a distinguished officer, faithful, loyal, efficient, able, and honorable, without having his action reviewed by the President of the United States. And with an abiding confidence in the President of the United States, I urge and beseech him to do justice, and to order that Gen. Johnson Hagood be restored immediately to his command of the Eighth Corps Area. Then, and then only, would the confidence of several million Democrats, now sorely disturbed, be restored in their Democratic Party.

I am glad we have a real President in the White House. During the reign of Gen. Hugh Johnson, when he was governing the N. R. A., the manager in my section of the Postal Telegraph Co. brought a splendid boy to my office one evening who lacked 6 months of being of the age fixed by N. R. A. for boys to hold jobs. He said, "Mr. BLANTON, this is the most valuable boy I have in my employ. He has been working for me for several years and I pay him a good salary. I can hardly get along without him. He is supporting a widowed mother, who is an invalid, and also an invalid sister. He is their sole breadwinner. Under the order of Gen. Hugh Johnson I have got to discharge him today. Can you not help me out?" I said, "Sure"; and I wired Gen. Hugh Johnson and told him all the facts, stating that this family would have to go on relief if he could not make an exception in this boy's case, and I said, "I know you will find some way to make an exception", but to my surprise I got back a telegram that stated, in effect, that the order of the N. R. A. was about like the law of the Medes and Persians and could not be changed, and that the boy would have to go out. I did not stop there. I knew what kind of President we had in the White House, and I wired him and told him the facts, and I said, "Mr. President, I have enough confidence in you to know you will find some way to keep this boy on his job", and inside of a few hours I got a telegram from Washington saying, "Let that boy stay on his job; he will not be bothered."

This is the reason I mention this Hagood matter on the floor today. I want these facts placed before the President. I have enough confidence in the President of the United States to believe that he will find some way to get around this iron-clad "public horsewhipping" order of Gen. Malin Craig, the kind of general who would issue an order that anybody he found in possession of stolen property he would have publicly horsewhipped. I believe the President of the United States will find some way to restore this great general of our Army, Johnson Hagood, to his command. [Applause.]

Mr. Chairman, may I have permission to revise and extend my remarks and include therein certain data and excerpts?

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

There was no objection.

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

Mr. BLANTON. I regret that I cannot yield. I believe that every Member here will agree that I have been fair to my colleagues, as I yielded most of the time when it was vitally necessary that I should have plenty of time to discuss some very important subjects. I know that my friend from Michigan [Mr. DINGELL], whom by my vote I helped to put on the great Ways and Means Committee, will not accuse me of being unfair. [Laughter and applause.]

THE SOUTH CAROLINA HAGOOD FILE

From the file of the Daughters of the Confederacy, of Charleston, S. C., I quote the following from the facts they have gathered on the record of Gen. Johnson Hagood:

JOHNSON HAGOOD, MAJOR GENERAL, UNITED STATES ARMY

[Taken from Who's Who in America and a sketch prepared by Gen. J. P. Wisser for the National Cyclopedia of American Biography]

Hagood, Johnson, soldier, was born at Orangeburg, S. C., June 16, 1873, son of Lee and Kathleen Rosa (Tobin) Hagood. He is descended from William Hagood, a native of Virginia, but of English parentage, who married Sarah Johnson, and in 1776 removed to South Carolina. His son, Johnson, who married Anne Gordon O'Hear, was a prominent South Carolina lawyer and an early experimenter in electricity and physics. His son, Dr. James O. Hagood, who married Indiana Allen, was the grandfather of our subject. One of his uncles was Brig. Gen. Johnson Hagood, Confederate Army, afterward Governor of South Carolina. Another was James R. Hagood, who rose from sergeant major to command of his regiment, and who is said to have been the youngest colonel in the Army of Northern Virginia. On his mother's side he was descended from two Revolutionary soldiers—John Booth, killed at Hutsons Ferry, and James Overstreet, killed at the Battle of Cowpens.

Johnson Hagood attended the University of South Carolina in 1888–91, and in 1896 was graduated at the United States Military Academy, being assigned to the Artillery. He served successively at Fort Adams, R. I.; Fort Trumbull, Conn.; St. Augustine, Fla.; and Sullivans Island and Fort Fremont, S. C. During the Spanish-American War he superintended the mounting of guns and mortars

on Sullivans Island for the defense of Charleston, S. C. During 1901–4 he was on duty at the United States Military Academy as instructor in the department of philosophy. After serving a year in command of the Sixty-ninth Company, Coast Artillery, at Fort Monroe, Va., he was made assistant to the Chief of Artillery in July 1905, continuing in that duty until November 1908.

He was then detailed to the General Staff Corps and served as assistant to two Chiefs of the Army General Staff, Maj. Gens. J. Franklin Bell and Leonard Wood, until March 1912. While on this duty he was a member of several boards appointed to draw up plans for seacoast fortifications, was prominently identified with the installation of range-finding and fire-control apparatus for the coast defenses and designed a mortar deflection board, which was manufactured by the Ordnance Department and is still part of the standard equipment of the Coast Artillery. He also designed a tripod mount for telescopic sights and a modification of the sighting platform of disappearing gun carriages. While on duty in Washington he was also in charge of Army legislation and was instrumental in the enactment of a number of important military laws—notably the act of 1907—which separated the Coast and Field Artillery and gave a more modern organization to both branches—the Army pay bill of 1908 and the extra officers' bill of 1911. He served on the board of directors of the Army Mutual Aid Association and as treasurer of the Army and Navy Club. In the latter capacity he had much to do with the financing and construction of the new club building erected in 1911.

He was in command of Fort Flagler, Wash., in 1912–13, and in 1913–15 was in the Philippine Islands, serving first as coast defense officer of the department and then as adjutant of the coast defenses of Manila and Subic Bays. While in the Philippines he was prominently identified with the development of what is known as the Corregidor project, a plan for preparing the Philippines to withstand a long siege. On his return to the United States in 1915 he was placed in command of the coast defenses of San Diego, Calif; and in July 1916 he also had charge of military operations along the Mexican border from the Pacific coast to Mountain Springs, Calif. He commanded the businessmen's training camp at Salt Lake City, Utah, in August 1916, and was then ordered to Charleston, S. C., for artillery staff duty.

Having reached the grade of colonel August 5, 1917, he was appointed commander of the Seventh Regiment, Coast Artillery, and later in the same month proceeded overseas with his command. After training his regiment for a month in Borden Camp, England, and Mailly-le-Camp, France, he was selected by General Pershing to reorganize and command the Advance Section, Line of Communications. In December he was appointed Chief of Staff, Line of Communications, and in February 1918 was designated by General Pershing as president of a board to reorganize the whole system of Supply and Staff Administration of the American Expeditionary Forces. Upon the recommendation of this board, the Services of Supply was created, Colonel Hagood (promoted to brigadier general in April 1918) being appointed chief of staff of the organization and serving in that capacity until after the Armistice. He was designated October 20, 1918, by General Pershing, to be major general, National Army, but the appointment failed on account of the Armistice. In a cablegram to the War Department, dated July 15, 1919, he was recommended by General Pershing for promotion to brigadier general, Regular Army, and again was especially recommended by General Pershing in a letter to the Secretary of War, dated June 16, 1920 "For the best interests of the service, as his record and experience in the World War renders him particularly competent to fill one of the more important positions in our new Army." From December 1918 to May 1919 he was with the American Army of Occupation on the Rhine as commander of the artillery of the Third Army.

On his return to the United States in May, he was assigned to and commanded the Railway Artillery at Camp Eustis, Va. He was returned to the grade of colonel, Regular Army, June 30, 1920, and 3 days later was appointed brigadier general, Regular Army. In September 1920 he was transferred to Atlanta, Ga., and commanded the Fourth Coast Artillery District. In January 1922 he was transferred to the Philippines and assigned to the command of the Twelfth Field Artillery and Camp Stotsenburg. General Hagood rebuilt the post at Camp Stotsenburg with soldier labor, established schools, and instituted other improvements, for which he was highly commended by his superiors. Was president of the Army and Navy Club of Manila. Upon his return to the United States in March 1924, via China, he was assigned to the Second Coast Artillery District, Fort Totten, N. Y., which he commanded until August 1925.

He was promoted major general, Regular Army, August 2, 1925, and assigned to the command of the Fourth Corps Area, with headquarters in Atlanta, Ga., where he served until March 1926. From there he was transferred once more to the Philippines, this time in command of the Philippine division, where he was commended for having "vastly improved the appearance of his post and raised the tone and morale of the Philippine division to a remarkable degree." Returning to the United States in July 1929, he was assigned to command the Seventh Corps Area, with headquarters at Omaha, Nebr. On August 9, 1932, he was assigned by the President to command the Fourth Army. On October 2, 1933, he was relieved from command of the Fourth Army and Seventh Corps Area and assigned to command the Third Army and Eighth Corps Area, with headquarters at Fort Sam Houston, Tex., where he is now serving.

He received the American Distinguished Service Medal, the Cross of Commander in the Legion of Honor, the Cross of Commander in the Order of the Crown of Italy, and the Star of the Order of the Sacred Treasure of Japan, second class. Besides being recommended for promotion to major general, National Army, by General Pershing during the war, he was twice so recommended by Major General Harbord and three times by Major General Kernan. He received the degree of LL. D. from the University of South Carolina in 1921.

He is a member of the Society of the Cincinnati, Sons of the American Revolution, United Confederate Veterans, Spanish War Veterans, Military Order of the World War, and American Legion. Honorary Rotarian.

Author of The Services of Supply, Soldiers' Handbook, General Wood as I knew Him, and of numerous professional papers.

He was married December 14, 1899, to Jean Gordon, daughter of James H. Small, of Charleston, S. C., and has three children—Jean Gordon, wife of Lt. Comdr. James L. Holloway, Jr., United States Navy; Johnson, Jr., second lieutenant, Field Artillery, who is his aide de camp; and Frenchy.

MARCH 1, 1934.

PRE-WAR COMMENDATIONS

1906: Lt. Col. G. F. E. Harrison, C. A. C., Acting Chief of Artillery:

"Captain Hagood has considerable mechanical skill, has invented some excellent artillery devices. He is an indefatigable, reliable, and accomplished officer, is fitted for almost any class of duty in time of war, and is one of the best type of artillery officers."

1907–8: Gen. Arthur Murray, Chief of Artillery:

"Captain Hagood is a brilliant officer, especially well qualified for work in connection with artillery fire control."

1909: Brig. Gen. W. W. Wotherspoon, Acting Chief of Staff:

"Captain Hagood is an officer of exceptional ability, capacity, and industry."

1910: Brig. Gen. Tasker H. Bliss, Acting Chief of Staff:

"An excellent officer, specially qualified in time of war for the General Staff."

1911–12: Maj. Gen. Leonard Wood, Chief of Staff:

"Major Hagood is an officer of marked ability, great application, excellent judgment, and high character, thoroughly well informed on all subjects pertaining to his profession; is possessed of sound judgment, discretion, and is zealous and energetic in the performance of his duty."

1912–16: Maj. Gen. J. Franklin Bell:

"Lieutenant Colonel Hagood is a most capable officer; has commanded two posts in this department for about 2 years with unqualified success. He is one of the ablest, most efficient, and most useful officers I know in the service. I know him intimately and well."

WASHINGTON, D. C., *May 7, 1910.*

The ADJUTANT GENERAL,
United States Army, Washington, D. C.

SIR: Having been relieved from duty as Chief of Staff of the Army because of the expiration of term of service, I desire, before leaving Washington, to place on the record of Capt. Johnson Hagood (C. A. C.), General Staff Corps, an expression of my appreciation of certain special service he has performed for me during my tour of duty as Chief of Staff. I refer to work which he has done in connection with Army legislation. Having been employed on this class of duty for several years, he has accumulated a very considerable amount of experience and an intimate knowledge of detail affecting legislative matters which no other member of the General Staff within my knowledge possesses. He has been tactful and has created an especially favorable impression upon the members of the Military Committees of both Houses of Congress, inasmuch as he has endeavored to be accurate, impartial, and disinterested in information given to these committees. He has drawn up in a most able way a large number of memoranda and a great deal of statistical data, which assistance has been very valuable to me in hearings before the committees. He has special ability in this line, and his knowledge of legislative matters ought to be valuable in the future.

He is conciliatory, considerate, and tactful in his dealings with others, and is an excellent officer in every respect.

Very respectfully,

J. F. BELL,
Major General, United States Army.

(General Bell was Chief of Staff of the Army from 1906 to 1910.)

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, February 15, 1912.

Maj. JOHNSON HAGOOD,
Coast Artillery Corps (General Staff).

SIR: I take occasion, upon your relief from duty in this office, to express to you my sincere appreciation of the valuable service which you have rendered during your period of duty here. Your advice and assistance have been a great help to me in my capacity as Chief of Staff, and your recommendations have indicated that you have always had in view the best interests of the service. I regret exceedingly that the exigencies of the service make your relief necessary.

With a sincere appreciation of what you have accomplished, I am,

Very respectfully,

LEONARD WOOD,
Major General, Chief of Staff.

(General Wood served as Chief of Staff of the Army from 1910 to 1914.)

WASHINGTON, D. C., *February 23, 1912.*

The ADJUTANT GENERAL,
War Department, Washington, D. C.

SIR: I have the honor to request that this letter be filed with the efficiency record of Maj. Johnson Hagood, C. A. C., General Staff. He is an intelligent and well-equipped officer and most industrious and zealous in the discharge of duty. His long absence from service with troops (nearly 7 years) is due, in my opinion, to the fact that each of the varied duties to which Major Hagood was assigned was so thoroughly and efficiently performed that the authorities deemed it best to continue him on detached service. I am glad that he will now have an opportunity to again serve with troops.

Very respectfully,

(Signed) J. C. BATES,
Lieutenant General, U. S. A., Retired.

(General Bates served as Chief of Staff of the Army from 1905 to 1906.)

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, December 10, 1915.

2348115.

From: The Adjutant General of the Army.
To: Maj. Johnson Hagood, Coast Artillery Corps, Army and Navy Club, Washington, D. C.
Subject: Efficiency record.

The Secretary of War directs that you be informed that the following entry has been made upon your compiled efficiency record:

1915: Maj. Gen. Arthur Murray, United States Army, commanding Western Department, in a letter dated December 3, 1915, to The Adjutant General of the Army, said:

"On the eve of retirement from active service and believing that whatever success I may have attained as Chief of Coast Artillery and as a major general is largely due to able, zealous, and loyal support and assistance of certain officers, I desire to give official credit for this support and assistance, and therefore request that these remarks and the remarks made in individual cases hereinafter be filed with the efficiency records of the following officers:

* * * Maj. Johnson Hagood, Coast Artillery Corps, who, as assistant in the office of the Chief of Coast Artillery during the 5½ years I was Chief of Coast Artillery, rendered me invaluable assistance in the technical work of the office, in the preparation of estimates for submission to Congress, in testifying before committees of Congress, and in giving me most able, zealous, enthusiastic, and loyal support in all legislative work with which I was in any way connected during these years. From my personal knowledge of his work, in each instance, I can state that without his able work before committees of Congress, and his personal influence with individual Members of Congress and the confidence those committees and Members of Congress had in his integrity, neither the artillery increase bill of 1907, the Army pay bill of 1908, nor the extra officers bill of 1911, would have been enacted. For which good work I consider the Army and the country is indebted to him accordingly. More than this, I believe, from my personal knowledge of his capacity in connection with the passage of Army legislation in Congress, that his assistance toward procuring the passage of such legislation as it is desired to have enacted by Congress, would be worth more than any other half dozen officers I know—this without any exception or reservation, and I, therefore, recommend that the attention of the Secretary of War be specially invited to these remarks regarding Major Hagood.

JOS. P. TRACY,
Adjutant General.

WAR RECORD

AMERICAN EXPEDITIONARY FORCES,
SERVICE OF THE REAR,
February 17, 1918.

From: C. G. S. O. R.
To: C. in C., A. E. F.
Subject: Rank of chief of staff, S. O. R.

1. Under the new arrangement by which the Service of the Rear is created with very much enlarged functions and personnel there are some 18 general officers serving in that command. It seems too obvious for argument that the chief of staff of this command should have the rank of brigadier general, both in view of the rank of the staff he is in contact with and the general magnitude of his functions.

2. Therefore I urge the commander in chief to recommend Col. Johnson Hagood for promotion in the national Army to the grade of brigadier general, and his continuance on his present duty.

F. J. KERNAN,
Major General, National Army, Commanding.

Official copy.

L. H. BASH,
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
March 18, 1918.

From: C. G., S. O. S., A. E. F.
To: C. in C., H. A. E. F.
Subject: Certain promotions of S. O. S. commissioned personnel.

1. I beg to renew the recommendations made from time to time by me heretofore for the promotion in the National Army of certain officers whose cases seem to me exceptional and therefore deserving of special treatment and consideration.

First. Col. Johnson Hagood, chief of staff, S. O. S. This officer is 45 years old, a colonel in his own arm, and is an officer of conspicuously brilliant record. He is now filling the position of chief of staff in an organization as complex and extensive as any in the American Army. Two major generals and some 16 brigadier generals are serving in this organization and the propriety of giving Colonel Hagood the grade of brigadier general, viewed exclusively from the standpoint of military expediency, cannot be doubted.

* * * * * * *

2. The above recommendations are made or renewed because of long delay in some of them, for I am aware that in other cases no more meritorious the War Department has acted with promptness in promoting men serving in France.

* * * * * * *

4. In all these cases, except that of Major Bugge, these recommendations have been made of my own initiative, without any hint or request from the officers themselves or on their behalf by anyone else.

F. J. KERNAN.
Major General, National Army, Commanding.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
July 4, 1918.

From: C. G., S. O. S.
To: C. in C., G. H. Q.
Subject: Recommendations for promotions at headquarters, S. O. S.

1. Paragraph 1 (a), cable 1598–R, War Department, June 28, authorizes certain overhead grades and numbers for these headquarters. The most important of these had better be considered first, and, under that view, I recommend:

FOR THE GENERAL STAFF

(a) To be major general and Chief of Staff, Brig. Gen. Johnson Hagood, now Chief of Staff.

* * * * * * *

F. J. KERNAN,
Major General, National Army, Commanding.

Official copy from the records of the Adjutant General's office, headquarters, S. O. S. (extract).

L. H. BASH,
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
August 10, 1918.

From: Commanding General.
To: C. in C., A. E. F.
Subject: The building up of a personnel in the S. O. S.

* * * * * * *

7. Recommendations: The following recommendations are submitted, all being within the organization authorized by the War Department for the S. O. S., with the hope that, if promoted, these men can remain in their present positions as long as they give satisfaction, or for the duration of the war.

(a) Brig. Gen. Johnson Hagood to be major general, chief of staff. The efficiency of this officer requires no voucher from me. He is well known to the commander in chief.

* * * * * * *

J. G. HARBORD, *Major General.*

Official copy:

L. H. BASH, *Adjutant General.*

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS SERVICES OF SUPPLY,
September 10, 1918.

From: Commanding general, S. O. S.
To: Commander in Chief, A. E. F.
Subject: Award of Distinguished Service Medals.

1. In accordance with the provisions of G. O. No. 26, A. E. F., February 11, 1918, I recommend that Distinguished Service Medals be awarded to the persons named below serving with the S. O. S. and that each receive the citation set opposite his name:

Brig. Gen. Johnson Hagood, General Staff.

For distinguished and invaluable service as chief of staff, first of the line of communications and later of the services of supply in the American Expeditionary Forces in France. By his ability for organization, his energy, and his tireless devotion to duty, he was largely responsible for the successful operations of the system that supplies the greatest Army known in our history.

* * * * * * *

J. C. HARBORD,
Major General, Commanding.

[First endorsement]

Headquarters, S. O. S., France, September 12, 1918. To C in C, A. E. F.

1. Forwarded.

2. The undersigned has already made recommendations in his confidential letter of August 19 on the subject of S. O. S. personnel. In addition to certain minor promotions, recommendation was made for the following:

Brigadier General Hagood, chief of staff, to be major general.

* * * * * * *

J. G. HARBORD,
Major General, Commanding.

Official:

L. H. BASH, *Adjutant General.*

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
September 24, 1918.

From: Commanding general.
To: Commander in chief, A. E. F.
Subject: Promotions in S. O. S.

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2. Recommendation is renewed for promotion of the following officers, stated in what is considered to be the relative order of their importance:

* * * * * * *

Brig. Gen. Johnson Hagood, chief of staff, to be major general.

* * * * * * *

J. G. HARBORD.
Major General, Commanding.

Official copy:

L. H. BASH, *Adjutant General.*

[Cablegram received at the War Department, Oct. 21, 1918]

From H. A. E. F.
To The Adjutant General.
No. 1817. October 20.

I recommend the following promotions: Brigadier generals to the grade of major general:

* * * * * * *

Johnson Hagood, who is Chief of Staff of the S. O. S.

* * * * * * *

PERSHING.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
France, November 29, 1918.

Personal.

MY DEAR GENERAL HAGOOD: It gives me great pleasure to inform you that on October 20 I recommended you for promotion to the grade of major general, basing my recommendation upon the efficiency of your service with the American Expeditionary Forces.

The War Department discontinued all promotions of general officers after the signing of the armistice, and I regret that you will not, therefore, receive the deserved recognition of your excellent services.

Sincerely yours,

JOHN J. PERSHING.

Brig. Gen. JOHNSON HAGOOD,
Commanding Sixty-sixth Artillery Brigade, A. E. F.

(This refers to war rank. Johnson Hagood was at this time a lieutenant colonel in the Regular Army.)

[Cablegram received at the War Department July 15, 1919]

From: Paris.
To: The Adjutant General.
No. 2827. July 13.

Paragraph 1. Following recommendations of qualified officers in the order named are submitted for consideration in filling vacancies created by tables of organization corrected to June 1, 1919:

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Paragraph 4. For appointment as brigadier general of the line (Regular Army):

Brig. Gen. Johnson Hagood (National Army).

* * * * * * *

PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army but had the war rank of brigadier general.)

U. S. S. "MARTHA WASHINGTON",
Brest, France, November 1, 1919.

From: Maj. Gen. J. G. Harbord.
To: The Adjutant General, United States Army.
Subject: Efficiency of Brig. Gen. J. Hagood.

1. The termination today of my service with the A. E. F. affords occasion to testify to the efficiency of several officers who served under my command in the last 2½ years. Brig. Gen. Johnson Hagood was on my recommendation selected as commander of the Advance Section of the S. O. S. in 1917. Soon after he was selected by Major General Kernan as chief of staff of the S. O. S., in which position I retained him during my command of that service from July 29 until, on his own request, he was relieved for service in command of troops shortly before the armistice.

2. General Hagood in my judgment is one of the ablest officers in our Army. He has a very bright, quick mind, great organizing ability, the capacity to get work out of subordinates, and with these attributes combines industry, a high conception of duty, and very high character. He left my staff very much to my regret and had filled the important position of chief of staff during the period of greatest activity in troops and freight arrivals. Very much of the credit and success of the services of supply, A. E. F., is due to General Hagood. In my judgment he should be retained as a general officer on the present reorganization of the Army. Under promotion by selection this officer has the merit which will insure his promotion.

J. G. HARBORD.

(This refers to appointment, or retention, as brigadier general in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

POST-WAR RECORD

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
Richmond, Va., February 23, 1920.

MY DEAR GENERAL: It was a great pleasure to see you again and to inspect the good work which you have accomplished at Camp Eustis. I wish to compliment you on what you have accomplished in the way of building up the morale of your brigade and the camp, which was shown in the fine appearance of officers and men at my inspection.

Sincerely yours,

JOHN J. PERSHING.

Gen. JOHNSON HAGOOD,
Camp Eustis, Va.

HEADQUARTERS, MIDDLE ATLANTIC C. A. DISTRICT,
Fort Totten, N. Y., February 27, 1920.

From: Maj. Gen. Charles J. Bailey, United States Army.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Recommending certain officers for promotion.

1. In view of the impending reorganization of the Army, and consequent promotions to the rank of brigadier general, I desire to submit a recommendation in the case of the following officers of Coast Artillery. I know these officers intimately and have served with most or all of them. The officers named do not know of this action.

Lt. Col. Johnson Hagood: Have known him many years and consider him one of the ablest officers I know. His record for efficiency is of the best both as a line and staff officer. His service in France as regimental commander, chief of staff of the S. O. S., and later as an artillery brigade commander, brought him the highest commendation from his superiors and recommendation for promotion to major general from the commanding generals (two) of the S. O. S. and from the commander in chief, A. E. F. He was decorated by the French Government and awarded the D. S. M. for services which were regarded as exceptionally valuable by his immediate superiors. He is exceptionally well fitted for the position of a general officer.

C. J. BAILEY.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS, PHILLIPPINE DEPARTMENT,
Manila, P. I., May 4, 1920.

From: Maj. Gen. F. J. Kernan, United States Army.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Recommendations for promotion to the grade of brigadier general, United States Army.

[Extract]

1. In view of the pending reorganization of the Army by which it is probable the number of general officers will be increased, I desire to submit names for consideration because of my personal knowledge of these officers and of their past services. I am doing this of my own volition, and because I think it is due the Department to have as full information as possible in so important a matter, and also because I think I owe it to the officers in question. I name them in the order of their present seniority.

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7. Lt. Col. Johnson Hagood, C. A. C.: This officer had become a marked member of his own arm before the United States entered the Great War and had served with unusual distinction upon the General Staff of our Army. In France, after some service with the artillery, he was assigned to command the advance section of the S. O. S. When the undersigned took over the command of that organization there was no chief of staff, and, indeed, no organization worthy of the great part to be played by it in the progress of the war. I immediately transferred Colonel Hagood to Paris and assigned him to the post of chief of staff. If ever an assignment justified itself, this one did. From the first day he

breathed a new life in the rapidly expanding organization, and until the last day of my command, when the great work of organization had been completed and the S. O. S. was a splendid going machine, I never had the slightest cause to doubt the loyalty or capacity or vision of this officer. This work was not of the spectacular kind to strike the imagination, but its tremendous import to the success of the American effort ought to kindle the enthusiasm of those who think and understand. He has the character, the experience, and the ability to fill any place in our Army, and I earnestly recommend his promotion to the grade of brigadier general.

F. J. KERNAN.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS COAST ARTILLERY TRAINING CENTER,
Fort Monroe, Va., June 10, 1920.

From: Commanding General.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Promotion of an officer.

1. In connection with the selection of officers for the permanent rank of brigadier general, under the reorganization bill which recently became a law, I desire to bring to your attention Brig. Gen. Johnson Hagood, who is now assigned to duty as commander of the Thirtieth Artillery Brigade, with station at Camp Eustis, Va.

