SENATE

WEDNESDAY, DECEMBER 16, 1931

Rev. Frederick Brown Harris, D. D., pastor of Foundry Methodist Episcopal Church, city of Washington, offered the following prayer:

Our Father God, our fathers trusted in Thee and were not confounded; in Thee we trust. We would hush the beating of our own hearts that we may hear the beating of Thy mighty heart in the storm and tumult of these perplexing days.

Grant us courage, grant us wisdom for the facing of this hour and for the living of these days. Solemnize us with the responsibility of ability, save us from spinelessly melting into our surroundings. Teach us the glory of the loneliness that comes of following the highest we know and the noblest we can dream. Above all other loyalties and fealties may our ruling passion be to do justly and love mercy and walk humbly before our God.

Through all the maddening maze of these times that are trying men's souls, lead us to a collective life for humanity, just and merciful and full of joy. Give to us eyes that are clear enough and hearts that are big enough for those social reconstructions, for those daring brotherly feats of generous good will that will yet turn human life into a glad, gracious, triumphant fraternity all around this worn and weary world. With contrite hearts we seek the kindly light that will still lead us on if we follow patiently and obediently.

We ask this in the holy name of the Prince of Peace, of whom once more with gladdened hearts we hear Christmas angels proclaiming that the government shall be upon his shoulder. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. McNARY and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

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

CONTRACTS FOR TRANSPORTATION OF MAIL BY RAILROADS

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, transmitting, pursuant to law, a report of special contracts made by the Post Office Department with the Colorado & Southern Railroad Co., the Hudson & Manhattan Railroad Co., and the Rio Grande Southern Railroad Co. for carrying mail, which, with the accompanying report, was referred to the Committee on Post Offices and Post Roads.

EXPENDITURES OF GEOLOGICAL SURVEY ON INDIAN LANDS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures by the Geological Survey on tribal and allotted Indian lands during the fiscal year ended June 30, 1931, which, with the accompanying statement, was referred to the Committee on Indian Affairs.

CLAIM OF PENNSYLVANIA RAILROAD CO.

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States, transmitting, pursuant to law, a report and recommendations concerning the claim of the Pennsylvania Railroad Co. against the United States, which, with the accompanying report, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram signed by Francis Chapman, president Local No. 46, National Federation of Federal Employees, of Arkansas City, Kans., protesting on behalf of the federation against the proposal to lower the salaries or wages of Federal employees, which was referred to the Committee on Civil Service.

Mr. WALSH of Massachusetts presented a petition signed by Alton C. Taylor and 108 other citizens of the State of Massachusetts praying for the passage of legislation to prohibit the shipment of foreign lobsters into United States markets, etc., which was referred to the Committee on Commerce.

He also presented a memorial signed by members of the faculty and students of Smith College, Mass., remonstrating against the alleged unwarranted measures employed by officials of Harlan County, Ky., to "break" the coal strike and miners' unions in that region, etc., which was referred to the Committee on Education and Labor.

Mr. KING presented a cablegram from Isauro Gabaldon and others on behalf of the Philippine Civic Union, Manila, P. I., embodying a resolution adopted by that assembly condemning any tentative solution of the Philippine problem other than immediate complete and absolute independence, etc., which was referred to the Committee on Territories and Insular Affairs.

He also presented the following cablegram from Aguilar Pimentel, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

MANILA, P. I., *September 24, 1931.*

Commissioners GUEVARA and OSIAS,
Washington, D. C.:

Houses legislature approved in joint session to-day following memorial for President and Congress:

We, the members of the Philippine Legislature, in joint session assembled for ourselves and in behalf of the Filipino people, do hereby reiterate our petition for the immediate and complete political separation of the Philippine Islands from the United States. Our desire for liberty was repeatedly manifested in the course of our history throughout our many struggles for political emancipation, culminating in the establishment of the Philippine Republic. We lost our independence because of the superior force of America. We expect to regain it because of her plighted word. We acquiesced in American rule only when we were assured that she came not as a conqueror but as a liberator. In all good faith we relied on her promise made through her highest executive officials and confirmed by the Congress of the United States when it declared that the independence of the Philippine Islands shall be granted upon the establishment of a stable government. This condition having been fulfilled, the Filipino people rightfully expect that their independence will be recognized without any further delay. Practical considerations also justify this urgent desire for immediate separation.