2. The record of General Hagood in the A. E. F. is too well known to require comment by me, and the complete success of his labors is best testified to by the recommendation of the commander in chief that he be promoted to the rank of major general.

3. I have been in command of the Coast Artillery Training Center, of which Camp Eustis and the Thirtieth Artillery Brigade form a part, since September 15, 1920.

4. When General Hagood assumed command of this brigade and Camp Eustis, everything about the organization, post, and the mental attitude and the morale of the command was at the very lowest ebb. I am thoroughly familiar with the work which he has accomplished in the upbuilding of his command from every standpoint, and there can be no question that his accomplishments after the war, taken in connection with his accomplishments during the war, and before, indicate that he is an officer who is fully qualified for advancement to the permanent rank of brigadier general. I am confident that in voicing this statement I am only saying what is recognized by all officers who are familiar with his ability along every professional line and along every line which involves intense and successful personality.

A. CRONKHITE,
Brigadier General, United States Army.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
June 16, 1920.

The Honorable NEWTON D. BAKER,
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: In view of the pending reorganization of the Army, and particularly the appointment of the general officers provided for in the recent Army legislation, will you not permit me to again invite your attention to the recommendations I made in my cable of July 15, 1919, giving the list of officers recommended by me for promotion to both the grades of major general and brigadier general?

I recommend that of the list then submitted the following be specially considered; this for the best interests of the service, as the records of the officers named, together with the experience they have had in the World War, render them particularly well competent to fill the more important positions in our new Army. I consider it especially desirable that they be given at this time the grade for which they have been recommended in order that their services may be available in the building of the new units.

* * * * * * *

Brig. Gen. Johnson Hagood.

* * * * * * *

May I ask, Mr. Secretary, that if, in your judgment, such action is proper, this letter be referred to the board appointed to determine eligibility of officers for appointment to the grade of brigadier general?

Very sincerely,

JOHN J. PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

OFFICE OF THE GOVERNOR GENERAL
OF THE PHILIPPINE ISLANDS,
Manila, March 28, 1923.

MY DEAR MR. SECRETARY: Pardon my writing you direct, but I want to bring to your attention the case of Brig. Gen. Johnson Hagood. I have known General Hagood for many years. He served as one of my assistants on the General Staff during the time I was Chief of Staff. I later picked him out to command one of the important artillery districts on the Pacific coast where conditions were not satisfactory, and he made a splendid record there. I am familiar with his record in France, which was most excellent, and he has come under my repeated observation here in the Philippines. On the General Staff I regarded him as one of the very most efficient officers I had. As a commanding officer of troops he has always made good and turned out first-class commands. He is 50 years of age. He has been a general officer for about 5 years, including the Regular and temporary National Army commands. He is a most level-headed, capable officer, who has made good in the fullest sense of the term wherever he has been sent. I commend him especially to your favorable consideration.

Sincerely yours,

LEONARD WOOD

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and 3 days later to brigadier general, Regular Army.)

SAN DIEGO, CALIF., *February 6, 1924.*

From: Maj. Gen. F. J. Kernan, United States Army, Retired.
To: The Adjutant General of the Army.
Subject: Philippine Service of Brig. Gen. Johnson Hagood.

1. I desire to put officially on record the remarkable construction work of Brig. Gen. Johnson Hagood at Camp Stotsenburg, P. I.

2. When this officer arrived in Manila for duty in January 1922, I was commanding the Philippine Department and assigned General Hagood to command Camp Stotsenburg. That station had been long neglected, and this fact, together with the further fact that it had never been completed as originally intended, made it unsightly and overcrowded. Just at that time the Department had ordered the organization of an additional regiment of Scout Field Artillery, and no other place offered so convenient a station for this new unit as Camp Stotsenburg. It was imperative to have more quarters, and, accordingly, I sent for General Hagood and my principal staff officers and stated that all training would be suspended for the present and the entire Stotsenburg garrison would be put to work on a building project and all needful supplies and salvaged material was to be put at General Hagood's disposal for this purpose. The garrison consisted of the Tenth Cavalry and the Twenty-fifth Field Artillery (Scout). The latter did most of the work.

3. In a few months there were added to the post 49 sets of officers' quarters, 23 sets of company officers' quarters, 3 sets of field officers' quarters, 13 sets in a bachelor apartment, and 10 in a set for nurses. In addition the incomplete sewer system was finished—the entire cavalry line being brought into the system; the new septic tank completed, post exchange enlarged, an exchange building put up for Clark Field, and the water supply increased by the construction of a new reservoir. In addition the old buildings were repaired and the cold-storage plant rebuilt. I enclose photos of the type of company and field officers' quarters. Altogether the work here briefly outlined would have cost, under contract, more than $200,000. In fact, not a dollar of "B. & Q." appropriation was available.

4. This officer was chief of staff of the S. O. S. in France during its period of growth, of stress, and development. He is about to return from his tour of duty in the Philippines. His work in France was one of the most important tasks falling to any officer. His work at Stotsenburg shows the same initiative, zeal, and good strong sense. I take pleasure in putting on record my belief that he is fitted for any task falling to an American Army officer, in peace or war, and I recommend his early promotion as a thing earned.

F. J. KERNAN,
Major General, U. S. A., Retired.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel, and 3 days later to brigadier general, Regular Army.)

HEADQUARTERS, PHILIPPINE DIVISION,
Fort William McKinley, Rizal, P. I., March 17, 1924.

Brig. Gen. JOHNSON HAGOOD,
Camp Stotsenburg, Pampanga, P. I.

DEAR GENERAL HAGOOD: On the eve of relinquishing command of the Philippine division I wish to express my high appreciation of the very efficient manner in which you have commanded Camp Stotsenburg during the last 2 years. Soon after your arrival the garrison was suddenly increased without adequate shelter. The order, precision, and rapidity with which you carried to completion an extension (sic) building project, using the labor of troops and such surplus material as was on hand within the Department, showed executive ability of the highest order.

Recent inspection have found both the Twenty-fourth Field Artillery and the Twenty-sixth Cavalry to be in a highly satisfactory condition.

With best wishes for your future,

Yours very sincerely,

OMAR BUNDY,
Major General, United States Army.

JANUARY 23, 1925.

Gen. JOHN L. HINES,
Chief of Staff, War Department,
Washington, D. C.

MY DEAR HINES: I understand that there are five vacancies in the grade of major general that occur between now and next fall, and I want to drop a word for a very deserving officer before I leave.

There is a group of five men, headed by Johnson Hagood, every one of whom seems to me to be too good to be jumped by anyone else, even by one of the other four.

I particularly invite your attention to and recommend the promotion of General Hagood. There are now on the list of line general officers, 1 major general and 13 brigadier generals who are younger than Hagood; there are 1 major general and 4 brigadier generals who are older than he, but have less service; there are 10 major generals and 38 brigadiers who have less service in the grade of general officer.

I have known Hagood for many years. His youthful appearance is no adverse sign of his first-class efficiency. When General Pershing sent me to the Service of Supply, in July 1918, I found Hagood as the chief of staff of the Service of Supply, and he was the officer, above all others, to whom I attribute the good organization which I found there and which, with very minor changes, brought whatever success may be considered to have come to that service while I had the honor to command it—between July 29, 1918, and May 25, 1919.

The last two major generals made—MacArthur and Nolan—were both junior to Hagood in the service, though, of course, neither Hagood nor anyone else could take any exception to the promotion of General Nolan out of his turn.

I earnestly recommend that Hagood, Connor, Conner, and Brown be the next four brigadier generals of the line to be promoted, and that they be promoted in that order. I am personally indebted to every man of that five for splendid service. W. D. Connor succeeded Hagood as chief of staff of the S. O. S., and was originally an assistant chief of staff to me when I was Chief of Staff; Fox Conner was assistant chief of staff under me while I was chief; and Preston Brown was chief of staff of the Second Division while I served in it as a brigadier and as a major general. It would be hard for any army to duplicate these four men in efficiency. They are all deserving of the highest consideration, and, in my opinion, their claims are superior to that of any brigadier above them.

Ordinarily, I do not believe in retired officers making recommendations for promotions, but my obligations to these men are such that you will perhaps feel I am justified in submitting this to you.

Sincerely yours,

J. B. HARBORD.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and three days later to brigadier general, Regular Army.)

NOTE.—All promotions were made as hereinbefore recommended.

Mr. BLANTON. Mr. Chairman, you will find all of the above data within the files of the Daughters of the Confederacy, in Charleston, S. C. I have also taken occasion to secure the official data on the record of Gen. Johnson Hagood, when he was commander of the Infantry division at Fort McKinley, in the Philippine Islands, which is as follows:

On August 2, 1925, General Hagood was promoted to be major general, Regular Army, at that time one of the youngest officers ever to be promoted to that grade in the American Army in time of peace, Miles, Wood, and MacArthur being the only exceptions during the past 50 years.

As a major general in command of an Infantry division at Fort McKinley, he was given the following report by the commander of the Philippine Department April 30, 1928:

During the period covered herein he has vastly improved the appearance of Fort McKinley and raised the tone and morale of the Philippine Division to a remarkable degree, amply demonstrating his fitness for a higher command.

FRED W. SLADEN,
Major General, United States Army.

Since the above report was submitted General Hagood has commanded the Seventh and Eighth Corps Areas; the Fourth and Third Field Armies. Comments on the manner in which he performed those duties are not available.

Since Gen. Malin Craig saw fit to criticize General Hagood regarding his action in supporting the regimental commander when he relieved Colonel Baltzell, and claimed that General Hagood could not take a reprimand, I have gone to some trouble to produce the facts regarding this matter, which is disclosed by the following:

[Western Union telegram]

FAYETTEVILLE, N. C., *February 27, 1927.*

CHIEF OF STAFF,
Fourth Corps Area, Atlanta, Ga.:

Have entire command at Fort McPherson paraded Monday morning, and read to Colonel Baltzell the following: I have just learned that Inspector General has completely exonerated you in the matter of recent controversy. Please accept my apologies for having misjudged you, and my congratulations upon the outcome. I am sorry I cannot be present to do this in person.

JOHNSON HAGOOD.

FORT MCPHERSON, GA., *February 28, 1927.*

Maj. Gen. JOHNSON HAGOOD,
Commanding Fourth Corps Area,
Hurt Building, Atlanta, Ga.

MY DEAR GENERAL HAGOOD: Your telegram of the 27th instant to the Chief of Staff, Fourth Corps Area, was read to me in the presence of the assembled command of Fort McPherson and was extremely gratifying. I fully appreciate the completeness of your act and the method of its expression.

The whole affair is the one outstanding regret of my career. My aims were always those of most complete loyalty to you and General Leitch, and the unfortunate interpretation of them has caused me the deepest distress.

Permit me to express my great satisfaction at the opportunity presented to accept your apologies and congratulations in the same spirit and completeness with which they were extended.

Very cordially yours,

GEORGE F. BALTZELL,
Colonel, Twenty-second Infantry.

Mr. Chairman, the people of the United States are just and love fair play. During wartime, when any Army officer or other soldier shows disrespect for those in authority above him, they want a shooting at sunrise. But when a loyal, faithful, dependable officer like Gen. Johnson Hagood, who has served his country faithfully for 40 years, in peacetime is ordered before a congressional committee and told by the Chief of Staff to tell the truth freely and frankly, and he does tell the truth, the American people are not going to stand for the Chief of Staff to decapitate such officer for telling the truth.

HURT THE PRIDE OF HARRY HOPKINS

When the whole truth is learned it will be found out that Harry Hopkins did not like it because Johnson Hagood told the truth. I can tell Harry Hopkins of many scores of cases where he has spent money foolishly, where he has passed around "stage money." It will be found out that to appease Harry Hopkins this "public horsewhipping" order was issued by Gen. Malin Craig.

IT IS UP TO OUR PRESIDENT

Mr. President, I have confidence in you. Mr. President, I think that you are fair and square. Mr. President, I think that you are just. Mr. President, I believe that you will tell Harry Hopkins that he "must be able to take it" when just and honest criticism is forthcoming. Mr. President, on behalf of many millions of Democrats in the United States who are suffering under this injustice, I ask you to restore Gen. Johnson Hagood to his command at Fort Sam Houston over the Eighth Corps Area.

Now, Mr. Chairman, I must discuss this bill.

THE UNITED STATES SEAT OF GOVERNMENT

Mr. Chairman, at the outset I deem it advisable to show constitutional authority for the Congress of the United States to control at all times not only all legislation pertaining to and affecting the District of Columbia but also all of its expenses.

I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power:

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia. Toward the close of the War of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation.

Loughborough v. *Blake* (5 Wheat. 321); *Kendall* v. *United States* (12 Pet. 619); *Shoemaker* v. *United States* (147 U. S. 300); *Parsons* v. *District of Columbia* (170 U. S. 52); *Capital Traction Co.* v. *Hof.* (174 U. S. 5); *Gibbons* v. *District of Columbia* (116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States", it provided: That a district of territory, not exceeding 10 miles square, to be located as heretofore directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby, accepted for the permanent seat of government of the United States.

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800 the seat of government and all offices of the United States should be transferred and removed to said district and thereafter cease to be exercised elsewhere.

EXPLANATION BY PRESIDENT WILLIAM HOWARD TAFT ON SELF-GOVERNMENT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

Madison argued: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy."

There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.

Several attempts have been made to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that:

The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York, on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkin was discussing the matter from the standpoint of the citizens of the District of Columbia, and he made the following pertinent admission:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own, and provided that the tax rate in Washington should be $3 on the $100, and provided for the District to elect and send a Delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act and abolished the position of Delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only $600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only $600.

The main objective of our Government in acquiring territory owned and controlled by it for its seat of government was to have complete authority over it, which Madison said was "an indisputable necessity." Without complete authority, Madison said, Congress might be insulted. It was Madison who said that without complete authority over its seat of government there might be an awe or influence exerted over Congress that would be dishonorable to the Government, and that the proceedings of Congress might be interrupted with impunity.

Subsequent developments have demonstrated the great wisdom of our forefathers when they acquired a territory of 10 miles square for a seat of government to remain under the absolute control and authority of Congress.

Even such a loyal, able advocate of the District of Columbia as George W. Hodgkin was forced to admit that Congress exercises absolute control over the District of Columbia, and that local officials are responsible to the National Government, and that "there is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs."

People who see fit to reside in the District of Columbia do so with knowledge of the above situation and constitutional limitations.

I thought it wise to make this statement to show why Congress every year controls this District appropriation bill and why the President, through his Bureau of the Budget, which is his agent, exercises control over expenses in the District. It is in accordance with constitutional provision and the law of the land.

ADMISSIONS BY DISTRICT COMMISSIONERS

From our printed hearings on the 1935 District of Columbia appropriation bill I quote the following from the testimony of Commissioner Hazen, the president of the Board:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of $1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to $1.50. This reduction represents a saving to the taxpayers in the fiscal year 1934 of $2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by $80,000,000—a saving to property owners of $1,200,000. The District budget for the fiscal year 1935 is based upon continuing the $1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately $50,000,000 will be made in 1935.

The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance now 7,500 cubic feet to 10,000 cubic feet. This means a saving to water users of about $600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users.

From our printed hearings on the 1936 appropriation bill I quote the following:

Mr. BLANTON. By a reduction in the assessed valuations of real estate to the extent of $80,000,000, you meant that you distributed that over the general assessments?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately $50,000,000 will be made in 1935."

Did you make that further reduction?

Commissioner HAZEN. There was further reduction.

* * * * * * *

Mr. BLANTON. And you did make another reduction, approximately $50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners generally got the benefit of that additional $50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of $130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about $600,000."

That was provided?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that the property owners of the District got a saving of $600,000 through a decrease in water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In addition to that $600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Without extra charge?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further say.

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users."

That was a saving of $100,000 additional approximately?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. To water users here in Washington?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only $1.50 per 100 on real estate and only $1.50 per 100 on personal property, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

Commissioner HAZEN. We do not contemplate increasing it.

* * * * * * *

Mr. BLANTON. With that $1.50 tax rate, you stated in your preliminary general statement, that you carried over from the last fiscal year to the present fiscal year a surplus of $4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of——

Commissioner HAZEN. $2,450,000.

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Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of $1,430,002

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

Commissioner HAZEN. Yes, sir.

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Mr. BLANTON. You have no income tax for the District of Columbia?

Commissioner HAZEN. That is true.

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Mr. BLANTON. * * * The tax on intangibles in the District is now what, Mr. Donovan?

Mr. DONOVAN. $5 per thousand.

Mr. BLANTON. That is one-half of 1 percent, is it not?

Mr. DONOVAN. That is right.

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Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

Commissioner HAZEN. Yes, sir.

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Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only $1 per car.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That would be $1 per car for an $8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

Commissioner HAZEN. Yes, sir.

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Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

Mr. DONOVAN. It is about $8.75.

Mr. BLANTON. Was not that the tax before Congress reduced it?

Mr. DONOVAN. It was that before Congress reduced it.

Mr. BLANTON. But Congress reduced it?

Mr. DONOVAN. You mean the 25-percent reduction?

Mr. BLANTON. Yes.

* * * * * * *

Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

Commissioner HAZEN. No.

Mr. BLANTON. And he will not have to pay any in the future, will he?

Commissioner HAZEN. No, sir.

* * * * * * *

Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

Commissioner HAZEN. I think that it is the greatest city in the United States.

Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

Commissioner HAZEN. I believe they do.

WHY WASHINGTON NEWSPAPERS FIGHT BLANTON

Mr. Chairman, I am going to show you exactly what taxes are paid by the Washington newspapers. This contract was brought out in the evidence given by Col. Julius Peyser, who is the chairman of the board, for the Security Savings & Commercial Bank in Washington, and who was president of it for 14 years:

THREE MILLION DOLLARS OFFERED FOR WASHINGTON POST

JUNE 2, 1931.

WASHINGTON POST CO.,
Mr. EDWARD B. MCLEAN,
AMERICAN SECURITY & TRUST CO.,
Trustees of the Estate of John R. McLean, deceased.

DEAR SIRS: Our understanding is that Mr. Edward B. McLean and the American Security & Trust Co., as trustees of the estate of John R. McLean, deceased, are the owners and holders of all of the outstanding capital stock of the Washington Post Co., of the District of Columbia.

Our understanding, further, is that the Washington Post Co. is the owner of the following properties (hereinafter called properties):

The trade name of the Washington Post; Associated Press membership of the Washington Post; the Associated Press franchise of the Washington Post and all bonds and all contract rights pertaining thereto; daily and Sunday circulation and list of subscribers of the Washington Post, with all files, records, and equipment pertaining thereto; all advertising contracts and all files and records and equipment pertaining thereto; the goodwill of the entire business now operated under the name of the Washington Post; the real estate, plant, machinery, job-printing equipment, delivery equipment, automobiles, furniture and fixtures, supplies, including paper stock, inks, metals, and other plant supplies, inventories, and all files and records pertaining thereto, being all of the properties of the present owner of such assets except cash,

notes, and accounts receivable, and stock and bonds other than the Associated Press bonds.

We hereby offer to purchase such properties upon the following terms and conditions:

1. That the consideration of the sale of such properties to us shall be $3,000,000, of which $20,000 in money is tendered herewith and of which $780,000 in money shall be paid on or before July 15, 1931. The remainder of $2,200,000 shall be paid in first-mortgage bonds of the undersigned company or its corporate assignee, due 20 years after July 15, 1931, bearing interest evidenced by coupons at the rate of 5 percent per annum from date until paid, payable semiannually on January 15 and July 15 of each year, which bonds may be retired at the option of the obligor at any time after issuance by the payment of the face amount thereof plus all unpaid accrued interest, including interest computed for the fractional period after the date of the last maturing coupon. Such bonds shall be secured by a first closed mortgage for $2,200,000 on all of the properties purchased hereunder except said real estate, machinery, and equipment now constituting the plant of the Washington Post, which mortgage shall contain a provision that beginning July 15, 1937, and on each July 15 thereafter, to and including July 15, 1946, there shall be deposited by the obligor of such bonds in a sinking fund to be held and managed by a trustee selected by said obligor and the trustee for the bondholders one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed $200,000 for the next preceding year. If for any of such years the next earnings be less than $200,000 there shall, nevertheless, be deposited by such obligor in the sinking fund $50,000 in discharge of its sinking-fund obligations for the year, and the said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

Said mortgage shall contain a further provision that beginning July 15, 1947, and on each July 15 thereafter, to and including July 15, 1951, there shall be deposited by the obligor of such bonds in such sinking fund one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed $400,000 for the next preceding year. If for any year after July 15, 1947, such net earnings be less than $400,000 there shall, nevertheless, be deposited by such obligor in the sinking fund $100,000 in discharge of its sinking-fund obligation for the year: *Provided, however,* That the aggregate amount of such sinking-fund deposits shall in no event exceed the amount of said bonds outstanding. After the payment of all expenses of the sinking fund all amounts so deposited therein with any accumulated income shall be used to retire such bonds in whole or in part, at or before the maturing thereof.

2. That in the event the undersigned company or its corporate assignee shall sell said real estate or machinery or equipment excepted by the foregoing paragraph from such mortgage, in whole or in part, all amounts received by the undersigned company or its corporate assignee therefor, immediately upon receipt, shall be deposited with the trustee of the sinking fund to be used by such trustee for the retirement pro tanto of such bonds at or before the maturity thereof, and said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

3. That on July 15, 1931, upon the payment of the money consideration of $780,000 and the delivery of the bonds herein specified, you will convey, transfer, and deliver to the undersigned company, or its corporate assignee the complete unencumbered title to and all property rights in and to all such properties without any liability on the part of the purchaser to pay or otherwise satisfy any of the debts, obligations, or undertakings of the present owner thereof or any claims, demands, or judgments against such owner.

4. That before the consummation of such sale the necessary steps will be taken by you, without cost to the undersigned company or its corporate assignee, to obtain if possible the approval or ratification by the proper court of the District of Columbia of the sale of such properties to the undersigned company or its corporate assignee for the considerations herein named, and to pass to the purchaser the complete unencumbered title to all such properties. Similarly, you will, without cost to us, defend any and all proceedings or other efforts to invalidate, set aside, or delay the sale of such properties to the undersigned company or its corporate assignee.

5. That all taxes on such properties, or any of them, for any year antedating the date of the sale thereof shall be paid by you and all such taxes for the current year shall be prorated between the buyer and seller on a time basis.

6. That this offer is made by David Lawrence, Inc., a corporation organized under the laws of the District of Columbia; but said David Lawrence, Inc., shall have the right to substitute as purchaser of such properties a corporation organized under the laws of the District of Columbia or the State of Delaware having the corporate name of David Lawrence Publications, Inc., and if such substitution be made, the substitute corporation shall acquire all of the rights and be subject to all of the liabilities and obligations herein granted or assumed by said David Lawrence, Inc.

7. That your acceptance of this offer may be evidenced by your signatures affixed at the foot hereof, immediately after the word "Accepted." Such acceptance, if made, will serve to convert this offer into an agreement of purchase and sale, subject to the approval of the court, binding on yourself and on the undersigned company and its corporate assignee.

Neither the undersigned company nor its corporate assignee assumes any liability whatsoever for any commission or other charge made for consummating or assisting in the consummation of the sale herein proposed.

This offer of purchase will expire on Saturday, June 6, 1931, at 12 o'clock noon, unless accepted in writing before that date and hour. If it be not accepted on or before the date and hour just mentioned, you will be under obligation to repay to David Lawrence, president of the undersigned company, not later than June 8, 1931, 3 p. m., the entire amount, $20,000, tendered herewith as part of the consideration of the sale proposed herein. If you accept this offer but, for any reason other than the inability of the undersigned company or its corporate assignee to consummate the sale herein proposed, such sale be not consummated, then you will be under similar obligation to repay to said David Lawrence at once said amount of $20,000 tendered herewith.

If this offer be accepted, the undersigned company or its corporate assignee will accept an assignment or subletting of the lease now covering the Washington Post property on E Street between Thirteenth Street and Fourteenth Street, Washington, D. C., and will thereupon assume all of the obligations and be entitled to all of the benefits thereof.

Respectfully yours,

DAVID LAWRENCE, INC.,
By DAVID LAWRENCE, *President.*

JUNE 3, 1931.

AMERICAN SECURITY & TRUST CO.
Attest:

FREDERICK P. H. SIDDONS, *Secretary.*

(Seal of American Security & Trust Co.)
JUNE 6, 1931.
Accepted:

EDWARD B. MCLEAN,
CORCORAN THOM, *President,*
Trustees of the estate of John R. McLean, deceased.

EUGENE MEYER'S PERFIDY

The following statement given the committee by another citizen was authenticated as true and correct by Colonel Peyser, who gave other evidence that will follow it:

Through influential friends Eugene Meyer learned that the Washington Post owed the International Paper Co. about $100,000. Then it dawned upon him how he could take it over. On March 24, 1933, his friend, Harry Covington, filed in the Supreme Court of the District of Columbia a bill in equity, no, 55485, styled *"International Paper Co.* v. *Washington Post"*, alleging that on March 21, 1933, the latter owed the former $103,263.96, that the Post's assets were in excess of $800,000, and that its liabilities approximately $625,000.

Paragraph 7 of that bill in equity admitted that the Post was solvent and that its assets exceeded its liabilities and requested that a receiver be appointed. The Supreme Court of the United States in both the *Jones case* (261 U. S. 491) and the *Lyon Bonding Co. case* (262 U. S. 491) held that a simple contract creditor could not have a receiver appointed for a debtor where solvency existed; yet on the identical day, showing collusion, on the identical day that the suit was filed, Mr. Corcoran Thom, the executor of the McLean estate, through his attorney, Mr. Flannery, on March 24, 1933, immediately filed an answer admitting the bill and consenting to the appointment of the receiver—right in the face of the decision of the United States Supreme Court to the contrary.

Promptly the next day Benjamin Minor was appointed receiver, on March 25, 1933. Even though sick and incapacitated, Edward McLean, through an attorney, tried to intervene on April 14, 1933, but objection to his intervention was filed on April 19, 1933, by Harry Covington, and on May 9, 1933, he was denied the right to intervene. He was denied the right to come in there and protect the assets of his little minor children who owned the assets of the estate and concerning that newspaper, which once tentatively had been agreed to be sold for $3,000,000.

On May 17, 1933, Harry Covington filed a supplemental bill asking that the receiver be authorized to sell the Washington Post. On that identical day, showing collusion, May 17, 1933, Corcoran Thom, through this attorney, Flannery, filed his consent to such sale. On that identical day, May 17, 1933, the order of sale was issued empowering the receiver, Benjamin Minor, to sell the Washington Post.

* * * Thereafter, on account of Edward McLean being sick in a sanitarium and incapacitated for business, Mrs. Edward McLean made arrangements to protect the interests of her children in an attempt to buy in the Washington Post and thus saving the family heritage.