The present movement to exclude Filipinos from the United States is giving rise to friction and misunderstanding. The manner in which the campaign is being conducted can not but arouse among the Filipino people a feeling that it is impelled by other than purely economic motives. Then, at the present time it is not safe for Filipinos in some parts of the United States to engage in lawful occupation. So long as we remain under the American flag, justice demands that we shall be allowed freely to live, work, and travel in any American territory.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The dual responsibility in our government, the one assumed by the Governor General and the other by Filipino officials, has been the source of serious conflicts in the past, and is ever fraught with difficulties. Such an unsatisfactory situation must end. A backward step is unthinkable. The only solution is independence.

Our present trade relations with the United States are uncertain and unstable, regulated exclusively by the American Congress. America's interests rather than our own are the dominant consideration. There is an increasing demand by American producers to maintain the American market solely for their benefit. Powerful American interests are now conducting a persistent campaign against the free entry of Philippine products. No one knows how long the American market will remain open to us. Doubts and misgivings have seized upon the minds of Philippine producers and investors, thus checking our development. We believe that enduring economic progress can only be achieved under an independent Philippines, free to dictate its own policies.

These facts prove the wisdom of the declared purpose of the United States to grant us independence. They also serve to strengthen our belief that political separation is the only solution to our problem. We see no other alternative. The happiness and prosperity of the Philippines and the economic interests of America are not to be found in the present artificial union, which hampers our national development and injures economic progress, but in political separation, wherein each may live the life suited to its distinct individuality and its national interests. The independence of America from the Philippines would seem to be as imperative as the independence of the Philippines from America.

Therefore, with all due respects, with a deep feeling of gratitude to America, and with full consciousness of the burdens and responsibilities of an independent life, we hereby submit that the time has come for the redemption of America's solemn promise to declare and recognize the independence of the Philippine Islands.

AGUILAR PIMENTEL.

Mr. KING also presented a resolution adopted by the American Mining Congress, which was referred to the Committee on Mines and Mining and ordered to be printed in the RECORD, as follows:

[Passed by American Mining Congress, Washington, D. C., December 4, 1931]

Resolution offered by A. G. Mackenzie

Whereas the expansion of credit beyond the supporting power of its metallic gold base has been a prime factor everywhere present in the world-wide business depression, with consequent disastrous fall in commodity prices which has made unprofitable the production and exchange of goods and services; and

Whereas metallic money reserves, nonfluctuating as to value, are essential to minimize undue inflation and deflation, to restore the orderly processes of industry and trade, and to maintain them in periods of prosperity and depression alike; and

Whereas domestic industry and trade can be greatly stimulated and improved through expansion of foreign markets, which in turn can be most effectively developed through encouragement of the production in all countries of the commodities each country can most advantageously provide for sale to other countries; and

Whereas large and important productive and consuming areas of the world employ silver as a money medium, and the buying power of silver-using peoples has been largely destroyed by the sharp decline in the comparative value of their money medium with corresponding elimination of them from world markets: Therefore be it

Resolved by the American Mining Congress, That it hereby pledges its assistance and support to such practical methods as shall be presented for the acceptable stabilization of silver so as to permit its employment wherever needed as money and as a monetary and credit base and enable silver-using peoples to participate under equitable conditions in trade with peoples that employ gold for such purposes.

STATEMENT BY PRESIDENT SLOAN, OF GENERAL MOTORS CORPORATION

Mr. VANDENBERG. Mr. President, I ask unanimous consent to print in the RECORD two brief paragraphs from the latest report of Mr. Alfred P. Sloan, jr., president of General Motors Corporation, to his stockholders. The report is dated December 1. These significant paragraphs bear specifically upon two considerations now challenging the attention of Congress and the country. First is the importance of understanding that the automobile has wholly graduated from a luxury into a necessity, with a family status in the average American home second only to food, shelter, and clothing, and therefore that it can not logically be part of any extra luxury-tax program. I may add that we have more passenger motor cars per capita than we have telephones or users of domestic electrical appliances. The second consideration which I emphasize in this excerpt is the brave confidence with which this great industrial organization confronts the future, confident of a better turn, and prepared to take advantage of the bitter lessons taught by economic travail.

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

Notwithstanding the very subnormal rate of operations at which the automotive industry in common with all other industries is operating, I might at this time reaffirm the statement that I have made before to the effect that the motor car is to-day in the strongest position in its history from the standpoint of having become an economic necessity. The fact that next to food, shelter, and clothing the motor car has the first lien on the family budget remains unchallenged. The fact that gasoline consumption—a measure of car usage—will have reached, in all probability, in 1931 the largest volume in history demonstrates that despite the economic conditions prevailing car-mile inventory is being consumed, which means that renewal of that inventory in the form of increased purchases of motor cars must be only a question of time. I am strongly of the opinion that as confidence in the future increases and a turn in the general trend occurs the automotive industry will contribute importantly in accelerating the return to a more normal state of affairs.

I have mentioned in previous statements that a situation such as we are passing through has both its destructive and its constructive sides. As to the former, we are all too familiar with the distress, disappointment, and suffering that are essential parts of such a situation. From the standpoint of the latter, it must be recognized that there has been brought about an elimination of the inefficiency, waste, and false thinking that accompany periods of intense and prolonged prosperity and inflation. Equally important is the fact that out of the situation problems have arisen the recognition of which is sure to mean progress in our industrial development. Out of it also is bound to come a great acceleration in technical progress. All of these factors mean nothing more or less than the building of the foundation for a greater and, I believe, a more stable prosperity.

UNEMPLOYMENT RELIEF

Mr. JONES. Mr. President, I have a letter in the nature of a petition from the Olympia Chamber of Commerce, State of Washington. I do not very often ask that communications of this kind be printed in the RECORD, but this is such a strong appeal to the patriotism of our people and has attached to it a statement of such an interesting character that I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the letter and statement were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

OLYMPIA, WASH., *November 27, 1931.*

Hon. WESLEY L. JONES,
United States Senator, Washington, D. C.

MY DEAR SENATOR: I am attaching hereto an article prepared by two citizens of this community dealing with what is probably the most important subject of the present day—unemployment and the depression due to economic conditions.

A study of the thought or idea back of this article made an appeal to a number of students of our present troubles, and their reaction was entirely favorable, in that the purchasing public, to make it possible for the wheels of industry to continue must have a patriotic viewpoint.

As we recall it, during the war approximately 57,000 lives were sacrificed on the field of battle. Is it unreasonable to suppose that should present conditions continue throughout the winter that the loss of lives through suicide, caused by mental worries, starvation, lack of clothing, and proper housing facilities will not reach a total as large if not larger? And, furthermore, shall we lose sight of the fact that women and children will be included in the casualty list?

Unquestionably the individual who is drawing approximately the same compensation for his work, and in a number of instances with no reduction in remuneration is withholding, through fear of still further depression, the purchasing of manufactured products required right now until this coming year. Nothing we believe will produce quicker results than the returning to normal consumption of our necessities, affording employment and restoring confidence. To be effective, however, the patriotic appeal must be a national one. Hence our writing to you at such length.

We believe "patriotic buying" will have its effect on labor in a direct way. It will give the employed greater confidence, and he, too, will do his share of spending. The unemployed will accept it as the first direct move to put them immediately into a job.

Patriotic buying will force patriotic selling. The merchant who fails to meet this situation in a patriotic way will be in the same position as the wage earner who refuses to work for less. Both will be out of the picture as noticeably as the slacker was during the war.

The same procedure, methods, and facilities used in the sale of Liberty bonds during the war can be applied to this idea of patriotic buying. The 4-minute men, ministers from the pulpits of their churches, teachers in the schools, the spectators at athletic events, use of the radio-broadcasting chains, and even the proper slogan on the stamp cancellation machines in our post offices will tend to the restoration of business, reduction of unem-

ployment, resumption of confidence, and the saving of human lives.

We believe that the subjects contained in the accompanying article merit your most thoughtful consideration.

"Patriotic buying will end the depression."

With kindest personal regards, we are,

Very sincerely yours,

OLYMPIA CHAMBER OF COMMERCE,
RALPH L. SHEPHERD,
Secretary-Manager.

It is just as possible to do our bit toward the quick elimination of the factors that are causing this depression as it was to do our bit during the World War. In the World War we spent and fought and killed and saved and sacrificed to overcome troubles existing outside our borders. In this crisis we have greater troubles within our own borders, a crisis that will kill this winter, through suicides, sickness, privation, more of our human beings than died in the World War. It will kill women and children, and in this respect only is it different and worse than the World War.

War as a national crisis has always united the American people into a solid group, willing to work together for the accomplishment of one purpose, the successful termination of hostilities. During times of peace, prosperous or otherwise, the American people have seldom, if ever, joined hands to advance any one particular cause. Patriotism burns high during a war, but the flames die down when peace comes. President Hoover has declared the present economic crisis second only to war, as a national problem, and has called upon the citizens of the country to stand fast to ride down the depression and bring back normal times.

Is this crisis second to war?