She knew the debts against it totaled only $625,000 and that the bill in equity alleged it to be worth over $800,000. She knew it really was worth about $3,000,000, but she never dreamed that any outsider would bid more than the $800,000, so she arranged for enough money to bid up as high as $800,000. She knew nothing of Eugene Meyer's scheme; she knew nothing of his plots; she did not know about his conspiracy; she did not know that he was going to have a dummy at said sale representing him; she did not know that Eugene Meyer was all prepared to defraud her and her minor children; but Eugene Meyer had George Hamilton at said sale as his secret dummy and she realized that it was being run up on her, so finally she was forced to bid her entire $800,000, but she had no more money.

Then Eugene Meyer's dummy, George Hamilton, bid $825,000, and on June 5, 1933, the sale of the Washington Post was approved to George Hamilton at $825,000. On June 12, 1933, said sale was ratified by order of the court, and immediately on that identical day, George Hamilton, Eugene Meyer's secret dummy at said sale, as-

signed and transferred the Washington Post to the Eugene Meyer Publishing Co., and Eugene Meyer immediately incorporated it for $1,250,000.

* * * * * * *

On August 2, 1933, the court allowed Benjamin Minor a fee of $40,000 in payment of his services as receiver, which service consisted mostly in his having signed his name a few times. On the same day, August 2, 1933, the court allowed a fee of $12,000 jointly to the two attorneys, Mr. Covington and Mr. Flannery * * *.

FROM COLONEL PEYSER'S TESTIMONY

Mr. BLANTON. Were you ever president of the bar association here?

Mr. PEYSER. I was president of the Bar Association of the District of Columbia and vice president of the American Bar Association.

Mr. BLANTON. How long have you resided in Washington?

Mr. PEYSER. I was born here. My family has lived here about 100 years.

Mr. BLANTON. You personally have lived here and have been actively engaged in business for about 40 years?

Mr. PEYSER. Let us make it 38 years.

Mr. BLANTON. How long have you lived here?

Mr. PEYSER. I have lived here 60 years.

Mr. BLANTON. Certain information came to our committee, Mr. Peyser, about which we want to interrogate you. I quote from it as follows:

"In the early part of the year 1931, Col. Julius Peyser represented Mr. Edward B. McLean as attorney in some pending litigations in Washington, D. C., and during his contact Mr. McLean suggested the sale of the Washington Post. Mr. McLean told Colonel Peyser that several offers had been made, but they had been rejected, and he suggested that Colonel Peyser see Mr. Corcoran Thom, of the American Security & Trust Co. A few days after the conference, Colonel Peyser saw Mr. Thom, and he informed him that former Chief Justice Covington, of the District of Columbia, who was then practicing law, had a buyer, Mr. Eugene Meyer, for the Washington Post, and all of its rights for the sum of $5,000,000."

Mr. PEYSER. Yes, sir.

Mr. BLANTON. Thus far is the statement correct?

Mr. PEYSER. Yes, sir; Mr. Meyer had negotiated with Mr. Thom, who was the president of the American Security & Trust Co., and offered him $5,000,000 for the Washington Post.

Mr. BLANTON. I quote further:

"Mr. Thom also stated that that price ($5,000,000) had been rejected but did not give Colonel Peyser the reason why it had been rejected. He did say that times have changed and that they would be willing and ready to accept another offer for the Post if sufficient cash were paid to justify the sale. Colonel Peyser discussed the matter with three persons who had affiliations with newspapers to wit: John Callan O'Laughlin, Frederick William Wile, and David Lawrence; also with a New York concern who had been anxious to purchase. Colonel Peyser spent several months talking to McLean until he consented to sell the Post to David Lawrence on the basis of $3,000,000, with $800,000 in cash and the balance secured by a mortgage on the building, plant, and A. P. franchise for a morning daily paper."

Mr. PEYSER. By franchise is meant the Associated Press franchise. That is the only morning paper that has the A. P. franchise; the only morning paper.

Mr. BLANTON. Up to this time, are the facts detailed here correct?

Mr. PEYSER. Absolutely correct, sir.

Mr. BLANTON. I quote further:

"The contracts were regularly drawn, signed by the American Security & Trust Co., Edward B. McLean, and David Lawrence."

Mr. BLANTON. The Washington Post really was part of the estate of John R. McLean, was it not?

Mr. PEYSER. It came out of the estate. It was a corporation organized for the purpose of publishing the Washington Post, independent of trustees.

Mr. BLANTON. I quote further:

"It was discovered that the Post would have some liabilities, but the estate of John R. McLean was able to take care of this indebtedness without any sacrifice. The sale to Mr. Lawrence was not made. The American Security & Trust Co. made many attempts to oust Mr. McLean as one of its trustees under his father's will."

Now, Colonel Peyser, without going into the details of the matter, which may involve some confidential information and relationships, which might deter you, is it not a fact that you do know that there was certain action in the District by many parties interested directly and indirectly that forced Mr. McLean out of the Washington Post and took from him his right to sell it?

Mr. PEYSER. Yes.

Mr. BLANTON. That is a fact?

Mr. PEYSER. I know it is an absolute fact, because I was in two of the cases; later my son-in-law and myself were in the cases—were in the last case before Mr. Justice Bailey.

Mr. BLANTON. While Colonel Peyser's associate is finding the contract, I have a statement here that has just been sent me by Mrs. Edward B. McLean, wife of Edward McLean, who owned the Post. This is dated, "Friendship." Friendship is her home?

Mr. PEYSER. That is the McLean estate house.

Mr. BLANTON. That is the McLean estate out here on Wisconsin Avenue?

Mr. PEYSER. Yes.

Mr. BLANTON. I quote her statement:

"FRIENDSHIP, *February 7, 1936.*

"Hon. THOMAS L. BLANTON.

"DEAR MR. CONGRESSMAN: I am giving you this information at your request for the use of your committee.

"I offered the American Security & Trust Co. in writing and through my lawyers my real-estate lots in Washington known as the Oxford corner, which was at that time unencumbered, with no mortgage or lien against it, in exchange for the Washington Post. At one time I refused a cash offer for this property of $2,500,000."

You know that Oxford property at the corner of Fourteenth and H?

Mr. PEYSER. Yes.

Mr. BLANTON (reading):

"At one time I refused a cash offer for this property of $2,500,000, and it is now assessed, I believe, at around $1,400,000. Later I again offered the same property after I had put a mortgage on it of less than $100,000.

"At the public sale I had my lawyers bid to the extent of my resources. It was my desire and dream to keep the Post in the family for my three children, but fate was against me.

"Sincerely yours,

"EVELYN MCLEAN."

Mr. PEYSER. Fate was not against her. Mr. Thom was against her. The answer to her proposition. The John R. McLean estate had sufficient money on hand, assets, to pay off the debts of the Washington Post if they wanted to. They had paid off the debts of the Cincinnati Enquirer and had paid other debts on property and made a loan on the Vermont Avenue property, and could very easily have paid the International Paper Co. and the other miscellaneous debts if they desired.

Mr. JOHNSON. Let me ask you this question: Could they have paid those debts at the time the suit was filed?

Mr. PEYSER. Oh, easily. It would not have been any trouble.

DEFRAUDING THE GOVERNMENT OF TAXES

Now, I am going to show, Mr. Chairman, just how Eugene Meyer defrauds the Government out of taxes. Remember that he once offered $5,000,000 for the Post. Remember that David Lawrence signed up a contract agreeing to pay $3,000,000 for the Post. After Eugene Meyer succeeding in getting the fraudulent suit in equity brought by the paper company, and had the fraudulent receivership proceedings, and got the Post sold at auction, and through a dummy bought it in for $825,000, and immediately thereafter incorporated it for $1,250,000, and then spent quite a large sum of money on it improving it and paying off its debts, he now has it assessed, altogether, at $600,000—in round numbers—for tax purposes, as I will show in a few minutes.

PROPERTY RENDERED FAR BELOW REAL VALUE

I quote the following from the hearings to show that property is assessed for taxes far below its market value:

"Mr. CANNON (reading from map). There is one piece of property that in September 1919 sold for $4,500, but for which the jury compelled the Government to award $11,500.

"Here is one piece of property, lot no. 40, which in June 1919 sold for $12,000, and for which the Government had to pay $25,000.

"Here is another piece of property, lot no. 32, an inside lot, which on July 19, 1922, sold for $3,800, and for which the Government was required to pay $8,250.

"Here are two lots which in November 1923 sold for $16,500, which cost the Government, under the award of the jury, $37,500; and another lot which in August 1922 sold for $11,000, but for which the Government was charged $28,500.

"Here is another lot, lot no. 832, which in January 1919 sold for $3,500, but for which the jury awarded $12,500."

Mr. RICHARDS. That was the Supreme Court site.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for $4,500, and the jury awarded $11,500; lot 19 had sold for $5,500, and the jury awarded $8,500; lot no. 39 sold for $11,000, and the jury awarded $16,000; lot no. 40 sold for $12,000, and the jury awarded for it $25,000; lot no. 41 sold for $10,500, and the jury awarded for it $16,000; lot no. 804 sold for $8,000, and the jury awarded for it $14,500; lot no. 32 sold for $3,800, and the jury awarded for it $8,250.

The following lots are in square 728:

Lot no. 801 sold for $4,800, and the jury awarded for it $7,500; lot no. 802 sold for $6,000, and the jury awarded for it $12,000; lot no. 807 sold for $15,000, and the jury awarded for it $26,000; lots nos. 809 and 810 were sold for $16,500, and the jury awarded for them $37,500; lot no. 814 was sold for $11,000, and the jury awarded for it $28,500; lot no. 822 was sold for $5,650, and the jury awarded for it $10,000; lot no. 823 was sold for $8,500, and the jury awarded for it $17,000; lot no. 826 was sold for $14,500, and the jury awarded for it $19,500; lot no. 827 was sold for $15,000, and the jury awarded for it $19,500; lot no. 31 was sold for $5,100, and the jury awarded for it $13,000; lot no. 832 was sold for $3,500, and the jury awarded for it $12,500.

This statement shows that in the case of property which had sold for $163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay $302,750 in order to secure the property for the Supreme Court Building.

THE PROOF OF THE PUDDING

As to whether anyone is overtaxed can easily be disproven by showing the taxes they pay and the value at which their property is assessed and the rate. I quote the following from the hearings as official facts furnished by the tax assessor of the District, who has filled the office for the past 27 years:

THE WASHINGTON POST

We will take up now the Washington Post, which is owned by Mr. Eugene Meyer and his corporation. He renders the real-estate property of the Washington Post at an assessed value of $117,860, upon which an annual tax is paid of $1,767.90. Part of the real-estate taxes is on leased property, the lease requiring the Post to pay same. It renders tangible personal property at $320,260, upon which the tax is paid of $4,803.90. It renders intangibles at $218,456, upon which it pays an annual tax of $1,092.28. Thus the Washington Post's aggregate properties are rendered at an assessed value of $656,576, upon which it pays a total annual tax of only $7,663.08.

It pays water rent for 2,290,000 cubic feet of water per year of $1,203.57 for the Post's big plant and office building. Substantial citizens have filed evidence with this committee claiming that the Washington Post was worth $3,000,000, and that Eugene Meyer, through a collusive proceeding, swindled the McLean heirs out of it, having it foreclosed, and through a dummy buying it at auction for $825,000 and then incorporating it for $1,250,000.

EUGENE MEYER

Now, personally, Mr. Eugene Meyer, the owner of the Washington Post, in the way of taxes only pays the water rent on his wife's fine residence properties of $53.92 per year for 97,300 cubic feet of water. He renders a fine Packard family car, upon which he pays an annual tax of only $29.92, plus $1 for license tags.

For last year he rendered three Plymouth cars, one Witt-Will car, one Dodge, one Chevrolet, and one Ford, upon which he paid total taxes on all seven of them of $45.67, plus $7 for license number tags for all of them. This year only six automobiles are rendered.

Eugene Meyer's residence is in his wife's name, Mrs. Agnes Meyer, situated on lot 806, square 2568, the land being rendered at $79,797, and the improvements at $138,000, or a total of $214,797, and then she has 12 other lots rendered in her name connected with her residence and running to Sixteenth Street, rendered at $72,826, totaling $287,623, upon which the total tax paid on their family real estate is $4,314.35, and the value of her intangibles is $608, and the tax on her intangibles is $3.04.

Her tangible personal property is rendered at $30,000, and the tax on same is $450, or her total tax was $4,767.39 last year.

The following is Eugene Meyer's rendition of automobiles for this year:

STATEMENT BY TAX ASSESSOR, FEB. 3, 1936

Eugene Meyer & Co., doing business under the name of the Washington Post, 1337 E Street NW., Washington, D. C., 1936 registrations

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Weight, pounds
Passenger:						
Ford tudor sedan, 1936	----------	18-2350668	$560	$8.40	$1	--------
Plymouth tudor sedan, 1933.	1831551	PC-90596	215	3.22	1	--------
Plymouth delivery coupe, 1933.	2068031	PD-72946	225	3.37	1	--------
Plymouth business coupe, 1934.	2290103	PP-114623	315	4.72	1	--------
Ford standard coupe, 1934.	----------	18-654141	280	4.20	1	--------
Commercial: Witt-Will truck, 1929.	1004	16C8570	----------	1.00	1	1,100
Total	----------	----------	1,662	24.91	6	--------

Here is the personal-tax rendition of Mr. Floyd R. Harrison, comptroller of the Washington Post. He renders no return on real property; he renders no personal property; he renders no property of any kind and pays no taxes. But there is a mandamus pending against him now.

As to that I quote from the hearings:

Mr. RICHARDS. We tried to get him to make a return on his personal property.

Mr. BLANTON. You tried to get him to make a return and he would not do it?

Mr. RICHARDS. Yes.

Mr. BLANTON. And you have a mandamus proceeding against him?

Mr. RICHARDS. We are trying to make him do it, and he will do it before we get through, too.

Mr. BLANTON. I assume that the comptroller of the Washington Post ought to have some property, and ought to pay some taxes.

DAVID LAWRENCE

For instance, let us take Mr. David Lawrence—editor of the United States News—whose residence is at 3900 Nebraska Avenue, its assessed value being $133,390, upon which he pays an estate tax of $2,000.88 annually.

He has tangible personal property assessed at $3,000, upon which a tax of $45 is paid, and he has intangibles assessed at $216, on which a tax of $1.08 is paid. He pays an annual water rent of $24.49 for his fine $133,390 residential property.

Mr. Lawrence is shown by a recent statement in the Washington papers to have received an annual salary or income last year of $18,700. He renders a Cadillac automobile, for which he pays a personal tax of $1.80, and he also pays $1 for the annual license tag on his Cadillac automobile.

THEODORE NOYES

Then there is Mr. Theodore Noyes, who is one of the officials and part owner of the Washington Star. He is the chairman of the board of the Washington Star, and the newspapers here the other day stated that his salary or income last year was $42,120.

Personally he renders his residential property at 1730 New Hampshire Avenue NW. at an assessed value of $65,500, upon which he pays an annual tax of $982.50.

He has tangible personal property assessed at $7,500, upon which he pays a tax of $110.50.

He renders intangible property aggregating $621,520, upon which he pays a tax of $3,107.60, which is at the rate of one-half of 1 percent for intangibles.

He renders for taxes two family automobiles, an Auburn and a Lincoln, upon which he pays a personal tax on those two automobiles aggregating $57.75 per annum.

His annual water rent is only $23.05 on his fine residential property.

FLEMING NEWBOLD

Here is his business manager of the Washington Star, Mr. Fleming Newbold, who the Washington papers stated received a salary or income last year of $31,543. He renders his residential property at 1720 Massachusetts Avenue NW., at $31,455, upon which he pays an annual tax of $471.82. He renders intangible property of $40,728, upon which he pays an intangible tax of $203.64.

He renders tangible personal property of $4,500, upon which he pays a tax of $67.50.

He renders two family automobiles, both Packards, for which he pays an annual total tax of only $2.87 for the two Packards, and he pays $2, covering $1 apiece, for the automobile license tags on them, and his water rent on his residence property is only $10.45 per year.

THE WASHINGTON STAR

Now, the Evening Star, at Eleventh and Pennsylvania Avenue NW.—Theodore Noyes' newspaper—renders real property, a list of which I am going to have incorporated into the record here, and it totals in assessed value $2,249,586, upon which the Evening Star pays an annual tax of $33,743.80 for this year. In 1933 the real estate just referred to was assessed at a value of only $2,262,639, or the sum of $13,053 more in 1933 than it is assessed now, showing that they got their part of the arbitrary $130,000,000 reduction in the assessed valuation of properties testified to by Commissioner Hazen.

(The square and lot numbers referred to, together with the taxes paid thereon, are as follows:)

Real estate taxes paid by the Evening Star Newspaper Co.

Square 737:	
Lot 1	$792
Lot 2	792
Lot 3	792
Lot 4	1,092
Lot 5	792
Lot 6	792
Lot 7	792
Lot 8	792
Lot 9	792
Lot 10	792
Lot 11	792
Lot 12	792
Lot 13	792
Lot 14	792
Lot 15	20,792
Lot 30	2,682
Lot 31	148,140
Lot 32	2,868
Lot 800	1,904
Lot 801	1,615
Lot 802	2,563
Lot 803	2,257
Lot 806	379
Lot 807	371
Lot 808	372
Lot 809	59
Square 322:	
Lot 19	1,621,227
Lot 801	98,780

Real estate taxes paid by the Evening Star Newspaper Co.—Contd.

Square 348:	
Lot 815	$40,064
Lot 15	71,456
Lot 812	65,120
Lot 816	40,164
Square 92: Lot 67	43,642
Square 137:	
Lot 50	37,935
Lot 51	35,808
Total	2,249,586

Mr. William P. Richards, tax assessor, who prepared all this data, is present listening to me, and he will tell you that he has verified as correct all of the facts I will give you concerning taxes paid here.

Now, the Evening Star renders personal tangible property at an assessed value of $453,092, upon which it pays an annual tax of $6,796.38. It renders intangible property at an assessed value of $2,296,512, upon which it pays an annual tax of $11,482.56.

Its annual water charge for its big plant and office building covering 1,622,000 cubic feet of water is $853.14 a year.

Last year it had 84 automobiles, upon which it paid a total tax of $3,791, personal property tax, plus $84, covering $1 each for the 84 cars for their license tags. This year its automobile tax furnished by Mr. Richards is as follows:

1936 registration records—Cars titled in name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D. C.

PASSENGER VEHICLES

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee
Plymouth tudor sedan, 1935	1039985	PJ3049	$430	$6.45	$1.00
Chevrolet coach, 1932	12BA126647	3027670	140	2.10	1.00
Ford coupe, 1932		B5124272	115	1.72	1.00
Chevrolet sedan, 1931	2AE85941	2764523	100	1.50	1.00
Chevrolet coupe, 1935	12EC06-12668	M5258139	400	6.00	1.00
Chevrolet coupe, 1932	2BA123248	2974665	140	2.10	1.00
Ford coupe, 1936		18-2403710	560	8.40	1.00
Ford Tudor, 1936		18-2300722	560	8.40	1.00
Ford Tudor, 1936		18-2220991	560	8.40	1.00
Chevrolet coupe, 1929	12AC13100	193533	67	1.00	1.00
Chevrolet coupe, 1929	12AC12091	161995	67	1.00	1.00
Chevrolet coupe, 1935	14EC04-1961	M4996481	400	6.00	1.00
Ford Tudor, 1936		18-2300485	560	8.40	1.00
Total			3,965	61.47	13.00
Grand total					74.47

MOTORCYCLES AND COMMERCIAL

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Motorcycle: Harley Davidson, 1935		35VD-7164	$190	$2.85	$1.00	
Commercial:						
Electric truck, 1921		23062	90	1.35	38.00	5 tons.
Dodge sedan del., 1935	8055526	T12-9285	485	7.27	1.00	½ ton.
Do	8055635	T12-9462	485	7.27	1.00	1,000 pounds.
Chevrolet truck, 1926	12V408710	T2817307	67	1.00	1.00	2,000 pounds.
Dodge sedan del., 1935	8055525	T129287	485	7.27	1.00	½ ton.
Ford sedan del., 1935		18-1641365	485	7.27	1.00	Do.
Ford sedan del., 1930		3933886	70	1.05	1.00	1,000 pounds.
Chevrolet truck, 1926	2V12714	T2680385	67	1.00	1.00	2,000 pounds.
Yellow cab truck, 1926	3729	V713690	75	1.12	1.00	3,500 pounds.
GMC truck, 1927	2303	1964429	85	1.27	1.00	2,000 pounds.
Do	1008	1892180	85	1.27	1.00	Do.
Ford delivery, 1935		18-1760570	485	7.27	1.00	½ ton.
Yellow Cab truck, 1926	3553	7468	75	1.12	1.00	3,000 pounds.
Dodge sedan del., 1935	8055533	T12-9282	485	7.27	1.00	½ ton.
Ford delivery, 1935		18-1750519	485	7.27	1.00	Do.
Dodge panel, 1935	8046449	T5-24355	505	7.57	1.00	Do.
Dodge truck, 1932	8482216	2DD3545	225	3.37	1.00	1½ tons.
Dodge panel, 1935	8046457	T5-25454	505	7.57	1.00	½ ton.
Yellow Cab truck, 1925	3483	7464	67	1.00	1.00	3,000 pounds.
Yellow Cab truck, 1925	3433	7421	67	1.00	1.00	Do.
Do	3518	7516	67	1.00	1.00	Do.
Studebaker truck, 1932	3350178	4362	330	4.95	1.00	4,110 pounds.
Dodge truck, 1932	8482204	2DD3526	225	3.37	1.00	1½ tons.
Studebaker truck, 1932	3350177	4359	330	4.95	1.00	4,110 pounds.
Ford panel truck, 1932		BB5161236	195	2.92	1.00	1½ tons.
GMC truck, 1927	1670	1946875	67	1.00	1.00	2,000 pounds.
Chevrolet sedan del., 1932	12HA0215306	3132589	130	1.95	1.00	1,000 pounds.
GMC truck, 1932	862	12572315	440	6.90	1.00	3,000 pounds.
Dodge truck, 1932	8482202	2DD3531	225	3.37	1.00	1½ tons.
Ford truck, 1933		528493	285	4.27	1.00	Do.
GMC truck, 1933	7981	12215003	450	6.75	1.00	Do.
Ford truck, 1933		526526	260	3.90	1.00	Do.
Yellow Cab truck, 1926	3777	V713845	75	1.12	1.00	3,500 pounds.
Dodge commercial sed., 1935	8055624	T12-9454	485	7.27	1.00	½ ton.
Chevrolet sed. del., 1932	12BAO-125314	3132526	170	2.55	1.00	1,000 pounds.
Dodge com. sed., 1935	8046448	T-21042	505	7.57	1.00	½ ton.

1936 registration records—Cars titled in the name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D.C.—Continued

MOTORCYCLES AND COMMERCIAL—Continued

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Commercial—Continued.						
Studebaker truck, 1932	3350180	4354	$330	$4.95	$1.00	4,110 pounds.
Do	3350179	4360	330	4.95	1.00	Do.
Dodge panel, 1935	8046455	T5-24419	505	7.57	1.00	½ ton.
Dodge truck, 1932	8482203	2DD3534	225	3.37	1.00	1½ tons.
Chevrolet truck, 1929	12LQ2552	T170633	67	1.00	1.00	2,000 pounds.
Do	11LQ7880	T752502	67	1.00	1.00	Do.
Do	12LQ4799	T441400	67	1.00	1.00	Do.
Do	12AC58134	800763	67	1.00	1.00	Do.
Do	12AC67846	909325	67	1.00	1.00	1,000 pounds.
Chevrolet sed. del., 1932	12EA15338	3132609	170	2.55	1.00	½ ton.
GMC truck, 1928	2922	1969978	115	1.72	1.00	3,000 pounds.
Ford truck, 1928		A33495	85	1.27	1.00	Do.
Do		A110897	85	1.27	1.00	Do.
Total			11,250	179.62	87.00	
Grand total of tax and registration fee for passenger vehicles, motorcycles, and commercial vehicles					341.09	
Tota number of vehicles registered, 63.						
Total assessed value of vehicles registered, $16,086.						

FRANK B. NOYES

To give you the entire picture of the Evening Star, I will give you the taxes paid by Mr. Frank B. Noyes, president of the Evening Star. The Washington newspapers the other day stated that his annual salary or income last year was $42,120.

Personally, Mr. Frank B. Noyes, president of the Washington Star, renders no real estate for taxes. He renders tangible personal property of $20,000, upon which he pays an annual tax of $300. He renders intangible property at $92,900, upon which he pays a tax of $464.50.

He renders for taxes his family car, a Stutz automobile, for which he pays a personal tax of only $1 per year, and he pays a $1 charge per year for license number tags.

HEARST'S HERALD AND TIMES

C. DORSEY WARFIELD

Both the Washington Herald and the Washington Times are incorporated under the name of "American Newspapers, Inc."

Mr. C. Dorsey Warfield is the assistant publisher of the Times. He pays no real-estate taxes. He pays on tangible personal property, at an assessed value of $2,500, the sum of $37.50. On intangibles, at an assessed value of $148, he pays 74 cents, and, on a family automobile, a Dodge, he pays $9.30. That is the total tax that the Times' assistant publisher pays.

ELEANOR PATTERSON

Now, with regard to the Washington Herald, unless a change has been made recently, Mrs. Eleanor Patterson, of 15 Dupont Circle, is the editor of the Herald. She is one of those whose taxes I was asked to check up. Here is her rendition. She has a residence at 15 Dupont Circle.

It is one of the finest residences in Washington. It is assessed at the value of $261,731. Upon that a tax is paid of $3,925.96.

She renders tangible personal property of $75,000 assessed value, upon which a tax is paid of $1,125. She renders intangible property of the value of $1,090,324, upon which a tax is paid of $5,451.62.

She pays an annual water rent on that extensive property of $81.80 per year for 153,300 cubic feet of water.

She renders four family automobiles—one Cadillac, two Packards, and one Chrysler—on the combined total of which she pays a personal property tax of only $30.66 a year, plus $4 for license-number tags on them.

ARTHUR G. NEWMYER

On the editorial page of the Washington Times, published by American Newspapers, Inc., which also publishes the Herald, there is given the name of Arthur G. Newmyer, publisher; J. J. Fitzpatrick, managing editor; and William C. Shelton, business manager.

Mr. Arthur G. Newmyer, the publisher of the Washington Times, lives at the Mayflower Hotel. He renders tangible personal property of the assessed value of $4,500, upon which he pays a tax of $67.50 per year.

He renders intangible property of an assessed value of $664, upon which he pays a tax of $3.32. That is all the tax that he pays in Washington.

J. J. FITZPATRICK

Mr. J. J. Fitzpatrick, the editor of the Washington Times, who lives at 3415 Fulton Street NW., in another's property, renders tangible personal property of the value of $60, upon which he pays a tax of 90 cents.

He renders intangible property of the assessed value of $108, upon which he pays a tax on intangibles of 54 cents.

He renders a family automobile, upon which he pays a tax of $8.17, plus $1 for license tag.

He pays an annual water rent per annum of $7.80.

Thus the editor of the Washington Times, on his personal property, his intangibles, on his automobile, for his license-number tags, and for water furnished him a whole year, pays in all a total of only $18.11 taxes per annum for living in the Nation's Capital.

WILLIAM C. SHELTON

Mr. William C. Shelton, the manager of the Washington Times, on his residence at 3517 Rittenhouse Street NW., which he renders at an assessed value of $16,898, pays an annual real-estate tax of $253.48.

There is, concerning his personal tangible property and also his intangible property, a mandamus proceeding pending.

He renders two family automobiles, one a Dodge and one a Buick, upon which he pays an aggregate annual tax of only $19.72, plus a dollar each for the license tags on the two cars.

He pays an annual water rent of $15.76 on water for his residence property per year.

WASHINGTON HERALD-WASHINGTON TIMES

The Washington Herald and the Washington Times, combined, assessed as the American Newspapers, Inc., on lots 39 and 803, in square 250, city of Washington, render real estate at an assessed value of $709,108, upon which is paid an annual real-estate tax of $10,636.62.

It renders tangible personal property of an assessed value of $224,984, upon which it pays an annual tax on tangible personal property of $3,374.76.

It renders intangible property at an assessed value of $306,676, upon which it pays a tax on intangibles of $1,533.38.

It pays water rent on 4,039,500 cubic feet of water, per annum, of $1,992.33.

The difference between its assessment on real estate in 1933 and the present year is as follows:

In 1933 its assessed value on real estate was $770,004. Now it has been reduced to $709,108. Thus since 1933 it has been granted a decrease of $61,896 on the assessed value of its real estate.

WASHINGTON NEWS

The Washington News at Thirteenth Street NW., between K and L, square 284, lot 823, renders its real estate at an

assessed value of $209,100 and pays an annual real-estate tax of $3,136.50.

It renders tangible personal property of the assessed value of $83,392, upon which it pays a tax upon tangible personal property of $1,250.88.

It renders intangible property of an assessed value of $71,896, upon which it pays an annual tax on intangibles of $359.48.

For 598,000 cubic feet of water furnished it annually, it pays $276.35 per year.

UNITED STATES NEWS

The United States News, which I mentioned is edited by Mr. David Lawrence, whose personal taxes I gave you awhile ago, renders its real estate at 2201 M Street NW., on lot 816, square 50, at an assessed value of $115,274, upon which it pays an annual real-estate tax of $1,729.12.

It renders tangible personal property of an assessed value of $43,912, upon which it pays an annual tax of $658.58.

It renders intangible property of an assessed value of $39,328, upon which it pays an annual tax on intangibles of $196.64.

For 280,000 cubic feet of water per annum, it pays $148.31.

LABOR

The weekly publication known as Labor, upon its office building and plant at First Street and Constitution Avenue NW., on lots 16 and 45, square 635, renders its real estate at an assessed value of $189,019, upon which it pays an annual real-estate tax of $2,835.28.

It renders tangible personal property at an assessed value of $20,000, upon which it pays an annual tax of $300.

It renders no intangible property.

For 88,600 cubic feet of water furnished it per annum, it pays $55.33.

NATIONAL PRESS BUILDING

The National Press Building Corporation, on its office building at Fourteenth and F Streets NW., lot 826, square 254, renders its real estate at an assessed valuation of $5,830,084, upon which it pays an annual real-estate tax of $87,451.26.

It renders tangible personal property of the assessed value of $184, for which it pays an annual tax of $2.76.

Its intangible property is rendered at an assessed value of $431,056, upon which it pays an annual tax of $2,155.28.

For 4,798,600 cubic feet of water per year furnished its fine office building, one of the finest in the city, it pays an annual water charge of $2,520.59.

FRANK ARMSTRONG

Mr. Frank Armstrong, president of the National Fruit Products, who the papers said recently had a salary last year of $25,000, renders for real estate $11,075, upon which he pays an annual real-estate tax of $166.12.

He renders tangible personal property in the amount of $1,000, upon which he pays an annual tax of $15.

He renders no intangibles.

He renders one family automobile, a Buick, upon which he pays an annual tax of $23.62, plus a dollar for license-tag fee.

He pays an annual water rent of $6.56.

HENRY N. BRAWNER

Mr. Henry N. Brawner, who is president of the Chestnut Farms-Chevy Chase Dairy, and who the newspapers reported recently drew a salary last year of $27,000 per year, renders real estate of an assessed value of $50,713, upon which he pays an annual real-estate tax of $760.70.

He renders tangible personal property of the assessed value of $2,000, upon which he pays an annual tax on tangible property of $30.

He renders intangible property of the assessed value of $265,860, upon which he pays an annual tax on intangibles of $1,329.30.

He renders for taxes two family automobiles, being two Packards upon which he pays an aggregate tax of $30.92 per annum.

His annual water rent is $28.45.

J. M. DORAN

Mr. J. M. Doran, administrator of Distilled Spirits Institute, who, the newspapers recently said, drew a salary last year of $30,000, renders real estate of the assessed value of $9,008, upon which he pays an annual tax on real estate of $135.12.

There is a mandamus proceeding pending against him now by the District to force him to render for taxes his tangible personal property.

He renders for taxes one family automobile, a Willys, upon which he pays an annual personal tax of $5.17.

His annual water rent on his residence at 1231 Thirty-first Street NW., is $5.21.

MORRIS CAFRITZ

Mr. Morris Cafritz, who lives at the Ambassador Hotel and who, the newspapers reported recently, drew a salary of $20,000 last year, renders no real estate, no tangible personal property, but renders intangible property of the assessed value of $656, upon which he pays an annual tax on intangibles of $3.28.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of $4.50 plus $1 for the license tax, making a total tax that he pays to the District of Columbia of $8.78.

JOHN H. DAVIS

Mr. John H. Davis, manager of Judd & Detweiler, one of the leading printing and engraving firms in Washington, and who, the newspapers reported recently, drew a salary last year of $27,520, renders real estate of the assessed value of $27,101, upon which he pays an annual real-estate tax of $406.52.

He renders no tangible property.

He renders intangible property of the assessed value of $22,248, upon which he pays an annual tax on intangibles of $111.24.

He renders two family automobiles, which are two Oldsmobiles, upon which he pays an aggregate tax of $17.62, for both.

For water charges on his property he pays an annual water charge of $32.81.

ROBERT V. FLEMING

Mr. Robert V. Fleming who, by the way, is a magnificent gentleman and my friend, and who is president of the Riggs National Bank, and who the newspapers recently reported drew a salary last year of $37,600, renders real estate, it being his home at 2200 Wyoming Avenue NW., at an assessed value of $25,050, upon which he pays an annual real-estate tax of $375.76.

He renders tangible personal property of the assessed value of $2,500, upon which he pays an annual tax on tangible property of $37.50.

He renders intangible property of the assessed value of $644, upon which he pays an annual tax on intangibles of $3.22.

He renders a family automobile, which is a Packard, upon which he pays an annual tax of $3.75 plus $1 for license-tax registration.

For his residence he pays an annual water charge of $12.33.

M. G. GIBBS

Mr. M. G. Gibbs, president of the Peoples Drug Stores, who, the newspapers recently reported, drew a salary last year of $50,000, renders no real estate, but renders tangible personal property of the value of $1,500 upon which he pays an annual tax of $22.50 on tangibles.

He renders intangible property of the assessed value of $129,464, upon which he pays an annual tax on intangibles of $647.32.

He renders two family automobiles, one a Lincoln and one a Packard, upon which he pays an aggregate tax of $24.22 per annum plus $1 each for license tags.

E. C. GRAHAM

Mr. E. C. Graham, president of the National Electric Supply Co., who the papers recently reported drew a salary last year of $22,569, rendered real estate of the assessed value of $27,900, upon which he pays an annual tax of $418.50.

He renders tangible personal property of the value of $400, upon which he pays a tax on tangible property of $6 per year.

He renders intangible property of the assessed value of $6,596, upon which he paid a tax last year of $32.98.

He renders for taxes three family automobiles, one a Packard, one a Pontiac, and one an Oldsmobile, upon which he pays a combined aggregate tax of $27.97 per annum, plus $3 covering the license-tag charges, $1 for each car.

The water charge for his residence is annually $18.53.

JOHN I. HAAS

Mr. John I. Haas, who is president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of $30,000, and who lives at the Wardman Park Hotel, rendered no real estate, but rendered tangible personal property of the assessed value of $1,500, upon which he paid an annual tax on tangibles of $22.50.

He rendered intangible property of the assessed value of $24,064, upon which he paid an annual tax on intangibles of $120.32.

FRED J. HAAS

Mr. Fred J. Haas, who is vice president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of $26,000, renders no real estate, but renders tangible personal property of the assessed value of $700, upon which he pays an annual tax of $10.50.

He renders intangibles of an assessed value of $2,776, upon which he pays an annual tax on intangibles of $13.88.

He renders two family automobiles, one a De Soto and the other a Chevrolet, upon the two of which he pays an aggregate tax of $15.60 per year.

For his property he pays an annual water rent of $6.56.

WALTER RAUBER

Mr. Walter Rauber, who is secretary of the John I. Haas, Inc., and who the papers recently reported drew a salary last year of $26,000, has his residence in Maryland and pays no tax to the District at all.

RANDALL H. HAGNER

Mr. Randall H. Hagner, president of Hagner & Co., who the newspapers recently reported drew a salary of $39,875 last year, renders his property at 2339 S Street NW. for taxes at an assessed value of $65,087, upon which he pays an annual real-estate tax of $976.32.

He renders tangible personal property of an assessed value of $3,000, upon which he paid an annual tax on tangibles last year of $45.

He renders intangibles at an assessed value of $220, upon which he paid an annual tax last year on intangibles of $1.10.

He renders one family automobile, upon which he pays $6.82 per annum, plus a dollar for the automobile license tag.

He pays an annual water rent of $22.57.

A. BRITTON BROWNE

Mr. A. Britton Browne, who is vice president of Hagner & Co., Inc., and who the newspapers recently reported drew a salary last year of $32,625, renders his property at 1917 Twenty-third Street NW. at an assessed value of $15,951, upon which he pays an annual tax on real estate of $239.26.

He rendered tangible personal property of an assessed value of $2,000, upon which he pays an annual tax of $30.

He rendered intangible property of the assessed value of $88, upon which he pays an annual tax of 44 cents.

He renders two family automobiles, one Packard and one Ford, upon which he pays an aggregate tax of $21.45 per annum, plus $2 for the registration fee, $1 for each car.

He pays an annual water rent of $8.25 for the water he uses on his property.

HENSE HAMILTON

Mr. Hense Hamilton, who is the assistant vice president of the Chesapeake & Potomac Telephone Co., and who the newspapers recently reported drew a salary last year of $18,333, renders his property at 3700 Huntington Street NW. at the assessed value of $25,279, upon which he paid an annual tax of $379.10.

He rendered tangible property of the assessed value of $500, upon which he paid a tax of $7.50 last year.

He rendered intangible property of an assessed value of $18,472, upon which he paid last year a tax on intangibles of $92.36.

He rendered two family automobiles, one Cadillac and one Buick, upon the two of which he paid an aggregate annual tax of $24.45, plus $2 for the license tags.

For his property he pays an annual water rent of $12.97 per year.

JOHN H. HANNA

Mr. John H. Hanna, who is the president of the Capital Transit Co., and who, the newspapers reported recently, drew a salary last year of $20,000, pays no real-estate taxes, but renders tangible personal property of the value of $1,200, upon which he pays an annual tax of $18. He renders intangible property of the value of $2,916, upon which he pays a tax on intangibles of $14.58.

He renders a family automobile, which is a Studebaker, upon which he pays an annual tax of $13.87, plus $1 for license-tag registration.

He pays an annual water rent of $6.56 per year.

P. J. HARMAN

Mr. P. J. Harman, who is the principal of Strayer's Business College, who, the newspapers recently reported, drew a salary of $28,980 last year, rendered real estate of an assessed value of $28,311, upon which he pays an annual tax of $424.68.

He renders tangible personal property of the value of $1,644 upon which he pays an annual tax of $24.66.

He renders intangible property of the assessed value of $3,644, upon which he pays an annual tax of $18.22. He renders two family automobiles, one Packard and one Plymouth, upon the two of which he pays an aggregate tax of $22.05 per annum.

He pays an annual water rent of $14.81.

W. M. KIPLINGER

Mr. W. M. Kiplinger, who is president of Kiplinger & Babson, Inc., who, the newspapers recently reported, drew a salary last year of $20,333, pays no real-estate tax; but he renders tangible personal property of the assessed value of $400, upon which he pays an annual tax of $6.

He rendered intangible property of the assessed value of $48,968, upon which he pays an annual tax on intangibles of $244.84.

He renders a family automobile, a Nash, upon which he pays an annual tax of $10.50, plus $1 for license tax.

WILLIAM H. LIPSCOMB

Mr. William H. Lipscomb, who is president of B. & R., Inc. The newspapers recently reported that he drew a salary last year of $24,000. He renders his residence as 2324 Massachusetts Avenue for real-estate-tax purposes at an assessed value of $53,550, upon which he pays an annual real-estate tax of $803.24.

He renders tangible personal property of an assessed value of $1,248, upon which he pays an annual tax of $18.72.

He renders intangible property of the value of $59,904, upon which he pays an annual tax on intangibles of $299.52.

He renders for taxes two family automobiles, one a Lincoln and one a Studebaker, upon the two of which he pays an aggregate tax of $36.82 per annum, plus $2 for license tags.

He pays an annual water rent of $11.24.

FREDERICK W. MACKENZIE

Mr. Frederick W. MacKenzie, of the Tolman Laundry, who the newspapers recently reported drew a salary last year of $18,220, renders his residence at 3801 Ingomar Street NW. for real-estate taxes last year at an assessed value of $18,325, upon which he paid an annual tax of $274.88.

He rendered tangible personal property of the assessed value of $1,000, upon which he paid a tax of $15.

He rendered intangible property of the value of $436 upon which he paid a tax on intangibles of $2.18.

He paid an annual water rent of $10.45.

GEORGE P. MARSHALL

Mr. George P. Marshall, president of the Palace Laundry, who, the newspapers recently reported, drew a salary of $20,000 last year and who lives at the Shoreham Hotel, rendered no real estate, but rendered tangible personal property of the value of $3,248, upon which he pays an annual tax on tangibles of $48.72.

He rendered intangible property of the assessed value of $1,000, upon which he paid an annual tax on intangibles of $5.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of $52.87, plus $1 for license tag.

WILLIAM M'CLELLAN

Mr. William McClellan, president of the Potomac Electric Power Co., who, the newspapers reported, drew a salary of $30,062 last year and who lives at the Shoreham Hotel, renders no real estate, renders no personal property returns, and no intangible property, pays nothing on automobiles, and pays nothing for water. But there is a mandamus proceeding pending against him in the District now to compel him to render property for taxation.

O. STEDMAN HILL

Mr. O. Stedman Hill, treasurer of the Public Utilities Reports, who, the newspapers recently reported, drew a salary last year of $39,950, renders no real estate; no personal property; no intangible property, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

E. G. BUCKLAND

Mr. E. G. Buckland, president of the Railroad Credit Corporation, who, the newspapers recently reported, drew a salary last year of $39,000, renders no real estate, no tangible personal property, no intangible, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

HARRY G. MEEM

Mr. Harry G. Meem, who is president of the Washington Loan & Trust Co., who, the newspapers reported, last year drew a salary of $25,840, renders his residence at 2730 Thirty-fourth Place, NW., at an assessed value of $21,370, upon which he pays a real-estate tax of $320.56.

He rendered tangible personal property of an assessed value of $1,100, and upon which he paid an annual tax on tangibles last year of $16.50.

He renders intangible property of an assessed value of $19,164, upon which he pays an annual tax on intangibles of $95.82.

He renders a family automobile, which is a LaSalle, on which he paid an annual tax of $14.40 plus $1 for license tag.

He pays an annual water rent of $18.53.

GEORGE MILLER

Mr. George Miller, president of the Union Beauty & Barber Supply Co., who, the newspapers recently reported, drew a salary of $20,000 last year, upon his residence at 2831 Chesterfield Place NW. rendered real estate of an assessed value of $24,154, upon which he paid an annual real-estate tax of $362.32.

He rendered tangible personal property of an assessed value of $300, upon which he paid an annual tax of $4.50.

He rendered intangibles of the value of $296, upon which he paid an annual tax on intangibles of $1.48.

He rendered a family automobile, which is a Packard, upon which he paid an annual tax of $8.25.

His annual water rent is $17.29.

WILLIAM MONTGOMERY

Mr. William Montgomery, who is president of the Acacia Mutual Life Insurance Co., who the newspapers recently reported drew a salary last year of $75,000 per annum, and about which they bragged, renders real estate of an assessed value of $100,800, upon which he pays an annual tax of $1,512.

He rendered tangible property of the value of $4,148, upon which he pays an annual tax on tangibles of $62.22.

He renders intangibles of the assessed value of $3,556, upon which he pays an annual tax on intangibles of $17.78.

He renders a family automobile, a LaSalle, upon which he pays an annual tax of $3.75.

He pays an annual water rent of $31.50.

It is interesting to note what Mr. Rufus Clarke says about Mr. Montgomery's insurance company:

R. P. CLARKE CO.,
Washington, D. C., February 22, 1936.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: In the year 1912 I took out a policy in the Acacia Masonic Mutual Insurance Co. for $3,000, to be paid in yearly payments, and to be fully paid in 20 years, after which I was to receive some interest every January.

For several years I received return of $46.05 every January; but for the past 2 years the return has been only $23.03.

I understand that the company has increased its assets very considerably, and can see no reason why the annual return for the last 2 years should have been reduced one-half, unless it be that the officers of the company are receiving very large salaries.

I understand that the president of the company receives a salary of $75,000 or over every year, which, in my judgment, is not treating policyholders fairly.

Will you kindly look into this matter.

With personal regards,

Very truly yours,

RUFUS P. CLARKE.

FREDERICK M. PELZMAN

Then there is Mr. Frederick M. Pelzman, of the Fashion Shop, Inc., who the newspapers recently reported drew an annual salary of $20,000 last year. He renders his residence, real property, at 3004 Thirty-second Street, at an annual assessed value of $20,575, upon which he pays an annual real-estate tax of $308.62.

He renders tangible personal property at an assessed value of $200, upon which he pays an annual tax of $3. He renders intangibles at an assessed value of $100, upon which he pays an annual tax of 50 cents.

He pays an annual water rent of $20.39.

ROCK CREEK GINGER ALE CO.

Mr. W. H. Rawley, president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew last year a salary of $25,000, has a residence at 4315 Hawthorne Street NW., upon which the assessed value was rendered as $15,325 and upon which he pays an annual real-estate tax of $229.88.

He renders tangible personal property at the value of $400, upon which he pays an annual tax of $6. He renders intangibles of the value of $1,876, upon which he pays an annual tax of $9.38.

He renders two automobiles, one a Buick and one a Ford, upon the two of which he pays an aggregate tax of $14.85, plus $2 for the license-tag registration.

He pays a water rent of $16.67 per annum.

Then there is Mr. D. A. Rawley, vice president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew a salary last year of $25,000.

His house address is 350 Rock Creek Ford Road. He pays no real-estate tax, no tangible personal tax, but he renders intangibles at an assessed value of $1,124 upon which he pays an annual tax of $5.62 per year on intangibles.

That is all of the tax he pays to the District per year, $5.62, with a $25,000 salary.

Mr. George P. Rawley, secretary of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, received last year a salary of $25,000, on his residence at 1400 Montague Street NW., rendered an assessed value of $16,500 and pays a tax of $247.50.

He renders no tangible personal property, but he renders intangible property at an assessed value of $2,024, upon which he pays an annual tax on intangibles of $10.12.

He renders two family cars, a Buick and La Salle, upon the two of which he pays an aggregate annual tax of $21.30, plus $2 to cover the $1 charge for license tags.

He pays annually as water rent $14.36.

Mr. L. P. Rawley, who is treasurer of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, drew a salary last year of $25,000, on his residence at 5501 Rock Creek Ford Road had an assessed value of $19,705, upon which he paid an annual real-estate tax of $295.58. He rendered no tangible personal property, but he renders intangible property on an assessed value of $1,776, upon which he paid an annual tax of $8.88.

He renders two family automobiles, one Packard and one Pontiac, for the two of which he pays an aggregate tax of $22.65, plus $2 to cover the $1 license tax charge on each of them.

He pays an annual water rent of $43.51.

JOHN A. REMON

Mr. John A. Remon, who is manager of the Chesapeake & Potomac Telephone Co., who, the newspapers recently reported, drew a salary last year of $20,166, upon his residence at 3104 Thirty-third Place NW., had it assessed at $17,165, upon which he paid an annual real-estate tax of $257.48.

He rendered tangible personal property at an assessed value of $200, upon which he paid an annual tax of $3. He rendered intangible property at an assessed value of $46,096, upon which he paid a tax on intangibles of $230.48.

His annual water rent is $16.05.

H. L. RUST

Mr. H. L. Rust, who, by the way, is a very fine gentleman and one of my personal friends, who, the newspapers said, recently drew a salary last year of $24,000, renders no real estate for taxes, but he rendered tangible personal property at the value of $2,000, upon which he pays an annual tax of $30; and he renders intangible property of the value of $392,248, upon which he pays an annual tax on intangibles of $1,961.24.

He renders a family automobile, which is a Pontiac, upon which he pays an annual tax of $10.12.

He pays an annual water rent of $695.47.

DR. C. A. SIMPSON

Then there is Dr. C. A. Simpson, who is the president of the Washington Radium & X-Ray Laboratory, who the newspapers recently reported drew a salary last year of $20,568, and who pays no real-estate taxes.

He renders tangible personal property at the assessed value of $1,000, upon which he pays an annual tax of $15. He renders intangibles at the assessed value of $2,072, upon which he paid an annual tax of $10.36.

He renders two family automobiles, one a Cadillac and one a Pontiac, upon the two of which he pays an aggregate tax of $20.84 per year, plus $2 covering the license tax.

H. B. SPENCER

Mr. H. B. Spencer, who is president of the Fruit Growers Express, who, the newspapers recently reported, drew a salary last year of $23,020, renders his residence at 2012 Massachusetts Avenue NW. at an assessed value of $76,187, upon which he pays annually a real-estate tax of $1,142.80.

He rendered tangible personal property of the assessed value of $17,000, upon which he pays an annual tax of $255. He renders intangibles at an assessed value of $400,000, upon which he pays an annual tax of $2,000.

He renders two family automobiles, both being Packards, upon the two of which he pays an aggregate tax of only $2.55 per annum, plus $2 for license tags.

That is an astonishingly low tax on two Packard automobiles, I do not care whether they are old or new.

He pays an annual water rent of $32.33.

MARCY L. SPERRY

Mr. Marcy L. Sperry, president of the Gas Light Co., who, the newspapers recently reported, drew a salary last year of $16,920, renders no real estate.

He renders tangible property at the assessed value of $300, upon which he pays an annual tax of $4.50. He renders intangibles at the assessed value of $20,512, upon which he pays an annual tax of $102.56.

He pays an annual water rent of $49.67.

CORCORAN THOM

Mr. Corcoran Thom, who is president of the American Security & Trust Co., who, the newspapers recently reported, drew a salary last year of $24,375, renders his residence at 1725 I Street NW., at an assessed value of $34,925, paid a real-estate tax of $523.88, and he paid a tax of $56.28 on tangible personal property of an assessed value of $3,752, and he paid on intangibles of an assessed value of $61,180 an annual tax of $305.90.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of $1.80, plus $1 for registration tax, and he pays an annual water rent of $28.61.

A. L. THOMPSON

Mr. A. L. Thompson, president of the Thompson Dairy, who, the newspapers recently reported, drew a salary last year of $30,000, renders no real estate.

He renders tangible property of the assessed value of $248, upon which he pays an annual tax of $3.72, and he renders intangible property of the assessed value of $20,716, upon which he pays an annual tax on intangibles of $103.58.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of $5.47, plus $1 for registration tags.

His annual water rent is $9.08.

H. VINER

Mr. H. Viner, who is president of the Arcade Sunshine Co., who, the newspapers recently reported, drew a salary of $30,000, renders his residence at 3507 Massachusetts Avenue NW. and whatever other real estate he has at $47,837, upon which he pays an annual real estate tax of $717.56.

He renders tangible personal property of the assessed value of $2,500, upon which he pays an annual tax of $37.50. He renders intangibles at an assessed value of $816, upon which he pays an annual tax of $4.08.

He renders for taxes, three family automobiles, one Cadillac, one Buick, and one Chevrolet, upon the three of which he pays an aggregate tax of $26.92 per annum, plus $3 for the automobile license tags.

He pays an annual water rent of $29.25.

GEORGE W. WHITE

George W. White, president of the National Metropolitan Bank, who, the newspapers recently reported, drew a salary last year of $25,000, renders his residence at 2800 Upton Street NW. at an assessed value of $58,963, upon which he paid an annual real-estate tax of $884.46.

He renders tangible personal property at an assessed value of $2,000, upon which he pays an annual tax of $30. He renders intangible property at an assessed value of $11,788, upon which he pays an annual tax on the intangibles of $58.94.

He renders two family automobiles, one a Packard and one a Ford, upon the two of which he pays an aggregate tax of only $5.17 per annum, plus $2 for license tags, and he pays an annual water rent of $61.46.

EDWARD G. YONKER

Mr. Edward G. Yonker, president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of $74,660, renders on his residence at 5100 Thirty-ninth Street NW., at an assessed value of $75,800, upon which he paid an annual real-estate tax of $1,137.

He renders personal property at an assessed value of $8,500, upon which he paid an annual tax of $127.50. He renders intangible property at an assessed value of $213,064, upon which he pays an annual tax on intangibles of $1,065.32.

Gentlemen, one of the primary purposes of getting this evidence before you and the interested people of Washington is the fact that you will note that there are a great many people in Washington who have intangible property, and some of them are rendering it for taxes, and some are not, and from the reports that have been made to me by some reliable people here in Washington, if you check up you will find that there are many millions of dollars hidden away untaxed in the lock boxes in the banks in Washington, if you could ever find it, and it is going to take something more than just filing a mandamus suit to get it. Some new legislation must be passed to reach it.

So I am just giving you a fair cross-section of some of these cases, to show you that there are many instances where there is a large amount of intangible property owned.

Coming back to Mr. Yonker, he renders two family automobiles, one a Cadillac and one a Buick, upon the two of which he pays an annual aggregate tax of $38.54, and the annual water rent is $23.49.

MACK L. LANGFORD

Mr. Mack L. Langford, vice president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of $31,968, renders no real property, renders no tangible personal property, but renders intangibles of the assessed value of $32,464, which is less than 1 year's net income, upon which he pays an annual tax on intangibles of $112.32.

He renders two family automobiles, one a Chrysler and one a Dodge, upon the two of which he pays an aggregate tax of $22.19 per annum, plus $2 license tag fee.

He paid, you will note, $112.32 on $22,464 in intangibles, and that, plus the $22.19 that he pays on automobiles, is all of the tax that he pays in the District of Columbia, yet he has a net income of $31,968.

LAWRENCE B. CAMPBELL

Mr. Lawrence B. Campbell, who is treasurer for the National Press Building Corporation, renders no real-estate tax, renders tangible property of the assessed value of $184, upon which he pays a tax of $2.76, and that is the total tax that he pays in the District, $2.76 a year.

CHARLES B. DEGGES

Mr. Charles B. Degges, who is secretary of the Board of Education, renders his residence at 4419 Q Street NW., at an assessed value of $5,670, upon which he pays a real-estate tax of $85.06.

He renders no tangible personal property, no intangible property, one family car, an Oldsmobile, upon which he pays $9.15 tax, plus $1 for license tags, and he pays an annual water rent of $8.32.

Does any one know what is the salary of the secretary of the Board of Education?

Three thousand five hundred dollars, I think it is.

DR. EDGAR A. BOCOCK

Dr. Edgar A. Bocock, of Gallinger Hospital. With $7,500 salary, Dr. Edgar A. Bocock renders no real estate, no tangible personal property, but he renders intangibles, at an assessed value of $232, upon which he pays an annual tax of $1.16, and $1.16 is all Dr. Bocock, who draws a salary from the two Governments of $7,500 per year, pays the District.

MRS. HENRY GRATTAN DOYLE

Mrs. Henry Grattan Doyle is president of the Board of Education.

The property of her husband, at 5500 Thirty-third Street NW., is rendered at an assessed value of $7,278, upon which the annual real-estate tax is $109.18.

They render tangible property of the assessed value of $2,000, upon which an annual tax of $3, and intangibles at an assessed value of $332, upon which is paid an annual tax of $1.66.

They render two family automobiles, one Chevrolet and one Ford, upon the two of which there is an annual aggregate tax of $15.14, plus a $2 automobile license tag charge.

They pay an annual water rent of $6.56 per year.

R. E. ELGEN

Mr. R. E. Elgen is Chairman of the Public Utilities Commission, with a salary of $7,500 a year.

He renders no real estate, but he renders tangible personal property at an assessed value of $524, upon which he pays an annual tax of $7.86. He renders intangible property of the assessed value of $300, upon which he pays an annual tax of $1.50.

He pays an annual water rent of $7.56.

WILLIAM A. VAN DUZER

Mr. William A. Van Duzer is our director of traffic of the District; salary, $7,500. He pays no real-estate taxes. He pays no tangible personal taxes.

On intangible property, at an assessed value of $5,165, he pays $25.82 per year, and he renders a family car, a Chrysler, upon which he pays an annual tax of $12.82.

He pays an annual water rent of $11.57.

G. C. WILKINSON

G. C. Wilkinson is first assistant superintendent in charge of the colored schools, his salary being $6,000.

His residence, at 406 U Street NW., has an assessed value of $4,246, and he pays $63.70 per annum in real-estate taxes.

He renders no tangible property tax and no intangible.

He renders a family car, an Oldsmobile, upon which he pays an annual tax of $9.30.

He pays an annual water rent of $6.56.

WAYNE KENDRICK

Wayne Kendrick is connected with the Board of Accountancy. His office is in the Rush Building, and his residence is in Virginia, and he pays no taxes to the District.

DR. HENRY R. OSBORNE

Dr. Henry R. Osborne is president of the Board of District Dental Examiners.

His address is at 1726 I Street NW. He pays no taxes of any kind in the District of Columbia.

CHARLES E. SCHROM

Mr. Charles E. Schrom is the chief engineer of the fire department, with a salary of $8,000 a year.

On his residence at 1315 Maryland Avenue NE., which is assessed at $3,950, he pays an annual real-estate tax of $59.26.

He pays no tangible personal tax and no intangible tax.

He renders a family automobile, a Chevrolet, upon which he pays an annual tax of $3.60.

His annual water rent is $6.56.

ERNEST W. BROWN

Ernest W. Brown, Superintendent of the Metropolitan Police, $8,000 a year.

He pays no real-estate tax. He pays no tangible personal-property tax and no intangible tax.

He renders a Studebaker family car, upon which he pays an annual tax of $7.12.

He pays an annual water rent of $6.56.

MELVIN C. HAZEN

Here is our chairman of the board, Hon. Melvin C. Hazen, Commissioner.

His salary is $9,000.

On his residence, 1829 Sixteenth Street NW., the assessed value is $30,372, on which he pays an annual real-estate tax of $455.58.

On tangible personal property, with an assessed value of $148, he pays a tax of $2.22. Upon intangible property, assessed at $628, he pays a tax of $3.14.

On his family automobile, a Buick car, he pays an annual tax of $3.97, plus a $1 license-tax charge.

GEORGE E. ALLEN

Here is our friend, Hon. George E. Allen, Commissioner, with salary of $9,000.

He pays no real-estate tax. His tangible personal property is assessed at $300, upon which he pays $4.50. The intangible property is assessed at $5,068, upon which he pays $25.34.

On his family car he pays tax of $13.20, plus a $1 automobile license tag fee, and no water rent.

E. BARRETT PRETTYMAN

Here is our friend, Hon. E. Barrett Prettyman, corporation counsel of the District of Columbia, and his salary is $8,000. He resides in Maryland. Prettyman pays no real-estate tax, no personal tax, no tax of any kind to the District, but lives in Maryland.

HENRY I. QUINN

Mr. Henry I. Quinn, member of the Board of Education, District of Columbia, has his residence at No. 1507 Gallatin Street NW., assessed valuation $12,934—which in 1933 was assessed at $13,734—upon which he pays $194.02 taxes. He has tangible personal property of the assessed value of $1,100, upon which he pays $16.50 taxes. He has intangible property, assessed valuation $6,148, upon which he pays $30.74 taxes. He has two family automobiles, one a Dodge sedan and one a Dodge coupe, upon which he pays a total tax of $16.05 plus $2 for their two sets of license tags. He pays a water rental for his residence property of $12.97 per annum. He also owns the property at 3424 Fourteenth Street, assessed valuation $5,667, annual taxes $85, and pays $6.56 for annual water rental.

Mr. Speaker, at a later date I will show you exactly what all of the high-salaried officials of the District of Columbia pay in taxes, and it will surprise the membership of this Congress. If they lived anywhere else, they would get about one-third of the salary they receive here in the

District of Columbia, and they would pay about three to five times as much taxes, if not more, than they pay here.

In another speech, which I am preparing, I intend to show you colleagues just how communism has crept into our public schools of Washington, and how an attempt was made between 1929 and 1934 to communize all of the schools of the United States through a commission that was appointed by the American Historical Association.

Now, one other matter and I am done.

Mr. ZIONCHECK. Mr. Chairman, it is 3:30.

The CHAIRMAN. The gentleman from Texas has 1 minute remaining.

Mr. BLANTON. Mr. Chairman, here is a book that is in every library and branch library in Washington. Under the law the libraries of Washington are made a part of the school system. This is the vilest, most indecent, most blasphemous book that was ever published. And over here in the Southeast Library it has been taken out so much that the cover is worn off and it is now being rebound. It ought to be barred from sale and run out of the country. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1937, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived, shall be credited wholly to the District of Columbia, and, in addition, $2,700,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1936, and all of the remainder out of the combined revenues of the District of Columbia, namely:

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, strike out "$2,700,000" and insert in lieu thereof "$1."

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ZIONCHECK. Mr. Chairman, it makes me, as one Member of this House, tired and resentful to have the chairman of the subcommittee on this particular bill get before this House, rant and rave about things, and never do anything about it. The gentleman has been in Congress 18 or 20 years. All these conditions he is talking about and ranting about have been going on all this time, and he has not found them all out yet. I wonder when the gentleman from Texas is going to stop talking, stop shouting, and start thinking and doing something.

Mr. MILLARD. Did the gentleman say "stop thinking?"

Mr. ZIONCHECK. No; I want him to start.

Mr. BLANTON. Let us let the Members vote on that.

Mr. ZIONCHECK. No; the Members will not vote on that The gentleman knows the rules of the House, does he not? The gentleman knows the rules of the House better than any Member here, and he violates them more than any other Member, and knows when he is violating them.

Now, I will get down to the subject of the amendment. By the way, and incidentally, I do not think all this investigation about taxes would have started except I heard about low tax payments and investigated the taxes of some hotels and other places, then introduced a resolution, and then the gentleman from Texas [Mr. BLANTON] gets busy in the committee and asks a few questions; but he did not know this was going on. What does he think about it now? If he would only stop ranting around, dragging a red herring about, you know, trying to get people off the trail, and do a little more thinking, as I have said—because he has a lot of energy if he would only apply it properly. [Laughter.]

I do not usually speak in this vein, but I was a little resentful because the gentleman from Texas promised to give me 10 minutes; in fact he asked me if I wanted time; and when I asked for it he would not give it to me, tried to tell me he promised it to me yesterday. I did not ask for time yesterday because I did not have a speech on this subject prepared and why should I ask for it? So much for the gentleman from Texas.

I am serious about this particular amendment. I have another one to offer. If you do not accept this amendment you may accept the other one. In the city of Seattle, a city comparable with Washington in population but far larger in area, for you have only 10 square miles—its tax budget for 1936 is less than $8,000,000; yet a budget is presented for the city of Washington, D. C., of $42,000,000. Still they shout because we cut the Federal contribution $3,000,000. At the same time these poor bedeviled Commissioners are in a quandary because they have $3,000,000 in the Treasury down here they do not know what to do with. Did you know that? The gentleman from Texas [Mr. BLANTON] will not deny that, will he?

Mr. BLANTON. I have not been listening to the gentleman. [Laughter.]

Mr. ZIONCHECK. Well, if the gentleman would listen he might be enlightened. Personally I am opposed to any contribution on the part of the Federal Government to the District of Columbia, and to let the District handle its budget, taxes, and expenditures.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

Mr. BLANTON. Mr. Chairman, time has been fixed on this paragraph, and the committee desires to be heard on the amendment.

Mr. ZIONCHECK. Mr. Chairman, then I offer another amendment.

The CHAIRMAN. The Chair would remind the gentleman that an amendment is pending.

Mr. BLANTON. Mr. Chairman, I ask for recognition against the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. BLANTON. Mr. Chairman, I am one of those who believe that the Government should not contribute one dollar to the upkeep of the District of Columbia. I have felt that way for a number of years. There were other members of our committee who felt as I do. However, there was one member who thought that we should contribute as much as $2,700,000 this year anyway. We agreed to go along with him and have a unanimous report. A unanimous report has been brought in here and every member of our committee stands solidly together like a phalanx for this bill. When I make an agreement with my colleagues I keep it. I do not make an agreement in committee and then get up on the floor and violate the agreement.

Ordinarily I would vote for this amendment, but I am going to ask my colleagues to vote it down so that we may be fair with the other members of the commitee in connection with the agreement we made with them. There will come a time when all this contribution will be taken away, and, in my judgment, it will be next year.

Mr. Chairman, answering the gentleman from Washington, who thinks more deeply, he says, than I do, passing a bill finally is not a question of what this House does about the bill. It is what the other body agrees to. Last year we fixed, by unanimous consent of the committee and House, the Federal contribution at $5,700,000. The bill went to the Senate and they added over $3,000,000 to the Federal contribution. They held us up nearly 2 months before they would agree to eliminate their $3,000,000 increase. We conferees for the House never gave in, I may say to the gentleman, but we held to our own figures as to the Federal contribution, and we allowed only $5,700,000, which the Budget then authorized.

We have cut the Federal contribution from $5,700,000 to $2,700,000, and if we were to reduce that sum, agreed upon by the Committee on Appropriations, we would go to the Senate with a divided committee. We would have our House conferees divided. We would be in no position to withstand the onslaughts of the Senate. If the Senate does as it usually

does, it will increase this Federal contribution to $8,700,000, and with our conferees divided we would be helpless before them. But by keeping faith with our subcommittee, and keeping our committee together and undivided, and keeping our conferees together as a unit, we shall be able to make the proper kind of a fight in conference to hold this Federal contribution in line with what is just and fair to the people of the United States and also to the people of the District of Columbia.

Mr. Chairman, I have been fighting here on this one item for 16 years before my friend came to Congress. During such time we have reduced this one item many millions of dollars annually. If he will go back and look over the records, he will find I have accomplished something for economy. He will find many fights I made here to stop bills which carried large sums of money, and did stop them. When he revises his remarks he will feel restrained to take out all those nasty little references he made about me.

May I say this to the gentleman from Washington: He came to me yesterday and asked for 10 minutes. I put him down for 10 minutes. I had not spoken on the bill. The gentleman from Pennsylvania [Mr. DITTER] had not spoken on the bill. The gentleman from Iowa [Mr. JACOBSEN], a member of the committee, had not spoken. The gentleman from West Virginia [Mr. JOHNSON] had not spoken on the bill. But I put down the name of the gentleman from Washington, and when I reached his name I called for him. He knows he had to be off the floor. He knows he had to be away. He could not be on the floor at that time. I then crossed his name off, as you or anyone else naturally would, when he did not respond. When I reached him in his turn and he could not use the time I marked him off. When he came to me this morning and requested this time I said if I could find time I would give it to him.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: On page 2, line 7, after the word "addition", strike out the figures "$2,700,000" and insert in lieu thereof "$5,700,000."

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 17, noes 54.

Mrs. NORTON. Mr. Chairman, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

Mr. BLANTON. That will not secure a vote on the amendment, I will say to the gentlewoman from New Jersey. It will produce a quorum only.

Mrs. NORTON. That is all that is necessary.

Mr. BLANTON. Mr. Chairman, on that vote I demand tellers.

The CHAIRMAN. Does the gentlewoman from New Jersey withdraw her point of no quorum?

Mrs. NORTON. No. I insist on the point of order. I made the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The amendment was rejected.

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, after the dollar sign, strike out "$2,700,000" and insert in lieu thereof "$1,000,000."

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to address the House on this amendment.

The CHAIRMAN. The time for debate on this paragraph has been fixed, and all time is exhausted.

The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

The Clerk read as follows:

Purchasing division: For personal services, $57,000.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not entirely certain that I am within the rules, but I beg the indulgence of the Committee for about 3 minutes.

I was much interested in the statement made by the chairman of the subcommittee at the beginning of his remarks, in which he described a certain order alleged to have been issued by the Chief of Staff of the First Corps in France shortly after the armistice. The order was to the effect that soldiers who were found in possession of stolen or pilfered property were to be publicly horsewhipped.

Mr. Chairman, this incident, or alleged incident, was brought to the attention of the subcommittee of the Committee on Military Affairs of the United States Senate, as I recall, 15 years ago, or more, on the instance of the late Senator Watson, of Georgia. It turns out no such order was ever issued. There is no record in the papers of the First Corps or in General Dickman's papers or those of the then Chief of Staff, Colonel Craig, that any such order was ever published.

It is true there had been some pilfering going on around headquarters, and even the general's belt was stolen one day off the back of a chair by some nimble-fingered person.

It is barely possible that some officer, unknown to those in authority, either the major general commanding the corps or the Chief of Staff, wrote this thing out, partly as a joke or partly as a threat, and it may have lain upon the desk of the adjutant of the corps. But as to its being issued, no such thing was ever done, and had it been issued, of course, on its face it was completely illegal and ridiculous.

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

Mr. WADSWORTH. I will.

Mr. BLANTON. The evidence was that one of the officers in whose hands this order was placed had it photostated and later gave it to this paper in San Antonio.

Mr. WADSWORTH. True enough.

Mr. BLANTON. And it was published, and there was never a denial of its issuance.

Mr. WADSWORTH. Yes; it was denied in this investigation about 15 years ago.

Mr. BLANTON. There was not a denial down there in San Antonio.

Mr. WADSWORTH. They could not go everywhere to deny it.

Mr. BLANTON. And there were a lot of officers there who served with that organization. And the photostat shows the official seal of "Headquarters, First Corps Area", and is attested by the adjutant.

Mr. WADSWORTH. It was published in the San Antonio paper, but not to the First Corps in France.

The Clerk read as follows:

District of Columbia Unemployment Compensation Act: For the contribution of the District of Columbia under the provisions of section 5 (a) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat., p. 946), $125,000.

Mr. ELLENBOGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN: On page 9, line 19, strike out "$125,000" and insert "$162,500."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

Mr. ZIONCHECK. Mr. Chairman, I object.

Mr. BLANTON. Then, Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ELLENBOGEN. Mr. Chairman, may I have the attention of the gentleman from Texas?

Mr. BLANTON. The gentleman always has my attention.

Mr. ELLENBOGEN. I thank the gentleman.

I believe the Committee on Appropriations for the District of Columbia made a mistake with respect to this item, and I am referring to page 9, line 19.

Mr. BLANTON. I can explain this to the gentleman in just half a second.

Mr. ELLENBOGEN. I will yield to the gentleman in a moment.

This item provides an appropriation for the contribution of the District of Columbia to the unemployment-insurance fund of $125,000. The law we passed last year does not go by fiscal years, but by calendar years, and provides in section 5 of the act which we passed establishing an unemployment-insurance fund for the District of Columbia——

Mr. BLANTON. On that, if the gentleman will yield a moment, I can tell him the facts and I am sure he will not have any complaints. The gentleman will find provision for this matter until July 1 in our next deficiency bill.

Mr. ELLENBOGEN. No; there is no such provision in the deficiency bill.

Mr. BLANTON. How does the gentleman know? The bill has not been reported.

Mr. ELLENBOGEN. I refer to the deficiency bill that we passed sometime ago.

Mr. BLANTON. The next deficiency bill that will come in later will provide these funds until July 1.

Mr. ELLENBOGEN. In view of the gentleman's statement, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The amendment was withdrawn.

The Clerk read as follows:

For purchase, installation, and modification of electric traffic lights, signals and controls, markers, painting white lines, labor, maintenance of non-passenger-carrying motor vehicles and such other expenses as may be necessary in the judgment of the Commissioners, $63,000, of which not less than $25,000 shall be expended for the purchase, installation, and modification of electric traffic-light signals: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining street-car loading platforms and lights of any description employed to distinguish same.

Mr. ZIONCHECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, lines 1 and 2, after the sign, strike out "$63,000."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this paragraph close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. ZIONCHECK. I object.

Mr. BLANTON. I withdraw that request, Mr. Chairman, and move that all debate close in 10 minutes.

Mr. MAVERICK. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. Is that motion proper before there has been some debate?

The CHAIRMAN. It is not.

Mr. ZIONCHECK. Mr. Chairman and ladies and gentlemen of the Committee, there is not a town in the United States that has so many traffic lights in so many places where they are not needed and being operated in so insane a manner that will jeopardize life and limb and impede traffic as there are in Washington.

Why do they have so many traffic lights that cost the poor taxed people a thousand dollars a corner? It costs $20 or $30 for the maintenance of these lights. The Washington, D. C., light bill and the bill for operating the traffic signals is $981,000.

Mr. MARTIN of Colorado. Will the gentleman yield for an illustration?

Mr. ZIONCHECK. If the gentleman makes it short and snappy.

Mr. MARTIN of Colorado. At Virginia Avenue they put in five traffic lights in four blocks.

Mr. ZIONCHECK. Yes; and they want $63,000 in this bill to buy more traffic lights.

Mr. MICHENER. Would the gentleman do away with all the traffic lights in the city?

Mr. ZIONCHECK. Oh, no; but I would put up stop signs in place of many of the traffic lights. If you come to a stop sign you stop, and if there is no traffic you go ahead, instead of waiting for minutes for the light without anybody or thing crossing in front of you. It is ridiculous.

Let me adopt the way of the gentleman from Texas and say, Is there anyone here that says that he could not get from one place to another in this city with facility and with safety if these lights, or most of them, were removed? No one answers. The gentleman from Texas ought to look into this.

The gentleman from Texas says he would have twice as many lights; he would have them on the trees and telephone poles.

The city of Seattle—and I am proud of the town I represent—I think that city would have 100 lights and the rest stop signs. The traffic is faster and there are fewer accidents than here. Mr. Van Duzer, the head of the traffic in this city, says the more lights we have the more lives are saved. He says there were more people killed year before last than last year.

Is that good reasoning or good logic? I read the testimony. What am I going to do about it, someone asks. I am trying to prod the gentleman from Texas to do something about it instead of talking about it. That is what I am trying to do.

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

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. If our friend from Washington [Mr. ZIONCHECK] had looked up the data on this bill and the hearings he would not have offered the amendment or made his speech. In the first place, instead of being $60,000 for lights, he will find it is only $25,000, and page 37 of the estimates shows that.

Mr. ZIONCHECK rose.

Mr. BLANTON. I do not want to be interrupted.

Mr. ZIONCHECK. I am not asking the gentleman to yield.

Mr. BLANTON. I do not want to be interrupted, and I ask the Chair to rule whether or not the gentleman from Washington is in order.

Mr. ZIONCHECK. I am not asking the gentleman to yield. I am just standing here doing nothing. Has the gentleman got a complex?

Mr. BLANTON. Will the Chair rule whether or not the gentleman is in order.

The CHAIRMAN. He is not in order.

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. Will the gentleman kindly take his seat?

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ZIONCHECK. I was doing nothing; he brings this up; and I think the Chair cannot rule on something which does not exist.

The CHAIRMAN. The Chair rules that the gentleman from Washington must be in his seat when the other gentleman has the floor.

Mr. ZIONCHECK. In other words, I am supposed to sit down?

The CHAIRMAN. Yes.

Mr. BLANTON. Mr. Chairman, as I said before, the gentleman is mistaken in saying that there were $60,000 for lights, when only $25,000 are appropriated. If he had read page 171 of the hearings he would have seen the report by Mr. Van Duzer, the director of traffic, which I quote as follows:

Our accident records show that after lights are installed accidents decrease. Last year, on Pennsylvania Avenue, our records

show that only 30 percent as many accidents occurred after the lights were installed as during the same period previous to the installation.

In other words, by installing the lights about which the gentleman speaks so feelingly, we decrease accidents about 30 percent. If we can decrease accidents 30 percent and decrease the death rate in Washington from accidents, this money is well spent. I wish we had three times as much money to give for lights.

They have the finest traffic-light system in the world in New York City. You can start in with your lights as you come in and never stop until you get downtown. If you start with the lights here on Sixteenth Street you can go from the White House out 5 miles to the Maryland line without ever stopping your car, if you drive according to the rules prescribed by the traffic department.

Every member of our subcommittee was in favor of this provision. We took this matter up in the main committee and there was not a vote against this item in the main committee. I do not think it is necessary to argue this point any further. I think you gentlemen will have confidence in your committee that passed on this matter. We heard the evidence. We see the necessity for this matter. We saw that it was decreasing the accidents, and we saw that it was saving the property for the people and saving human life. There are streets here, like Sixteenth Street and Thirteenth Street and Fourth Street and First Street NW., where you could not cross at certain hours in the morning or the evening unless there were traffic lights there. There is a continuous stream of cars running north or south, and unless there were traffic lights there during those congested periods, people who were going east and west could not cross those streets at all. You would have one-way traffic for an hour and a half in the morning and one-way traffic for an hour and a half in the evening. The traffic lights are what give all the people an equal chance to use the highways of the District of Columbia. I submit that I do not think the committee will consider the amendment well taken, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 1, noes 34.

So the amendment was rejected.

The Clerk read as follows:

For personal services, $97,380.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word. Does the gentleman now want to make a motion to limit debate? I yield to the gentleman to make such a motion to limit debate to 5 minutes or 10 minutes or 15 minutes.

Mr. BANKHEAD. Mr. Chairman, let us have the regular order.

Mr. ZIONCHECK. Mr. Chairman, I have very hurriedly made a comparison of the present Budget item for the District of Columbia with similar items for the great city of Seattle. These figures are subject to some correction. They are as accurate as I could get them in the time I had at my disposal. For the executive department in the city of Seattle there is appropriated $13,000, while in the District of Columbia there is appropriated $47,000. For corporation counsel, city of Seattle, $72,000; District of Columbia, $99,000. Understand that the city of Seattle has about the same population as the city of Washington, and twice the area. Police court in Seattle, $20,699. Here it is $1,815,660. Of course, one million of that is for the new courthouse.

For police, in the city of Seattle, with twice the area and with a lot of bad people that TOM BLANTON is so afraid of, we spent $1,076,411.

Mr. BLANTON. I am not afraid of anybody in Seattle or Washington.

Mr. ZIONCHECK. Mr. Chairman, I do not yield. The gentleman will sit down.

In the District of Columbia, comparatively speaking, you have $3,626,670—three times as much, with half the area and twice as much crime.

Fire department of the city of Seattle, $1,196,000. Here it is $2,474,000; and what have they got? A bunch of "puddle jumpers." We have a fire department in Seattle. The underwriters claim it is the best in the country—if not exactly the best, it is second best. St. Louis or some other town claims first place. We have the best, I think. When a fire breaks out we get going. These "puddle jumpers" in Washington cannot go over 22 miles an hour. The little whistles which they have sound like toys or something, and they are spending twice as much.

Health, in Seattle they spend $439,000. Here it is $484,000.

Garbage collection—this is a sweet item—in the city of Seattle, with twice the area, and the garbage is collected; there are no flies. Everything is first-class. They spend $376,000, and the garbage is collected two or three times a week. What do they pay here? One million three hundred and sixty thousand dollars, and then it is not collected half the time.

Buildings in Seattle, $330,000. Here, $908,000.

Streets and sewers in the city of Seattle, $402,000. Here it is $3,624,000, and you have to watch yourself going down the streets for fear you will fall into a hole. They do not have any streets here to speak of. We have streets in Seattle. Just think of it, for $402,000, and here you are spending $3,624,000. Nice economy! You are certainly saving the taxpayers' money.

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

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLANTON. Mr. Chairman, I object.

Mr. ZIONCHECK. I thought you would.

Mr. BLANTON. We want to get along with the business of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. ZIONCHECK. I withdraw the pro-forma amendment. There was no amendment, Mr. Chairman.

Mr. BLANTON. It has already been voted down.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For rent of offices of the recorder of deeds, $12,600.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Now, I will finish my speech, Mr. Chairman.

Parks in the city of Seattle, where we have the finest parks, real parks, although they are not bad here, $473,000.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman must confine his argument to the last word.

Mr. ZIONCHECK. What is the last word? I do not know what it is.

The CHAIRMAN. The last word is "deeds." The gentleman will proceed in order.

Mr. ZIONCHECK. This is a deed I am performing.

Mr. BLANTON. We want to get along with this bill, and that is the only reason I am making the point of order. I ask that the Chair enforce the rule.

Mr. ZIONCHECK. I will confine myself to deeds. I want the gentleman from Texas to know I am rendering a very fine deed by telling him about this, because he is being better informed.

Now, coming down to deeds, I do not know whether they deed things to parks or not, but in the city of Seattle whether they deed them or not, there are $473,000 spent for the parks. What do they spend here? One million six hundred sixty-five thousand two hundred and ten dollars. Then, of course, we are very cautious back home. So we have an emergency fund. They go over the budget sometimes. How much? One hundred twenty-five thousand dollars; but they do not need it here, because they come in for a deficiency. Where have I heard that word before? Is that a deed for you?

Street lighting in the city of Seattle, $375,000.

Mr. BLANTON. Mr. Chairman, I make the point of order, because the duty devolves upon me to protect this bill.

Mr. ZIONCHECK. Mr. Chairman, the chairman of the subcommittee is becoming obstreperous.

The CHAIRMAN. Let the Chair make a statement. The subject matter before the committee has to do with deeds in the District of Columbia. The gentleman will proceed in order.

Mr. ZIONCHECK. Yes, Mr. Chairman.

Street lighting in the city of Seattle, $375,000; and here it is $981,000.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ZIONCHECK. That is my good deed for today.

The Clerk read as follows:

CONTINGENT AND MISCELLANEOUS EXPENSES

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed $1,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of $6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; $26,000: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for printing or binding a schedule or list of supplies and materials for the furnishing of which contracts have been or may be awarded.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

I rise at this time, Mr. Chairman, to discuss my own personal views relative to the so-called teaching or advocacy of communism in the District of Columbia schools. I do it at this point in the reading of the bill simply because I may not be able to be upon the floor at the exact time the actual sections relating to the public schools of the District of Columbia are under discussion.

While in my home city last fall I addressed the following letter to the president of the Board of Education, which I shall read:

ELKINS, W. VA., *October 24, 1935.*

MRS. HENRY GRATTAN DOYLE,
President, Board of Education, Washington, D. C.

MY DEAR MRS. DOYLE: I have just had brought to my attention, through stories published in the Washington newspapers, the fact that the Board of Education has given its support to the teaching of communism in the schools of the District of Columbia.

On reading these reports I experienced not only the personal feeling of deepest disappointment at such action, but there came almost simultaneously a determination to do everything within my power to change this ruling. I feel a grevious error has been made which is far more reaching in its damaging consequences than we at this time can possibly know.

The danger line is so close, between the teaching on one side and the advocacy on the other, that I am certain the former merges into the latter in the presentation of communism.

In the National Capital should be the last place, although it should not be countenanced anywhere in our Republic, that the damnable doctrines of sovietism are allowed to be taught.

We need not fear so much the physical attacks against our democratic institutions from without, as much as we need to guard against the boring from within. I am sincerely hopeful that further study of your action will reveal the need for revoking the recently adopted policy of allowing Communists to enter the opening wedge in their insidious campaign for the overthrow of our homes, churches, and schools—the institutions which America has fostered and which have made our Nation great.

I write this letter not in a spirit of criticism but only because of my earnest desire to present the facts as I see them.

At the coming session of Congress I shall make every right and proper attempt to focus the attention of my colleagues on the need for corrective legislation, if necessary. This letter explains my sincerest views in my capacity as a member of the District of Columbia Committee and also as a former teacher.

I plan to return to Washington for a few days within the near future, and at that time I trust I shall have the opportunity of discussing personally with you and the other members of the Board, as well as the superintendent of schools, the serious aspects of this problem.

Very sincerely yours,

JENNINGS RANDOLPH, M. C.

[Applause.]

I have risen at this time—and I do not ask the further indulgence of the Committee—simply to say that I was a teacher for 7 years before coming to this body, and this letter expresses the actual and deep feeling brought from the experiences of those years and the contacts with those students whom I desired to help and encourage as they prepared themselves to enter upon the active duties of life.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. JOHNSON of Oklahoma. May I observe that, in my judgment, the gentleman's letter expresses the opinion of practically every Member on both sides of this aisle. I commend him for his stand on this important matter. [Applause.]

Mr. RANDOLPH. I thank the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I am wondering if the gentleman received a reply to his letter and, if he did, if he will not give the members of this Committee the benefit of the reply.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

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

Mr. RANDOLPH. I yield.

Mr. FITZPATRICK. Would the gentleman object to a teacher's explaining the different forms of government throughout the world, including communism?

Mr. RANDOLPH. No.

Mr. FITZPATRICK. After all, we need light; and I understand that under the present law teachers can explain the different forms of government.

Mr. BLANTON. Yes; they can do that now. The corporation counsel has held they can do that now.

Mr. FITZPATRICK. But we do not want them to advocate to the youth of our land anything contrary to the principles of the Government of our country. [Applause.]

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

Mr. RANDOLPH. Yes.

Mr. ZIONCHECK. The rider that the gentleman from Texas had put on the District appropriation bill last year contains the language "advocate and/or teach." I do not know whether the disjunctive is right. Why did the gentleman use the phrase "advocate and teach" if the word "advocate" means to teach, as the gentleman from Texas claims it does?

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

Mr. RANDOLPH. I yield.

Mr. BLANTON. Webster's Unabridged Dictionary states that "to teach" means "to advocate"; and it states also that "to advocate" means "to teach." That is the answer.

Mr. ZIONCHECK. Then why did the gentleman use the phrase "advocate and teach" if these words are synonymous?

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

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I want to be fair to all the Members wanting to ask questions. I ask unanimous consent to proceed for 2 additional minutes.

Mr. BLANTON. Mr. Chairman, I shall not object to this extension but I shall object to any further extension.

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

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I yield to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. I ask this question not in any attempt to batter down what the gentleman has said or to embarrass him at all; I am serious and conscientious about it. I want to know, if the gentleman were asked to sign this statement every 2 weeks, what factors he would take into consideration

of the subject matters presented by him in his class to determine whether he had taught communism? Suppose the gentleman quoted or read from this book that was referred to, or had been asked by one of his students to comment on one of the statements made in this book, which is supposedly communistic, would the gentleman think that by discussing this point with the student by saying that there was a probability or a possibility the author was correct in what he wrote, he would thereby have taught communism?

Mr. RANDOLPH. I may say to the gentleman from California that I realize there is in this House a certain group of men who may be called liberal, and I have always tried to be a member of this group. I may say to him further, however, that I am so well grounded in the fundamentals of Americanism, as I realize those fundamentals, that I feel that every statement I have made in this letter is proof of my positive position upon this question.

Mr. SCOTT. I grant the gentleman that. One further question, if I may: If the child in the gentleman's class said to the gentleman that he did not have any breakfast because his father did not have a job, how would the gentleman explain it?

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

Mr. MILLARD. Mr. Chairman, I object.

The Clerk read as follows:

For printing and binding, $40,000, and the last proviso of this paragraph shall not apply to work which can be performed at a lower cost in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.: *Provided*, That no part of the appropriations contained in this act shall be available for expenditure for printing and binding unless the need for such expenditure shall have been specifically approved by the Commissioners of the District of Columbia, or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners: *Provided further*, That no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I should like to congratulate the District Committee on Appropriations for having awakened the Congress of the United States and the people of the District of Columbia to taxes and tax problems, as well as to the District needs. There may be a great deal of criticism as to the cut in the Government appropriation for the District, as to the manner of making these cuts, and the departments in which the Budget decreases were made. However, it seems necessary to me that the Congress of the United States and the people of the District of Columbia should be awakened and understand something about the services they receive and the price they pay for it. Certainly the District Committee has brought this before these people.

Personally I am opposed to any cuts being made in the Budget that has to do with the health and welfare of the people. Neither do I believe that it is necessary to cut wages in any of the departments, but from some experiences I have had in my home city and county I know that these things are not necessary to bring about lower budgets and less taxation.

For the benefit of the study of the Congress, I am going to submit some figures as to departmental costs of the city of Seattle—a city with approximately the same population as that of the District of Columbia. In making the comparisons I wish the Congressman to note this point especially: That the city of Seattle has twice the area in square miles as that of the District of Columbia, necessitating in the fire department, the police department, the health department, and garbage collections the covering of a greater distance, necessarily causing more labor for these departments.

You will note that the police department's budget is nearly three times that of the city of Seattle. The same is true of the fire department, and the fire department of Seattle is regarded by fire underwriters as the second best department of any city in the United States. In Seattle we have only seven men in its government receiving over $5,000 a year. Here you have so many I have not been able to get a correct check on it. In 1933, in King County and the city of Seattle, county bonds were selling at 85 cents on the dollar; employees in cashing their warrants had to accept this kind of a reduction. Two Democrats were elected to the board of county commissioners.

Both these gentlemen, John C. Stevenson and Louis Nash, were students of government. In 3 years' time they have reduced the assessments on every home in King County and Seattle 20 percent; they have increased the wages of the employees from 10 to 20 percent. Today the county is functioning under a 10-mill limit instead of an 18-mill limit of 1932; they have taken care of the relief burden of the indigent poor, produced efficiency in every office, and King County bonds are at a premium of $102 today. This was brought about by efficiency in making purchases and the spending of the peoples' money on the streets and road and bridge maintenance.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, I shall not object in this one instance, but I will hereafter object to any further extensions. We must proceed with this appropriation bill.

There was no objection.

Mr. ZIONCHECK. Mr. Chairman, the city of Seattle's budget for 1936 is $8,048,598, which includes the items as listed here, interest charged on debts not listed, and maintenance and repairs to public buildings and roads not listed; $4,914,042 is to be derived from general taxation, the balance from fines, licenses, and occupational tax.

In comparing the city of Seattle and the District of Columbia, it is my honest belief that if the residents of the District will assist the District Committee on Appropriations, thoroughly equalize the taxes, stop expensive expenditures that are not needed other than for public welfare, see that they receive one dollar of value for every dollar expended, and give the assessor of this District an additional force to check and bring about tax equalization.

By the way, the gentleman from Pennsylvania [Mr. DITTER] did not mention the fact that there is no way of collecting personal-property taxes in the District. The Wardman Park Hotel has not paid a personal-property tax in 10 or 15 years. The Carlton Hotel has not paid their personal-property tax for certain years, and others have not paid their personal tax. They are all dodging taxes and are not paying them. The ones that are the biggest tax dodgers are the ones who put up the biggest squawk.

The District of Columbia will need to ask nothing of the Government of the United States and can reduce their budget by 20 percent and can maintain a surplus. Perhaps there would be some argument that the Government should pay into the District fund, regardless of how low the Budget may go.

To you Congressmen I would say that I am sure the city of Seattle will furnish you with ground and that you may bring the Capital of the United States to Seattle, where we have a climate that all the Government people will certainly enjoy, and we will not tax you a cent for the upkeep of the city.

I was back there this winter and by the 15th of January the thermometer had not gone below 42 above zero. In the summer it never gets above 85 or 90 and you have to use blankets to sleep under during the night. It snows there once in 2 or 3 years. It is delightful. You are healthy. Look at me. We will help build the necessary buildings if the Capital is moved there. I understood a few years ago they were offered $500,000,000 to move the Capital. If the people down here do not want the Capital, we can move. You can move to a place that is much nicer than this place, where you freeze in the wintertime and sweat in the summertime. It is a perpetual Turkish bath. It is terrible.

Comparative statement

	Seattle	District of Columbia
Mayor	$13,536	$47,400
Corporation counsel	72,781	99,520
Police court	20,699	1,815,660
Police	1,076,411	3,626,670
Fire	1,196,729	2,474,120
Health	439,501	484,170
Garbage collection	376,000	1,360,360
Building	330,752	908,410
Streets and sewers	402,735	3,624,821
Park	473,273	1,665,210
Emergency fund	125,000	
Street lighting	375,000	981,100

And in conclusion, you will note in the Hearst papers that William Randolph Hearst is taking sides with high taxes and expenditures in the District in his editorials and in his articles. In Seattle, Wash., where we have only a few Government employees, the Post Intelligencer on September 18, 1935, page 10, in an editorial by William Randolph Hearst, under the heading "Bloated Tax Eaters", advises the immediate discharge of hundreds of thousands of employees. This certainly ought to prove to anyone that they should not believe the editorial policy of the Hearst newspapers. In Washington, D. C., the Government employees are wonderful to William Randolph Hearst. In Seattle they are "bloated tax eaters", who should be discharged immediately.

[Here the gavel fell.]

Mr. MARSHALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have sat here this afternoon and on other occasions and listened to the many speeches which have been made in regard to the teaching, or perhaps I should say the alleged teaching, of communism in the District.

I do not know whether there is more communism taught in the District of Columbia than elsewhere in the country or not. There should be none, and I hope there will not be a continuation of such instruction if it is being carried on.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I will yield in just a moment.

The thought I want to get across is this: The simplest way to prevent the teaching of communism here or elsewhere is to employ teachers who do not believe in communism. [Applause.] In this instance here I am informed that the teachers are appointed by the Board of Education and that the Board of Education is selected by the courts of this District, and they, in turn, are appointed by the President of the United States; and it is my thought that you cannot, by legislation, control the teaching of communism, because if you hire an instructor who believes in communism, you can lay down no rules of conduct on his part which he cannot very easily transgress and get across the doctrine in which he believes. So to my mind the only way you will ever control the teaching of communism here or elsewhere is to weed out from the teaching force the ones who believe in communism.

I now yield to the gentlewoman from New Jersey.

Mrs. NORTON. I simply wish to tell the gentleman that there has never been a complaint from a single parent in the District of Columbia with regard to teaching communism in the public schools here. I think the talk we have heard about communism in the schools is entirely unnecessary, and if the gentleman will follow the hearings that are now being conducted with regard to what they call the little red rider, I think he will be convinced there is really no communism being taught in the public schools of Washington, and there is no evidence to indicate that there ever has been.

Mr. MARSHALL. I thank the gentlewoman for the information. I am suggesting a way to rid the schools of this influence if it exists.

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

Mr. MARSHALL. I yield.

Mr. BLANTON. The evidence before our committee shows that we have a stack of complaints in this file that from time to time parents of school children have made against practices constituting communism; and I want to say to my friend from Ohio, in spite of what the gentlewoman from New Jersey has said—and I think I have given more attention to it than she has in the 20 years I have been here—there was one teacher in the Western High School a few years ago who was suspended by the Board of Education for being an anarchist.

Mr. MARSHALL. Will the gentleman let me ask him the question whether or not the gentleman agrees with me that the whole matter can be healed better in the way I stated than by the enactment of legislation?

Mr. BLANTON. I think you are going to have to begin at the very apex of the school system and go down the line.

Mr. MARSHALL. The President of the United States is the apex of the school system here.

Mr. BLANTON. No; the real apex is the superintendent of schools.

Mr. MARSHALL. He owes his position to the President of the United States.

Mr. BLANTON. The superintendent of schools has had his own way with the Board of Education. We are going to have to do for him what he said he was going to do for the teachers here, and that is to put in his bosom a new and different philosophy of education than what he has in his bosom now.

Mr. MARSHALL. Into whose bosom?

Mr. BLANTON. The superintendent of schools.

Mr. MARSHALL. Why do you not fire him?

Mr. BLANTON. We do not have the power to fire him.

Mr. MARSHALL. The whole thing goes back to the appointing power, which is the President of the United States.

Mr. BLANTON. No; the President has no authority to discharge him. I want my friend to read all the evidence of the superintendent of schools in the hearings and also read all the evidence of Mr. George Jones, his professor of history, who prepares the bulletins for social studies, and he will then ascertain that the superintendent of schools is responsible.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I rise in opposition to the amendment.

Does the gentleman from Texas feel that that little "red rider" put upon an appropriation bill would inculcate within the bosom of this superintendent of schools a different social philosophy or a different economic philosophy?

Mr. BLANTON. Will the gentleman let me answer him?

Mr. ZIONCHECK. Yes; surely.

Mr. BLANTON. It stops the superintendent from indoctrinating his "new philosophy of education." At present there is no law that would prevent a teacher from explaining to a pupil that communism means there is no church, there is no God, there is no such thing as religion, there is no such thing as national honor, which Stalin preaches to Russian children.

Mr. ZIONCHECK. Now, I refuse to yield for a political speech for Texas.

Mr. BLANTON. Teachers here can explain that now to the children, which the corporation counsel has explained in his opinion.

Mr. ZIONCHECK. I do not yield for a political speech, because I do not believe that the gentleman from Texas knows what communism is. What is it?

Mr. BLANTON. I am not a Communist, but I know a lot about Communists and communism.

Mr. ZIONCHECK. What is the philosophy of communism, if you know—if you are an authority?

Mr. BLANTON. I will answer the gentleman in my own time.

Mr. ZIONCHECK. Now, I will tell you what it is.

Mr. BLANTON. I will ask, Mr. Chairman, that the gentleman observe the rules of the House.

Mr. ZIONCHECK. If the gentleman from Texas does not want to become enlightened——

Mr. MAVERICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Washington yield for a parliamentary inquiry?

Mr. ZIONCHECK. Yes; I yield for that purpose.

Mr. MAVERICK. As I understand, we are on the appropriation bill for the District of Columbia, but we are spend-

ing a lot of time talking about everything else. This bill is not on the philosophy of communism, but is on appropriations, and I want to make the parliamentary inquiry: Are we really following the rules of the House at this time and have we been?

Mr. ZIONCHECK. I think we are following the rules of the gentleman from Texas.

The CHAIRMAN. The Chair will state that the discussion must be confined to the matter in the bill.

Mr. MAVERICK. As a Member of the House I ask that for the rest of the day we follow that rule, because the new philosophy and the old philosophy and all the different philosophies have nothing to do with appropriations.

Mr. ZIONCHECK. I refuse to yield further and under the circumstances, I shall say no more and I shall raise a point of order if the subject is brought up again, because it is very evident there is nothing about communism in this bill, and there is no such red rider on this appropriation bill. That is permanent law now and must be repealed if we are to treat the teachers here as Americans should be treated.

The Clerk read as follows:

WHARVES

For reconstruction, where necessary, and for maintenance and repair of wharves under the control of the Commissioners of the District of Columbia, in the Washington Channel of the Potomac River, $3,000.

Mr. BLAND. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 25, after line 5, insert a new paragraph, as follows:
"For construction of piers at fish wharf and market, including approaches, preparation of plans and specifications and personal services, $20,000."

Mr. BLAND. Mr. Chairman and gentlemen of the Committee, when the District of Columbia appropriation bill was before the House last year I called attention to the need for this appropriation. In 1914 there were built three wharves for municipal purposes. These wharves consisted of two small wharves and one large wharf. In 1932 the large wharf had become so damaged that it was removed. These wharves are used for general commercial purposes and received large quantities of agricultural and sea-food products.

Mr. BLANTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. BLANTON. I want to say to the gentleman that every member of the committee was very sympathetic with this item. It was not recommended by the Budget, and there were so many other items that had priority that we did not include this item in the bill.

If the gentleman will get a Budget estimate and send it up now, we will put it on in the Senate. We had already exceeded the Budget estimate by items that we thought had priority. The members of the committee were sympathetic with the gentleman's item, and I hope he will withdraw his amendment and get the Budget to send up supplemental estimates.

Mr. BLAND. Will the gentleman give me the time he is using so that I may answer?

Mr. BLANTON. I shall not object to the gentleman having an extension.

Mr. BLAND. Last year I waited for just that thing and tried to get the item inserted in the Senate. The item was not inserted. This year I tried to get the Director of the Budget to approve it. I have a great deal of respect for the Budget Director, but I think we ought to exercise our own authority and our own judgment. The item is worthy and should be inserted now.

I do not feel that I should withdraw the amendment under the circumstances. It appears that there are three or four hundred people who are bringing agricultural and sea-food products to Washington, and making many trips every year. These boats used this large wharf. They bring fresh vegetables which they sell more cheaply to the people. That is not all. It is not a matter that relates only to the people coming up from my district, or from Maryland or North Carolina. When I discussed this item last year I presented a memorandum which I procured from the Commissioners. This memorandum stated that in the past a considerable quantity of lumber had been shipped to Washington by boat, but that present facilities are not adequate to take care of this business. Some of this lumber came from the Pacific coast and some from other points. The memorandum stated that there is ordinarily used in Washington about 50,000,000 feet of lumber per year from the Pacific coast. This lumber is now brought to Baltimore by boat and then shipped to Washington by rail. It is stated upon the same authority that a saving in transportation and handling cost of about $4 per thousand would result if there were sufficient docking space at Washington wharves for boats bringing this lumber from the western coast.

I submit that the city of Washington is entitled to have these docks and wharves that may serve its tributary area.

The statement also shows that the average amount of sugar before the destruction of this pier was about 6,000 tons per year, said to be more than one-half of the sugar used in Washington. The shipments of sugar by boat necessarily were discontinued after the large pier was demolished because of inability to furnish docking space.

Omit from consideration, if you will, the people coming from my section, coming up the Potomac, or from nearby points in Maryland or North Carolina, and still as a common sense proposition it must follow that the people of Washington are entitled to have the benefit of water-borne commerce and to have proper docking facilities to receive that commerce. All I ask is $20,000 for the restoration of the large wharf. The other two wharves are now said to be in worse condition than the large wharf at the time the large wharf was demolished.

Mr. BLANTON. Mr. Chairman, the committee is sympathetic with this item and there is a movement now to place the matter before the Budget. They are to pass upon the matter and if they send an estimate here it can be put in in the Senate.

Mr. BLAND. But it has been before the Budget for 6 years.

Mr. BLANTON. But there were so many things of greater priority that we did not feel that this ought to go into the bill inasmuch as we put some matters in above the Budget which the Commissioners said were very urgent and had greater priority. I hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 12, noes 18.

So the amendment was rejected.

Mr. BLANTON. 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. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 11851, the District of Columbia appropriation bill, and had come to no resolution thereon.

PICKETING FREE SPEECH—WHERE PLAGIARISM IS AN HONOR

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

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, we should not chide too severely the members of the National Americanization League for picketing the offices of the Columbia Broadcasting Co. on the occasion of Earl Browder's speech. The right to picket and also to appear ridiculous is an American right. But so is the right of free speech, and we can think of none other to which a body devoted to Americanizing the country should give more sympathetic attention.

Mr. Browder, to be sure, is a Communist whose avowed intention is to promote the formation of a national Farmer-Labor Party as a vehicle for the advancement of a com-

munistic program. And Communists have as little respect for free speech as they have for private property. Give them the power and they would abolish it forthwith. But democracy lives by the principle, and especially in such a case as this is it under the obligation to assert it. Could there be any better demonstration of our confidence in our own political philosophy and institutions?

COLUMBIA BROADCASTING CO. MAKES NO MARTYRS

There are other, perhaps more practical, reasons for applauding the Columbia system's lack of discrimination. "Columbia believes that the best way to make martyrs out of Communists is to gag them", said a statement in answer to the Americanization League's protest. Very well put. Speech is the traditional safety valve for political emotions. It should be permitted to operate over the air as in the press or any other medium of popular expression. Meanwhile, thanks to the liberation of Mr. Browder's utterances, we have had the antidote of an address over the same network from Representative HAMILTON FISH, Jr.

There is also the consideration of censorship. Up in New England several stations refused to transmit the Browder speech, while carrying that of Mr. FISH. There must be plenty of rugged individualists in that rock-ribbed region who thoroughly resented this dictation of their radio fare. We would paraphrase the Columbia statement by saying that the best way to make Communists out of such Americans is to forbid them the choice of their own intellects.

WHEREIN A REPUBLICAN PAPER, THE NEW YORK HERALD TRIBUNE, IS SHOWN TO BE RIGHT

Mr. Speaker, the words which I have used I have taken bodily from a New York Herald Tribune editorial page, March 7, 1936, and have adopted the wording as my own, with the exception that the first two words of the editorial were "we would", which I have changed to "we should." For that reason I have not merely inserted an editorial to be put in small type but have made it as my own speech and not as a quotation. I must acknowledge the inspiration, however, from the Herald Tribune.

I think that all of us must agree—conservatives, reactionaries, liberals, or what not—that freedom of speech must be maintained. For that reason, whenever I can agree to any statement made by a responsible, intelligent, and honorable newspaper like the Herald Tribune, although it is a Republican newspaper, I am glad to do it. This is one case of plagiarization which I openly admit and claim as an honor to myself, likewise hoping that it is an honor to the Herald Tribune itself to have its words placed in the CONGRESSIONAL RECORD.

AIRPORT FOR DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I present a conference report upon the bill (H. R. 3806) to establish a commercial airport in the District of Columbia for printing under the rule.

A STEP IN THE DIRECTION OF CURBING MONOPOLY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a copy of an opinion of the Federal Trade Commission today in the Sears-Roebuck-Goodyear tire case. It is one of the most important cases ever handled by the Federal Trade Commission, and I want to insert in connection with my remarks the findings of fact of the Commission, a statement of the conclusions, and a copy of the order to cease and desist.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

FEDERAL TRADE COMMISSION,
Washington, Thursday, March 5, 1936.

CEASE-AND-DESIST ORDER ENTERED IN GOODYEAR-SEARS, ROEBUCK & CO. TIRE CASE

Under an order entered today by the Federal Trade Commission the Goodyear Tire & Rubber Co., of Akron, Ohio, its subsidiaries, and their officers, agents, etc., are directed to cease and desist from discriminating in price between Sears, Roebuck & Co. and the respondent Goodyear's retail dealer customers by selling automobile tires to the said Sears, Roebuck & Co. at net realized prices which are lower than the net realized prices at which the said respondent sells the same sizes of tires of comparable grade and quality to individual tire dealers or other purchasers.

In arriving at the said net realized prices the order requires the respondent to "take into account and make due allowance, and only due allowance, for differences in the cost of transportation and selling tires to individual tire dealers on the one hand and Sears, Roebuck & Co. on the other." The order concludes by stating that nothing therein "shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers."

The order directs the respondent to file with the Commission within 30 days from notice thereof a report in writing stating in detail the manner in which the order will be "complied with and conformed to."

The order ends one of the most important cases ever to come before the Federal Trade Commission. The Commission's formal complaint against the Goodyear Tire & Rubber Co., issued under section 2 of the Clayton Act, was ordered on September 13, 1933, and was made public on October 18 following. Hearings were held for the taking of testimony in a number of cities, including Washington, D. C., and Akron, Ohio. Some months after issuance of the complaint, attorneys for the respondent entered a motion to dismiss the complaint on the ground that the evidence had failed to show the violation of the Clayton Act charged in the complaint. This motion was overruled by the Commission on June 22, 1934, and the taking of testimony was resumed.

Final argument was heard by the Commission in Washington, D. C., on January 14 and 15, last, at the conclusion of which the Commission took the matter under advisement.

At the same time that the cease-and-desist order was made public, the Commission made available a summary of its findings of fact and a statement of its conclusions.

The findings of fact showed that the Goodyear-Sears, Roebuck & Co. contract, which the Commission said was discriminatory, was entered into on March 8, 1926, on a cost-plus basis, was renewed on May 17, 1928, and again renewed on October 5, 1931, the latest contract to run until December 31, 1942. On the rate the last contract was entered into, the Commission said in its findings of fact, a secret agreement was entered into under which the Goodyear Co. assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common stock and also paid over to Sears, Roebuck & Co. $800,000 in cash to be used in the purchase of 32,000 additional shares of Goodyear common stock as a consideration for the signing of the third contract without opening it up to competition.

In its findings of fact the Commission found, among other things, that the gross discrimination in favor of Sears, Roebuck & Co. ranged from 32 to 53 percent.

That the net average sales-price discriminations, after deductions from dealer prices for discounts and allowances and transportation over the entire period, varied from 29 to 40 percent.

That the total net discrimination, after making the allowances referred to, amounted to approximately $41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to that of Sears, Roebuck & Co.

That the respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and that the competition which Sears, Roebuck & Co. was thus able to bring into the retail tire market was a major factor in driving out of business a large number of retail tire dealers, and that this reduction in the number of independent tire dealers in turn drove out of business numerous small tire manufacturers.

The price discrimination found to exist, said the Commission in its statement of conclusions, "was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly."

A summary of the Commission's findings of fact, a statement of its conclusions and copy of the order to cease and desist are attached hereto.

SUMMARY

The following is a brief summary of the foregoing findings:

1. Respondent, an Ohio corporation with principal office and place of business and principal manufacturing plants at Akron, Ohio, is the largest manufacturer and distributor of pneumatic rubber tires in the United States.

2. Respondent, since about 1914, has distributed the great bulk of its pneumatic rubber tires sold for resale in the several States of the United States through approximately 25,000 local retail dealers.

3. Sears, Roebuck & Co. is a New York corporation with its principal office located in the city of Chicago, State of Illinois, engaged in the distribution of general merchandise products, including pneumatic rubber tires and tubes, by mail order and through chain stores to the consuming public, and is reputed to be the largest mail-order house and chain-store operator in the United States.

4. On March 8, 1926, respondent and Sears, Roebuck & Co. entered into a contract by which respondent agreed to manufacture and to sell, and Sears, Roebuck & Co. agreed to purchase upon a basis of cost plus 6 percent (afterward 6½ percent), the requirements of Sears, Roebuck & Co. for a supply of the pneumatic rubber tires which it sold at retail. This contract with minor modifications was renewed May 17, 1928, and again October 5, 1931, and under the terms of the last renewal will remain in force at least until December 31, 1942.

5. On October 5, 1931, the date that the last tire contract was entered into, a secret agreement was made between respondent and Sears, Roebuck & Co. by which respondent assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common capital stock and gave to Sears, Roebuck & Co. $800,000 in cash to be used in the purchase of 32,000 more shares of Goodyear common capital stock as a consideration for the signing of the third tire contract without opening it to competition.

6. Under these several tire contracts, respondent has in fact, with minor exceptions, manufactured and sold to Sears, Roebuck & Co. its requirements of pneumatic rubber tires which it sells at retail.

7. Pursuant to the terms of these several tire contracts between respondent and Sears, Roebuck & Co., respondent has sold tires to Sears, Roebuck & Co. at prices substantially lower than it sold tires of comparable grade and quality to independent retail tire dealers. This difference in sales price has averaged, on four popular sizes of tire casings, from 32 to 40 percent in 1927; from 33 to 55 percent in 1928; from 35 to 45 percent in 1929; from 36 to 46 percent in 1930; from 35 to 50 percent in 1931; from 38 to 48 percent in 1932; from 35 to 53 percent in 1933. The average gross discrimination on these four sizes for the entire period of time from May 1926 to December 1931 was approximately 40 percent. On other sizes the gross discrimination over the entire period varied from 32 to 42 percent.

8. The net average sales price discrimination remaining after deductions had been made from the dealer prices for discounts and allowances and transportation over the entire period varied from 29 to 40 percent on eight sizes of tires. The total aggregate net discrimination after making such allowances amounted to approximately $41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to the volume sold to Sears, Roebuck & Co.

9. Such discriminatory prices were not given to Sears, Roebuck & Co. on account of differences in quantity of the commodity sold, nor were they given to make only due allowance for differences in the cost of selling or transportation. Net price discrimination, after making due allowance for selling and transportation costs, ranged from 11 to 22 percent on eight popular sizes of tires.

10. Such discriminatory prices were not made to Sears, Roebuck & Co. in good faith to meet competition. No competitor of financial responsibility, able to meet Sears, Roebuck & Co.'s requirements as to quantity and quality of the tires, has ever solicited Sears, Roebuck & Co.'s tire business by offering tires of Goodyear quality to Sears, Roebuck & Co. at prices as low as Sears, Roebuck & Co. was paying respondent.

11. Respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and at no time did respondent offer to its own dealers prices on Goodyear brands of tires which were comparable to prices at which respondent was selling tires of equal or comparable quality to Sears, Roebuck & Co.

12. None of Sears, Roebuck & Co.'s competitors have the advantages of similar low prices. Sears, Roebuck & Co. was and still is enabled by such discriminatory prices to undersell, at a profit to itself, all retail tire distributors, including retail dealers selling respondent's brands of tires and competing dealers selling tires of other manufacturers.

13. Sears, Roebuck & Co. has, in fact, persistently, systematically, and substantially, undersold such dealers by pricing for the consumer market the tires which it had so purchased from the respondent at prices ranging from 20 percent to 25 percent lower than the prices placed upon tires of comparable grade and quality sold by other retail dealers in the market, except in the year 1933, when, due to outside pressure, Sears, Roebuck & Co. prices were only approximately 10 percent lower. Sears, Roebuck & Co.'s volume of sales of tires increased more rapidly than any other retail distributor from 1926 to 1930, and it is still the largest retail distributor of tires in the United States.

14. Sears, Roebuck & Co. usually led in price declines during the period covered by the contracts, that is, from 1926 through 1933, and with the low prices aggressively pushed the sale of its tires by the use of numerous sales devices, such as excessive guaranties, free tube offers, and trade-in allowances.

15. The competition which Sears, Roebuck & Co. thus brought into the retail tire market in the several States was a major factor in driving out of business a large number of retail tire dealers by reducing their volume of sale of tires or by curtailing of profits derived by such sales, or both.

16. The Sears, Roebuck & Co.'s competition became destructive and was not such normal competition as would be of benefit to consumers, since Sears, Roebuck & Co. was able, through its discriminatory price advantages, to practice such competition and to succeed in engrossing for itself abnormal profits, while curtailing the profits of its competitors.

17. Sears, Roebuck & Co.'s competition tended to and was in fact a major factor in curtailing the number of competitors that were independent tire dealers, and tended to and was a major factor in substituting for such independent retail tire dealers as were driven out of business mass distributors and other large-volume dealers.

18. Such curtailing of a number of independent retail tire competitors has in turn driven out of business numerous small tire manufacturers and has thus reduced the manufacture and sale of pneumatic rubber tires to a smaller and smaller number of independent manufacturers and dealers.

19. Respondent, as a result of the increased volume of business it has obtained through the sale of tires to Sears, Roebuck & Co. and the reduction in the number of independent manufacturers and dealers resulting from Sears, Roebuck & Co.'s competition, has substantially increased its percentage of the total industry renewal sales since the year 1926 and has increased its dominant position in the tire industry.

CONCLUSIONS

Said respondent, the largest rubber-tire manufacturer in the world, has been and now is engaged in interstate commerce in the sale of tires (casings and tubes) to independent service-station dealers and also wholesalers, chain retail stores, and mail-order houses in competition with other manufacturers and wholesalers of tires in the United States. Tires are commodities within the meaning of the language of section 2 of the Clayton Act. In the course and conduct of its said business respondent has unlawfully discriminated in price in the sale of tires between its purchasers thereof; that is to say, between Sears, Roebuck & Co., the largest mail-order and chain-store operator in the United States, and other purchasers of tires, competitors of said Sears, Roebuck & Co., by allowing Sears, Roebuck & Co. a lower price than allowed other purchasers competitively engaged in said line of commerce, and also by allowing said Sears, Roebuck & Co. secret rebates and discounts in the form of cash and valuable stock bonuses. These said price discriminations were concealed by said respondent from said other purchasers, and the said price discriminations hereinbefore described have the capacity and tendency to, and in fact do, substantially lessen competition in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles between respondent and other manufacturers and wholesale distributors of said products and between the said Sears, Roebuck & Co. and other retail tire dealers engaged in the sale and distribution of rubber tires (casings and tubes) in competition with said Sears, Roebuck & Co., including retail tire dealers engaged in the sale and distribution of Goodyear branded tires. Said discriminations also have the tendency and capacity to create a monopoly in said respondent in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles to wholesale and retail tire dealers now owned or controlled by said respondent, located throughout the several States of the United States. Said discriminations also tend to create a monopoly in the respondent and said Sears, Roebuck & Co. in the retail distribution and sale to the public of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles throughout the several States of the United States. Said discriminations in price were not made on account of the differences in grade, quality, or quantity of the commodity sold, nor did said discriminations make only due allowance for differences in the cost of selling or transportation of said tires, nor were said discriminations made in good faith to meet competition.

The cost of selling large annual quantities to Sears, Roebuck & Co. is less than the cost of selling small individual shipment quantities to independent tire dealers, and a lower price to Sears, Roebuck & Co. is justified only to the extent that its large annual purchases are economically justified; that is, to the extent that Goodyear's large sales to Sears, Roebuck & Co. are less expensive to make than its smaller sales to independent tire dealers.

The Commission does not consider a difference in price to be on account of quantity unless it is based on a difference in cost, such difference in price is reasonably related to, and approximately no more than, the difference in cost, otherwise the discrimination will create unjust preference and unfair competitive conditions. The evidence in this case does not show that the amount of the discrimination is made in favor of large sales to Sears Roebuck & Co. and against small ones to the independent dealer on account of savings or economies to the seller, taking into account all relevant factors going to make up price on account of quantity. The difference in price shown in this case far exceeds any demonstrated difference in savings and bears no reasonable relation to the differences in cost.

The practice of giving large and powerful purchasers a disproportionately large discount is not justified. Such a discrimination, when made merely on account of size, tends toward monopoly and the suppression of competition. If the quantity proviso be interpreted to mean that a manufacturer can discriminate with respect to quantity sales to any extent he desires, the section would be rendered meaningless and ineffective. It is clear that the quantity proviso can only have been intended to preserve to the large buyer the inherent economies of large purchases and does not give a manufacturer a license to grant him a favored price without restraint. Quantity discounts are exempt because such a discount involves some economic utility that should be preserved. The meaning of the quantity exception, therefore, is not that a difference in quantity permits price discrimination without limit or restraint, but merely that a difference in the quantity of the commodity sold must be given reasonable weight in determining whether the discriminatory price is warranted.

In arriving at a price on account of quantity sold, some standard of comparison is necessary. It is the relation between price and quantity. Factors that go to make up price because of quantity are to be taken into account and given reasonable weight in determining whether a price discrimination is legal or illegal. Quantity sales are cheaper than small ones, and to this extent they are economically justifiable. A quantity discount based on the amount of annual sales is a price discrimination contrary to section 2 of the Clayton Act unless it can be shown that it represents and

fairly approximates lower costs. On the one hand, remote and unsubstantial differences in cost may be disregarded, and, on the other hand, a discount is not to be condemned merely because it does not mathematically accord with cost differences. The problem is a practical one and must depend on the effect and intent of the scheme as a whole. The principle back of section 2 of the Clayton Act is one of equality to purchasers, and in order to maintain this principle of equality it is necessary that the difference in price be reasonably related to the difference in cost and not a covert means of favoritism. If it was left to a manufacturer to make the price solely on account of quantity, he could easily make a discount by reason of quantity so high as to be practically open to the largest dealers only. A manufacturer, if allowed to do so, might in this manner hand over the whole trade in his line of commerce to a few or a single dealer, or it might at will make the discount equal to or greater than the ordinary profit in the trade, and competition by those who could not get the discount would obviously be out of the question.

A manufacturer, under the Clayton Act, is under a duty to comply with the law, and he may not make his bargains according to his own interest by discriminating as he pleases, however honest and however justifiable such course might be from the standpoint of commercial principles. Large industrial companies, through price discrimination, can control competitive business conditions among their customers to the extent of enriching some and ruining others. Under the Clayton Act a manufacturer has no right to put dealers to any such destructive disadvantage by any unjustified discrimination. While a manufacturer has an interest in making attractive offers in order to secure as much business as possible, it is, however, an interest which can only be consulted and acted upon in subordination to law. When one discriminates in price between competitors he reduces the price to one or some of them. Competition limits the selling price. When a competitor is given a lower price, it follows that his profit has been increased by just the amount of the reduction. It equally follows that every competitor has been put to a disadvantage in just that sum.

It is not contemplated by the statute that a discriminatory price made on account of quantity may be a secret price, but the statute contemplates a price open to all of the sellers' customers who may desire to purchase a similar quantity at like prices on like terms.

A lower price to Sears, Roebuck & Co. for large quantities purchased, not justified by differences in cost, cannot be justified on the ground that such lower price was made in good faith to meet competition or because respondent deems such a price necessary to keep the business from going to a manufacturer competitor. The proviso in the act permitting discrimination made in good faith to meet competition is available to the respondent only if its manufacturer competitors have already made an equally low and discriminating price to Sears, Roebuck & Co.

If a powerful concern starts a campaign of price cutting in a particular community and to particular customers in violation of the Clayton Act, a competitor does not violate the act by meeting this competition by a corresponding discrimination. It is a discrimination in good faith for defensive purposes that is sanctioned, not offensive discrimination.

The Commission considers the correct theory of the law to be that, in addition to the statutory cause of action for treble damages against an offensive price discriminator and in addition to the right to apply to the Federal Trade Commission for a cease-and-desist order, there is an immediate right of self-defense; but that it is available only if the discrimination started with the competitor, and it must be exercised in good faith. A manufacturer may justify a discriminatory low price to a large purchaser on the ground of meeting competition only if his competitor has previously made an equally low and discriminating price to that purchaser. Any other interpretation would nullify the effectiveness of the whole section.

In the phrase in the statute, "Where the effect of such discrimination may be to substantially lessen competition", the words "where the effect may be" are obviously used merely to indicate that it is tendency and probable effect rather than the actual results that are important. It follows that the words "substantially lessen competition" are not to be taken in a purely quantitative or arithmetical sense. It is not necessary, nor is it sufficient, to find that difference in price (or any other unfair acts for that matter) will result in, say 5 percent or 10 percent less competition than there was before. Such an interpretation would make the law entirely unworkable, for competition is not a thing that can be measured with a yardstick. It would, moreover, be inconsistent with the intent of Congress as expressed in the law, the purpose of which is to insure fair and honest competition based on efficiency. The words "may be" indicate neither bare possibility nor certainty, but probability, to be deduced from the intent or inherent character of the acts themselves. The words must be construed together with the whole section, and they must be taken all together to indicate generically the distinction between fair and unfair competition. The law is designed to prevent lessening of competition by unfair acts. As long as fair methods are followed, competitive conditions will prevail; unfair methods always tend to monopoly.

In this case there is a price discrimination in favor of Sears, Roebuck & Co., which gives it an unfair competitive advantage, thereby producing an unjust competitive situation as between it and independent tire dealers. The discrimination is not grounded on efficiency and cost. It is the opinion of the Commission that no justification exists for this discrimination or method of competition.

With respect to the qualification that price discrimination is forbidden only insofar as its effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce, the Commission considers this to mean merely that the discrimination must have the effect of imposing an unlawful restraint on competition, as distinguished from normal competitive methods.

In considering the question of price discrimination it is important to bear in mind the underlying theory of section 2 of the Clayton Act. That theory is that monopoly on the whole is an unnatural product, the result of unwholesome competitive methods; and that it will not ordinarily result where the methods of competition are fair. Hence, to prohibit price discrimination—unfair methods of competition—is to prohibit the methods which foster monopoly.

Price discriminations are specifically condemned by the act because the Congress deems them to be unfair and injurious. They are condemned, it is true, only "where the effect may be to substantially lessen competition or tend to create a monopoly", but this simply means that the discrimination must be of a type which experience has demonstrated to be unfair. The hypothesis which underlies section 2 of the Clayton Act is that price discriminations not justified on the basis of cost and efficiency create unfair competitive conditions, and that unfair competitive methods of themselves tend toward monopoly.

The price discrimination to Sears, Roebuck & Co. was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly.

The Commission therefore finds that the said discriminations were and are in violation of section 2 of said Clayton Act.

By the Commission.

CHARLES H. MARCH, *Chairman.*

Attested this 5th day of March, A. D. 1936.

OTIS B. JOHNSON, *Secretary.*

UNITED STATES OF AMERICA. BEFORE FEDERAL TRADE COMMISSION, AT A REGULAR SESSION OF THE FEDERAL TRADE COMMISSION, HELD AT ITS OFFICE IN THE CITY OF WASHINGTON, D. C., ON THE 5TH DAY OF MARCH, A. D. 1936

Commissioners: Charles H. March, chairman; Garland S. Ferguson, Jr., Ewin L. Davis, William A. Ayres, Robert E. Freer.

In the matter of the Goodyear Tire & Rubber Co. Docket No. 2116.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint and amended complaint of the Commission, the answers of the respondent thereto, testimony and evidence taken before John W. Burnett, examiner of the Commission, theretofore duly designated by it, in support of the charges of said complaints and in opposition thereto, briefs filed herein and oral argument by Everett F. Haycraft and PGad B. Morehouse, counsel for the Commission, and by Edward B. Burling and Grover Higgins, counsel for the respondent, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of an act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (38 Stat. 730).

It is ordered that the respondent, the Goodyear Tire & Rubber Co., and its subsidiaries and their officers, agents, representatives, servants, and employees, in connection with the sale of automobile and truck tires (casings and tubes) sold in interstate commerce, for resale within the United States or any Territory thereof, or the District of Columbia, cease and desist from:

(1) Discriminating in price, either directly or indirectly, between Sears, Roebuck & Co. and respondent's retail dealer customers, or any of them, by selling said tires to said Sears, Roebuck & Co. at net realized prices which are lower than net realized prices at which said respondent, or any of its subsidiaries, sells the same sizes of tires of comparable grade and quality to independent tire dealers, or other purchasers. In arriving at said net realized prices, respondent shall take into account and make due allowance and only due allowance for differences in the cost of transportation and selling tires to independent tire dealers on the one hand and Sears, Roebuck & Co. on the other.

(2) Discriminting in price, either directly or indirectly, between Sears, Roebuck & Co., and independent retail dealers, by selling said tires to said Sears, Roebuck & Co., at an aggregate price computed and based upon the most of said tires, plus a fixed ratio of profit, which said price is less, in the aggregate, than a price currently computed or based upon a cost, computed in accordance with the accounting principles and procedures then maintained by respondent, and including all items of costs and expenses then being incurred in the manufacture, sale, and distribution of tires to all other purchasers of tires from said respondent engaged in the resale thereof, except advertising and selling expenses incurred in the sale of Goodyear brands, and with a profit factor which would be sufficient to return to said respondent thereon a ratio of net profit to cost of goods sold approximately equivalent to the ratio of net profit to cost of goods sold, realized from the sale of tires to said other purchasers: *Provided, however,* That in complying with this section of this order respondent shall not be prevented from following the method now employed in billing Sears, Roebuck & Co., periodically at estimated prices for all tires shipped to Sears, Roebuck & Co., during such period and

collecting the amount of said billing from Sears, Roebuck & Co., at times agreed upon between respondent and Sears, Roebuck & Co., and furnishing Sears, Roebuck & Co., at convenient times, agreed upon between respondent and Sears, Roebuck & Co., an estimate of the prices at which said tires will be billed to Sears, Roebuck & Co., and making recalculations or redeterminations of said prices at which said tires have been billed to Sears, Roebuck & Co., giving effect to the factors and bases entering into said prices, and in the event payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the respective periods, exceeds the aggregate amount to which respondent would be entitled upon the basis of said recalculated or redetermined prices, respondent shall not be prevented from following the present method of paying to Sears, Roebuck & Co., such excess amount: *And provided*, That in the event the payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the said respective periods were less than the aggregate amount to which respondent would be entitled on the basis of said recalculated or redetermined prices, then respondent shall not be prevented from requiring Sears, Roebuck & Co., to repay to the respondent the amount shown to be due respondent, in order to comply with the provisions of this order.

Provided further, That nothing herein shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers.

It is further ordered, That said respondent shall, within 30 days from notice hereof, file with this Commission a report in writing stating in detail the manner in which this order will be complied with and conformed to.

By the Commission:

[SEAL] OTIS B. JOHNSON, *Secretary*.

COMMEMORATION OF THE FOUNDING AND SETTLING OF THE CITY OF NEW ROCHELLE, WESTCHESTER COUNTY, N. Y.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the city of New Rochelle in my district.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, there is on the Consent Calendar a bill which, if enacted, will authorize the striking of a coin to commemorate the two hundred and fiftieth anniversary of the founding and settling of the city of New Rochelle, in Westchester County, N. Y. New Rochelle is rich in colonial history, in which its residents take great and proper pride, and it is my purpose at this time to sketch briefly the early happenings there.

New Rochelle was originally a French community. The city's founders were descendants of the Huguenots, who, early in the seventeenth century, resisted the attacks of the French Army in La Rochelle and surrendered only upon the promise of future religious freedom. Fifty-seven years later, with the renewal of Huguenot persecutions by the revocation of the Edict of Nantes, the citizens of La Rochelle fled to England and Holland, and some of their number in 1686 commissioned the then Governor of New York to purchase for them a tract of land in America. On behalf of the refugees, Governor Leisler purchased from John Pell 6,000 acres of land, part of a tract purchased in 1640 from the Siqanoy Indians by the Dutch West India Co., transferred to Pell in 1654 and later known as Pelham Manor. The purchase price was approximately $8,000, and Pell presented the colony with an additional 100 acres of land "for the church."

The main body of the Huguenot settlers, about 30 families, arrived in September 1688, but historians believe that several farms occupied by single families had been taken up before that time. Other Huguenot settlers arrived from time to time and were joined occasionally by Dutch and English settlers, but the colony, named in honor of their native city in France, remained French in language, custom, and spirit for many years.

These were an intensely religious people, of strong character, many highly educated and intelligent, who had been exiled from the country of their birth because of rebellion against the established French church. While they organized a church immediately upon their arrival, they could not maintain a regular pastor and are said to have walked barefooted, shoes and stockings in hand, a distance of more than 20 miles to attend services in the French church in New York City.

In New Rochelle today are standing houses built before the Revolution, and an old inn where stage coaches from New York to Boston stopped to change horses and where the flying messenger rested who carried from Boston the news of the Battle of Lexington. Washington, on his way to Boston to assume command of the Continental Army, traveled through and stopped at New Rochelle, as his diary indicates he did several other times during the war. New Rochelle was in the line of march from New York when General Howe, in pursuit of Washington, was joined by General von Knyphausen with his troop of Hessians and regiment of Irish cavalry. Skirmishes occurred in the vicinity throughout the war, but no important engagements took place. All through the war, however, the village which, like the whole of Westchester County, lay between the two armies, was plundered and pillaged and many residents were despoiled of all they possessed, churches were closed, and local government established in 1690 was suspended.

Following the Revolution, 1784, Thomas Paine, the patriot-hero and author of Common Sense, was given by the State of New York a confiscated farm in recognition of his great services, and Paine lived on the farm in New Rochelle for many years. Washington said of him that, "His pen was worth more than 10,000 bayonets."

Among the distinguished pupils in the New Rochelle schools in those early days were John Jay, Philip Schuyler, and Gouverneur Morris.

At Pelor's Tavern, General Lafayette was entertained when he traveled through New Rochelle on August 20, 1824.

Here in New Rochelle Daniel Webster courted and later married his second wife, Catherine LeRoy. After her husband's death Mrs. Webster returned to New Rochelle to make her home.

The advent of the railroad, which ran its first train through New Rochelle on Christmas Day, 1848, foreshadowed changed conditions which were to accelerate the growth of the village, but without affecting any sudden or radical change in its general characteristics.

New Rochelle stands today a busy little city of 54,000 inhabitants, living "45 minutes from Broadway"—a large number commuting to business in New York City.

Through me, the inhabitants of New Rochelle invite you and your friends to join with them in September 1938 in celebrating the two hundred and fiftieth anniversary of the founding of their city by that small but brave band of Huguenot refugees fleeing from religious persecution, and I hope you will accept their invitation, where a cordial welcome will be awaiting you not only in New Rochelle but in Westchester County as well.

AMERICANISM VS. COMMUNISM

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my speech over the Columbia Broadcasting System from New York Friday evening, March 6, 1936, as follows:

I accepted the invitation of the Columbia Broadcasting System to speak on communism, and reply, insofar as possible in the time allotted me, to the speech of Earl Browder, general secretary of the Communist Party of the United States, delivered over the Columbia network last night.

At the outset of my remarks, I want to make clear that I am neither criticizing nor defending the position taken by the Columbia Broadcasting System in allocating time to Mr. Browder and permitting him to urge his revolutionary propaganda against our free institutions and to spread class hatred among the American people.

I believe in freedom of speech, and as long as the Communist Party continues to have a place on the ballot in most of the States of the Republic, then there is no very sound reason to shut their leaders off the air. Personally, I do not consider the Communist Party of the United States as an American political party, but merely as a section of the Communist International, taking all its orders from the Communist International at Moscow.

The question of permitting the Communist Party to have a place on the ballot is a matter for each State to determine through its legislature, and not the Federal Government. The committee appointed by the House of Representatives in 1930 to investigate

Communist activities in the United States, of which I was chairman, included among its recommendations the following: "That the Communist Party should be declared illegal, or any counterpart of the Communist Party advocating the overthrow of our republican form of government by force and violence or affiliated with the Communist International at Moscow, be declared illegal."

While the Communists in the United States call themselves a party, they do not in an American sense constitute a party, and this word is a misnomer for the reason that Communists openly disavow the purpose of accomplishing their ends by parliamentary or constitutional methods under our republican form of government guaranteed to each State by the Constitution.

However, I see very little difference in permitting Earl Browder, a high official of the Communist Party, to speak over a coast-to-coast network when the radicals, Socialists, and near Communists of the New Deal "brain trust", who are spreading the same kind of class hatred, and, like termites, are undermining private property, capitalism, and the Constitution, can get almost as much time as they want. In fact, I am inclined to the belief that the open attacks of Communists against our industrial, social, and political institutions are far less dangerous than the subtle and insidious attacks of New Deal spokesmen, such as Under Secretary of Agriculture Rexford Guy Tugwell.

In a recent inflammatory speech at Los Angeles he denounced the capitalistic system and urged that we do away with "the sterile morality of individualism, and that all who disagree are tories, autocrats, and enemies, and they must get out of the way with the moral system that supports them." Professor Tugwell, continuing his attacks on our American system and the promotion of class hatred, said, "And we should proceed for once in establishing a farmer-worker alliance which will carry all before it, reducing our dependence on half-way measures. Our best strategy is to surge forward with workers and farmers of the Nation—trusting on the genius of our leader (President Roosevelt) for the disposition of our forces and the timing of our attack."

Browder said in a recent speech to the Seventh Congress of the Communist International at Moscow that "our task", meaning the Communist Party, "is now to rally the disillusioned masses into an anti-Fascist and an anticapitalist political movement with the development of a workers' and farmers' labor party as the goal."

These are practically the identical words used by Professor Tugwell. Is there really much difference between the views expressed by Earl Browder and those of Mr. Tugwell, an accredited spokesman of the New Deal?

There are at present a host of young radicals, Socialists, near-Communists, and in some instances Communist contributors holding important positions under the New Deal administration who have never been affiliated or identified with the Democratic Party in the past but who are daily promoting class hatred, collectivism, and State socialism under the guise of Democrats.

In all fairness to Mr. Browder, he at least tells the public what his objectives are, and they can be understood by anyone who takes the trouble to study them. But is it right or fair to our American system that an administration, sworn to uphold and defend the Constitution, should either encourage or permit their own appointees while on the Federal pay roll to undermine our own institutions and spread class hatred?

I am more opposed to the New Deal on this score than any other, as it has done more to cause labor unrest, numerous and unprecedented strikes, and to promote more class hatred in 3 years than all other administrations in the last 150 years, since the birth of the Republic.

Mr. Browder, in speaking before the Communist International, last July said: "The party played an important roll in the great strike wave—in strikes the Communist Party often wielded a decisive and leading influence."

Last year I presented on the floor of the House of Representatives evidence in the form of photostatic receipts of checks which disclosed that Robert Marshall, Director of the Forestry Division, Bureau of Indian Affairs, in the Department of Interior, had actually contributed to a Communist veteran organization to promote Communist activities among the veterans and a Communist bonus march on Washington. I am informed that this patriotic gentleman is still on the Government pay roll, while millions of our citizens who believe in our American system are still walking the streets looking for a job.

There is one good thing about the Communists, and that is that they are far more loyal to their party principles than Republicans and Democrats who write them into party platforms and begin to forget about them immediately after the election. I refer particularly to the Democrats at this critical juncture.

Although I have been accused in the past of being an alarmist and fearful of the Communist bogeyman, I have no fear of the spread of communism in free America if the people know and understand the principles, aims, and purposes of communism.

The best way to combat communism is through education and by merely presenting the facts and not through force and violence, which only makes political martyrs of them. I have no fear of a Communist uprising or revolution in the United States, as there are only about a million Communists and Communists sympathizers here, and, using a Russian word, the Regular Army, the National Guard, the American Legion, and Veterans of Foreign Wars could "liquidate" them all in a few weeks' time if they tried to put on a revolution in our country.

My advice is to tell the American people what communism is and it will never spread far among our free and independent people. Here is what communism stands for: (1) Hatred of God and all forms of religion; (2) destruction of private property and inheritance; (3) promotion of class hatred; (4) revolutionary propaganda through the Communist International to stir up Communist activities in foreign countries in order to cause strikes, riots, sabotage, and industrial unrest; (5) destruction of all forms of representative or democratic governments, including civil liberties, such as freedom of speech, of the press, of assembly and trial by jury; and (6) the promotion of a class or civil war by force, violence, and bloodshed and through world revolution to attain the final objective of a soviet form of dictatorship under the red flag with the world capital at Moscow.

The action of the Columbia Broadcasting Co. in permitting Mr. Browder to speak over their network proves at least in America that freedom of speech still exists. Had Mr. Browder made the same kind of a speech in Moscow that he made last night, he would have been shot at sunrise. There is no such thing as free speech in Soviet Russia. The slightest criticism against the Communist regime means deportation to the timber camps of the north or sudden death. It is amusing to listen to the Communists in America yelling from the housetops about freedom of speech and in the next breath advocating revolutionary methods to establish a Soviet dictatorship in the United States whose first act would be to abolish freedom of speech and of the press and to substitute state terrorism supported by secret political police, force, violence, and control of the bread ticket.

Only recently Robert Ripley, editor of "Believe It or Not", was refused permission to enter Soviet Russia because he had dared to state the facts and criticize the conditions there; in other words, he refused to be a propagandist or to censor his articles for the benefit of the Soviets.

I have been repeatedly asked to state what organizations are making an effective fight against communism. Among the organizations in this country that have rendered consistent and practical service in combating communism should be listed the Catholic Church, through Father Edmund A. Walsh, of Georgetown University; the American Federation of Labor, through William Green and Matthew Woll; the American Legion; the Veterans of Foreign Wars; United Spanish War Veterans; the American Coalition, comprising over 100 patriotic groups; the United States Chamber of Commerce; Better America Federation; the Hearst and Macfadden publications; the Elks, Moose, Red Men, Junior Order United American Mechanics, and Lions Clubs; and among the individuals, Walter S. Steele, of the National Republic Magazine; Col. Edwin Marshall Hadley and Harry A. Jung, of Chicago; Representative John W. McCormack, of Boston; and Police Inspectors John A. Lyons, of New York, Make Mills, of Chicago, and William F. Hynes, of Los Angeles.

All of these organizations and individuals have refused to compromise with communism and are deserving of public support in their efforts to combat its spread in America.

On the other hand, there are a number of organizations and individuals who started out apparently with good intentions to combat communism but have been carried away by various forms of obsessions that have either detracted from or destroyed completely their further usefulness in fighting communism. I refer to Mr. James True, who, in his Industrial Control Reports, has become nothing more than a Jew baiter and has gone to the extent of accusing Senator BORAH'S secretary, Miss Cora Rubin, as being a Russian Jewess, when the fact is she is a native-born American of Christian parents. Mrs. Elizabeth Dilling, author of the Red Network, has likewise repeated this misinformation and other anti-Jewish perversions, and apparently is under the impression that there is little difference between a liberal and a Communist. Such a lack of intelligence undermines and practically destroys any value that the Red Network might have had.

The outstanding Jew hater of them all, however, is a certain Robert Edward Edmondson, who operated the so-called Edmondson Economic Service in New York, who in one of his recent issues, because I deny that every Jew or every liberal is a Communist, asks, "Was the name originally spelled 'Fisch'?" thereby probably trying to connect my name with the alien Isador Fisch of the Hauptmann case.

Another individual in the same category, as far as exaggerated statements that are harmful to all those seeking to combat communism, is Mr. Ralph Easley, of the National Civic Federation, whose amazing and unfounded statements constitute a handicap to all those fighting against the spread of communism.

Just why any American citizen should support or contribute to any of these four witch burners or their organizations is beyond my comprehension in a free country where intolerance and bigotry has no place in our national life and when the Constitution guarantees that there shall be no discrimination on the ground of race, color, or creed.

The Communists are the most skillful propagandists in the world, and Mr. Browder is no exception in his appeal to all those who favor old-age pensions, unemployment insurance, and reemployment of labor. In answer, let me say that confidence and employment are one and inseparable, and the only way to restore employment of labor under our American system is through the restoration of confidence by sound principles of government and not by destruction of wealth and private property.

I have favored old-age pensions for many years, and introduced 10 years ago in Congress a bill to provide such pensions. The present Congress by an overwhelming vote passed a Federal Old Age Pension Act as the first step in meeting this economic and social problem, and provided in addition unemployment insurance.

It is an old trick of the Communists to harp on issues which everyone favors, although there may be a difference of opinion as to methods and application. The Communists, knowing that their

fundamental principles are abhorrent to free Americans, try to exploit the depression for their own benefit by making fabulous promises and attacking any reasonable attempt toward recovery, social security, and employment.

The newest strategy of the Communist International, laying aside temporarily their fundamental principles, is to appeal to the discontented elements to form a united radical front, and to intensify their tactics of boring from within in all labor, educational, youth, racial, and pacifist groups, and even into some religious denominations.

Mr. Browder hurls defiance at the capitalistic system. He insists it has failed and broken down and must go. According to him, American labor is suppressed, exploited, and brutalized under our industrial system, based on private initiative and profit. The American system under which our wage earners have been the best paid, the best housed, the best fed, the best clothed, and the most contented and freest in the world must be scrapped for communism and imported form of economic and political dictatorship.

There is only one real test of the relative advantages of communism and capitalism, and that is Soviet Russia, where 6,000,000 people starved to death in 1933 and 1934 in what used to be the granary of Europe. If a thousand people starved to death in America all the capitalistic press would proclaim the doom of capitalism in headlines. To see the concrete difference between capitalism and communism all one has to do is to go to the secessionist states, formerly part of Russia, like Finland, Latvia, and Lithuania, under capitalist regimes, where the farmhouses are well constructed and the peasants well fed, clothed, and contented; and then go across the border into Soviet Russia, where the farmhouses are dilapidated and falling down and the peasants in rags, undernourished, and living in a virtual state of terror. Why half of the underfed and terrorized population of Soviet Russia would move out in 60 days if the emigration barriers were let down.

The attitude of the American Federation of Labor toward recognition of Soviet Russia and toward communism is right. Free American labor resents being compared with the regimented, ticketed, terrorized, and forced labor of Soviet Russia. That is one reason the Communist Party casts so few votes in America. American labor does not propose to give up any of its rights and liberties as free, sovereign American citizens.

I appeal to the American people back home to write to their Representative in Congress urging the enactment of strict deportation laws to deport all aliens, Communists, Socialists, Nazis, Fascists, and conservatives who preach class hatred and the overthrow of our free institutions and republican form of government by force and violence.

If these aliens do not like our country, its laws, and its institutions, all they have to do is to go back where they came from and enjoy the lack of freedom of speech, oppressive laws, and starvation wages. But if they insist on remaining here and spreading poison and hatred against our free institutions, the Constitution and our laws, our flag, and all religions, then they should be deported back home and their jobs given to loyal Americans now walking the streets looking for jobs, who do believe in our American system of government.

These aliens do not fear our police, our courts, or our jails; the only thing they fear is to be deported back home. I am convinced that if a few hundred of the leading alien Communists and other alien agitators were deported, these alien growths would soon cease to spread or bother the American people.

In conclusion, if the American people want to avoid giving encouragement to communism they should steer a course without fear or favor along the beaten paths of our representative and constitutional form of government and away from economic and political dictatorship.

There must be no compromise with the class hatred and socialism of the New Deal or turning back to the old order of special privilege and domination by wealth and reaction. The Republican Party, if it wants to win, must reaffirm its early principles enunciated by Abraham Lincoln that labor is prior to capital and that human rights are superior to property rights, and stand on a sound, sane, and liberal platform of a square deal for the farmers, the wage earners, businessmen, and private property under the confines of the Constitution.

As one who has spoken in 40 States within the last year, I am convinced that Senator BORAH more nearly represents the ideals and principles of Abraham Lincoln and his love of popular institutions and the square deal of Theodore Roosevelt, and is the only Republican who is sure of winning, and who would put an end to the present political dictatorship by restoring a government of law instead of by Executive order.

WHY I AM FOR SENATOR BORAH

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following statement of why I am for Senator BORAH for President:

I have spoken in 40 States of the Union within the last year and am convinced that the only Republican who can actually be elected President is Senator WILLIAM E. BORAH. It is practically conceded by every Republican conversant with the political situation that no reactionary or Wall Street candidate has any chance of being elected President this year.

I am urging the nomination of WILLIAM E. BORAH for President on the Republican ticket because I believe he more nearly represents the principles and ideals of Abraham Lincoln and the square deal of Theodore Roosevelt than any other Republican in public life and can bring back into the party the liberals and diverse groups that have left us in recent years.

His legislative record of almost 30 years is synonymous with a square deal for the American farmer, wage earner, and small-business man, and for private property under the Constitution. He is opposed to economic and political dictatorship and to "expensive, demoralizing, devastating, and destructive bureaucracy", and believes in a government by law instead of by Executive orders.

He was one of the first Republicans to fight the strangulation of the N. R. A. and voted against it. Some of the reactionary politicians have tried to make out that he voted for most of the New Deal measures. Why, the N. R. A. was 50 percent of the New Deal, with its regimentation, crushing bureaucracy, and destruction of business confidence. Senator BORAH opposed the N. R. A. when it was unpopular to do so and when his present critics were supporting the New Deal. Referring to the New Deal bureaucracy under the N. R. A., he said: "It has destroyed every civilization upon which it has fastened its lecherous grip."

Senator BORAH is a great constitutionalist, and refused to compromise with such obviously unconstitutional measures as the Bankhead cotton-control bill, the Guffey coal bill, the N. R. A., the bargaining tariff legislation, and the antilynching bill. He even refused to support the potato-control bill, which his own State of Idaho favored. In view of such consistency it is ridiculous to attempt to make out that Senator BORAH has voted for most of the important New Deal measures or that he only gives lip service to the Constitution.

It is true that he voted for the sound and constitutional measures passed by the administration, such as the Home Owners' Loan Corporation Act, the Federal Deposit Insurance Corporation Act, the Securities Exchange Act, regulation of the stock exchange, Farm Loan Act, and other needed and meritorious legislation for the benefit and protection of the people, such as the Social Security Act, including old-age pensions and unemployment insurance.

The big interests and the reactionary political leaders may wake up after election day, if they force an unknown and weak candidate on the ticket who has no knowledge or experience of the great national and constitutional issues, and be confronted with 4 more years of President Roosevelt and the New Deal. They will then gnash their teeth and repent for their blind political folly, but it will be too late.

It is my honest conviction that they must make some concessions to sane liberalism and help nominate a sound candidate for President on the Republican ticket or go down to a crushing defeat, which may mean the doom of the Republican Party.

The American people do not want to compromise with socialism or class hatred of the New Deal, but they will not go back to the Old Deal of reaction and domination by wealth and special interests.

The old guard leaders are crazy if they think they can lead the younger and more liberal element of the Republican Party back to the old days of public utilities and Wall Street control. Just let them try it, and the Republican Party will go the way of the Whig Party, because the rank and file of the people will have left it nothing but a skeleton in the hands of a corporal's guard of repudiated leaders and a few ultraconservatives of the wealthy class.

My reason and motive for speaking out now is to avoid such a contingency. The country cannot stand 4 more years of President Roosevelt and the socialism and "squandermania" of the New Deal, nor can the Republican Party. We must not act like ostriches, with our heads in the sand and refuse to see the stop, look, and listen signs. It will be too late and of no avail after the election.

The country is in an economic and political crisis, and we Republicans must put our united strength into a determined effort to preserve our constitutional and representative form of government and restore a government of law instead of by brain-trust edicts.

I am a Republican and intend to make my fight within the Republican Party, but reserve the right to exert every effort to humanize and liberalize its policies and leadership. I am for Senator BORAH because I believe he has the confidence of the rank and file within the party and not only can be elected but will restore to Congress the legislative powers which belong to it under the Constitution. He also has a tremendous appeal among Jeffersonian Democrats and great racial groups, such as the Germans, Italians, Jews, and Catholics, in the industrial centers, because of his actions as chairman of the Senate Committee on Foreign Relations.

The Republicans cannot afford to blunder headlong into another national defeat. The reelection of President Roosevelt will mean a new N. R. A., increased bureaucracy and State socialism, additional taxes, and more "squandermania", promotion of class hatred, and destruction of wealth and private property. More than everything else there is the probability that the President will have an opportunity to place on the Supreme Court within the next 4 years at least three new justices of the Frankfurter school through resignations and death of the present incumbents, thereby gaining control over the one remaining independent branch of our Federal Government.

I protest, together with millions of other good Republicans, the continuation of old-guard rule-or-ruin policies of the type

that has almost destroyed the party in New York State and led us from one glorious defeat after the other, so that we have not elected a Republican Governor since 1920.

The blind, reactionary, and prejudiced old-guard leadership within the Republican Party reminds me of the actions of the Bourbons in France, who refused to make adequate concessions to the liberal sentiment and, consequently lost their property and their heads. The other night I saw a movie of the life of Louis Pasteur, who discovered germs and microbes about 1870, but the doctors of France of that period, blind to any progress, scorned and repudiated him. The Republicans cannot afford to follow the selfish and reactionary old guard leaders any longer who have not progressed or changed since the days of Mark Hanna.

Labor is strong for Senator BORAH on his record of fighting for more than a quarter of a century in Congress for a square deal for American wage earners and for adequate protection against the imports of products of foreign pauperized labor. He has led the fight against all forms of economic monopolies. He was the author of the bill creating a Department of Labor and making its head a member of the President's Cabinet, and also creating the Children's Bureau. He put through the 8-hour law on public works and was likewise the author of the bill investigating the 12-hour-per-day and 7-day-per-week condition of the steel workers. He supported the anti-injunction bill, veterans' adjusted-service-certificate bill, railroad pension and retirement act, and the social-security bill, and voted to give $30 a month to the helpless aged.

He has always had the support of the farmers of his own State and of the Grange. He put through the Senate the export debenture for agriculture and split with President Hoover in an effort to limit the tariff bill strictly to agriculture. He led the fight against the reciprocal-trade treaty with Canada which trades off the farmers for industry.

His record on the Foreign Relations Committee is known to the American people. He led the successful fight against the League of Nations, Versailles Treaty, World Court, and other forms of entangling alliances including the recent effort of the New Deal to give the President power to lay economic sanctions which would have involved us in European blood feuds and boundary disputes. He has a tremendous following among the people of German origin on account of his opposition to the Versailles Treaty and the confiscation of German or alien property after the war. The Italian element are back of him, as he stopped President Roosevelt from getting power to place economic sanctions against the Italian people. He has a tremendous following among the Irish and Catholics because of his resolution and plea for liberty of religious worship in Mexico. He is popular with the Jewish element because of his advocacy of Zionism, the establishment of a homeland for the Jews in Palestine, and because, as a liberal, he is opposed to religious or racial intolerance and persecution. The Jeffersonian Democrats would support him in every State in the Union. His record speaks for itself. If there is a better-known Republican with his eminent qualifications and experience, or one with more popular support with the rank and file, I admit I have not heard his name. It is my honest conviction that he would get, if nominated for President on the Republican ticket, a quarter of a million more votes in the city of New York than any other possible Republican and is the only one mentioned that could carry the State against Roosevelt.

The Republican Party, at its Cleveland convention, must not nominate a candidate who has the blessings of the old-guard reactionaries and special-interest factions—the kiss of death—whom the people will know to be handpicked by these factions and merely a pawn to carry on their continued domination of the party.

We must have an able, experienced candidate, who has a complete and thorough knowledge of the national and international issues to be presented to the people, and who will be qualified to meet the present Chief Executive on the stump and over the radio. Senator BORAH is recognized as the greatest orator in the Republican Party, and could make the sugar-coated phrases and honeyed words of the President in his fireside chats look like kindergarten efforts.

I am interested first in the success of the Republican Party and the election of a Republican President. Should Senator BORAH not develop popular strength in the primaries he has entered, then I will support some other liberal who has the support and confidence of the people.

The Republican Party needs, without sacrificing any of its sound principles, to reaffirm the early principles of the party enunciated by Abraham Lincoln, that labor is prior to capital and human rights superior to property rights, and the square deal of Theodore Roosevelt to all classes of the American people without regard to race, color, or creed, and then we will regain the faith and confidence of the American people and go forward to greater victories for the benefit of the Republic.

Senator BORAH stands for these principles, and no propaganda is needed to sell him to the American people.

Twenty-five Democratic Members of Congress from different sections of the country, including New York, Texas, and the far Western States, have privately admitted to me that Senator BORAH was the only Republican who could defeat Roosevelt. It is clear that he is the only Republican candidate mentioned for President who can bring back to the Republican Party the Northwestern States of Oregon, Washington, Idaho, Wyoming, Montana, North and South Dakota, Minnesota, and Wisconsin, which we must have in order to win. After all, the main objective is to oust the New Deal and preserve our constitutional and representative form of government, of which there is no greater champion than Senator WILLIAM E. BORAH.

The speeches he delivered in Youngstown, Ohio, and Chicago recently were unanswerable, and the most effective made by any Republican for a number of years. They confounded his political detractors, thrilled his friends, and offered new hope for Republican success in November.

I reiterate that I am convinced that Senator BORAH is the only candidate that can carry New York State and the Northwestern States that are necessary to win. If he is not nominated, the big boys might just as well get ready to throw away their shears to cut coupons with as they won't be needed any longer.

Tears and lamentations will not stop the New Deal or change its course of setting up a new social and economic order, regardless of the Constitution. No one will be more to blame than the big interests, because they disregarded the political stop, look, and listen signs and refused to concede anything to the march of time and constructive liberalism. But instead they insisted on indicting all the New Deal measures, the good with the bad, and following the repudiated, reactionary, and selfish Republican old-guard leadership to the bitter end and to ruin and disaster for both the party and the country.

CORRECTION OF THE RECORD

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that the RECORD for March 4, page 3285, be corrected. The gentleman from Texas [Mr. BLANTON] was speaking, and he said:

> As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial, one of the advocates of this free speech, who objects to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT] objected to his reading the editorial.

Mr. Speaker, my objection was to a request by the gentleman from Arkansas [Mr. MCCLELLAN] to extend his remarks by inserting in the RECORD the editorial. He did not ask permission to read the editorial. I did not object to any request of that kind. So I ask that the RECORD be corrected by taking out the word "reading" and inserting in lieu thereof the word "extending" in the RECORD.

Mr. BLANTON. Mr. Speaker, I have no objection. At the time they both meant practically the same.

Mr. SCOTT. Oh, no.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEEN, Friday and Saturday of this week, on account of important business.

To Mr. MEEKS, for 2 weeks, on account of important business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2219. An act for the relief of D. A. Neuman;

S. 2875. An act for the relief of J. A. Jones; and

S. 2961. An act for the relief of Peter Cymboluk.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Friday, March 6, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands of the House of Representatives meets on Friday, March 6, 1936, at 10 a. m. in room 328, House Office Building, to consider various bills.

EXECUTIVE COMMUNICATIONS, ETC.

700. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a proposed bill for the

relief of Clark F. Potts and Charles H. Barker, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 3629. A bill to authorize the acquisition of additional land for the use of Walter Reed General Hospital; with amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 10388. A bill to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; without amendment (Rept. No. 2134). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment; with amendment (Rept. No. 2135). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Roads. H. R. 10591. A bill to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 11563. A bill declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 11638) to provide for Federal conservation of the pilchard (Sardenia caerulea) fishery on the high seas contiguous to the Pacific coast of the United States outside of State jurisdiction, providing means of enforcement of the same, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McSWAIN (by request): A bill (H. R. 11639) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11640) to amend articles of war 50½ and 70; to the Committee on Military Affairs.

By Mr. SWEENEY: A bill (H. R. 11641) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. DEMPSEY: A bill (H. R. 11642) to change the name of the Department of the Interior, to be known as the Department of Conservation; to the Committee on the Public Lands.

By Mrs. GREENWAY: A bill (H. R. 11643) to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212); to the Committee on Indian Affairs.

By Mr. SCHAEFER: A bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. CROWE: A bill (H. R. 11645) to provide for the reconstruction of the George Rogers Clark home and the erection of a memorial at Clarksville, Ind., as a memorial to Gen. George Rogers Clark at his home place, and for other purposes; to the Committee on the Library.

By Mr. O'CONNOR: Resolution (H. Res. 437) for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes; to the Committee on Rules.

By Mr. KERR: Resolution (H. Res. 438) relative to the findings of the committee on the Miller and Cooper contested-election case; to the Committee on Elections No. 3.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H. R. 11646) for the relief of Joseph Francis Thomson; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 11647) for the relief of Ida Kallinsky; to the Committee on Claims.

By Mr. LUNDEEN. A bill (H. R. 11648) for the relief of Joseph Lane; to the Committee on Claims.

Also, a bill (H. R. 11649) for the relief of Joe Levin; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 11650) granting a pension to Victoria Turner; to the Committee on Pensions.

By Mr. SWEENEY: A bill (H. R. 11651) for the relief of J. C. Prosser; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11652) for the relief of Jacob Wane Hammel; to the Committee on Naval Affairs.

By Mr. TOLAN: A bill (H. R. 11653) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon the suit in equity of Theodore Fieldbrave against the United States; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Kentucky: A bill (H. R. 11654) granting an increase of pension to Lovena Triplett; to the Committee on Invalid Pensions.

By Mr. WHELCHEL: A bill (H. R. 11655) for the relief of Ray Bailey; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 11656) granting an increase of pension to Leo Bear Weasel; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10389. By Mr. BLOOM: Petition of representatives of all the industrials of the town of Bayamon, P. R., urging that Puerto Rico be included in any new relief legislation which might be presented in the House of Representatives, requesting an extension of the Social Security Act, and suggesting an amendment to the Organic Act in order that a public welfare department may be created in Puerto Rico; to the Committee on Insular Affairs.

10390. By Mr. GWYNNE: Petition of owners of independent stores of the Third District, Iowa, urging the passage of House bill 6246, to prohibit manufacturers' special rebates or discounts to chain- or branch-store organizations competing with independent retail establishments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

10391. By Mr. HENNINGS: Resolution of the conference of American Legion post commanders of St. Louis, Mo., favoring the passage of Senate bill 1454, that the United States Government furnish a flat or upright headstone for graves of all veterans of the United States; to the Committee on World War Veterans' Legislation.

10392. By Mr. MOTT: Petition signed by 18 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10393. Also, petition signed by 19 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10394. Also, petition signed by 36 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10395. By the SPEAKER: Petition of the Tennessee Jersey Cattle Club; to the Committee on Agriculture.