Patriotic citizens gave up sugar during the war, sent wheat flour to Europe to feed the troops, and did a dozen other things to bring victory. Even children took their pennies and bought savings stamps. A like outburst of patriotism that will lead to the purchase of things needed now or will be needed in the spring, but being done without, would solve the depression problem.

During the recent World War the citizens of this country followed the advice of the Government leaders and endured many hardships to bring victory to American arms. Those hardships have not been forgotten by citizens; rather they are well remembered and easily recalled. To-day the country faces an emergency as acute, perhaps more acute, than war. At least millions are out of work and facing starvation, a situation that did not exist during the war. The war was won by a united Nation standing steadfast to accomplish one end. Why, then, can not the present economic crisis be overcome in the same manner, by a citizen group willing to unite, if necessary, to bring back normal conditions?

Let us put this on a patriotic basis. Is patriotism limited to war? Is not patriotism the greatest of all national principles? During the war patriotic citizens bought Liberty bonds. The need now is for patriotic citizens to buy the products of labor.

If the people of the country whose incomes have been maintained on pretty much the same basis this year as last will purchase now the things they need or are going to need, whether those things be automobiles, shoes, suits, or other manufactured articles, there will be an immediate demand for more products, and men now out of work will earn money to feed their hungry children. Once back at work, they will be able to purchase other products they need, and presently the depression will be a thing of the past. All that is needed is for concerted action to start the circle moving and everybody will benefit. And let us stop and think about this buying idea. Buying will end the depression. Why can't it start now, before the winter takes its heavy toll of our good people? Buying next year or next spring will be too late. Going into war six months later would have been too late. Where does the difference exist between a crisis of this kind and a crisis of war? Is it because patriotism is an ideal for war only that we will not be patriotic now in a crisis worse than war?

Put men back to work now! Not wholly because it will start factories, building new and more products, or give the merchant new and more business, but because it will immediately put food into the mouths of the women and children of those men who want work. It will save more lives, perhaps it will create more happiness than the winning of any war ever did.

"Patriotic buying will end the depression."

INTERGOVERNMENTAL INDEBTEDNESS—SOLDIERS' BONUS

Mr. DILL. Mr. President, I have two telegrams in the nature of petitions which I would like to have the clerk to read.

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

The Chief Clerk read the telegrams, as follows:

TACOMA, WASH., *December 16, 1931.*

Senator DILL,
Washington State Senator, Washington, D. C.:

Six thousand members Department of Washington Veterans of Foreign Wars urge you to withhold favorable vote on foreign debt moratorium until World War widows and orphans pensions and cash payment of bonus are assured. War veterans should come before foreign nations. America first then save Europe if necessary.

LEONARD A. SULLIVAN,
Commander Department of Washington,
Veterans of Foreign Wars of United States.

TACOMA, WASH., *December 15, 1931.*

Senator C. C. DILL,
United States Senate, Washington, D. C.:

Wild West Post, No. 91, Veterans of Foreign Wars, 992 members, vigorously object to having the foreign debt moratorium even considered until the widows and orphans of veterans pensions and adjusted compensation in full bills have been passed. Members demand that our own citizens be cared for first.

O. O. DRUMM,
Commander.

Mr. JONES. Mr. President, I have received the same telegrams, but shall not ask that they be read.

The VICE PRESIDENT. The telegrams presented by the Senators from Washington will be referred to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SMOOT, from the Committee on Finance, reported favorably the nominations of Ralph E. Smith, of Wisconsin, to be assistant to the Commissioner of Internal Revenue in place of Harris F. Mires, resigned, and of Richard N. Elliott, of Indiana, to be Assistant Comptroller General of the United States for a term of 15 years, to which office he was appointed during the last recess of the Senate, vice Lurton Rufus Ginn, and also the nominations of sundry officers in the Internal Revenue, Customs, and Public Health Services, which were placed on the Executive Calendar.

Mr. BORAH, from the Committee on Foreign Relations, reported favorably the nominations of William R. Castle, jr., of the District of Columbia, to be Under Secretary of State; Harvey H. Bundy, of Massachusetts, to be an Assistant Secretary of State; Green H. Hackworth, of Kentucky, to be legal adviser of the Department of State; Robert P. Skinner, of Ohio, to be envoy extraordinary and minister plenipotentiary of the United States of America to Estonia, Latvia, and Lithuania, and also the nominations of sundry other officers in the Diplomatic and Foreign Service, which were placed on the Executive Calendar.

CONDITIONS IN MANCHURIA

Mr. JOHNSON. From the Committee on Foreign Relations I report back favorably, with certain amendments, Senate Resolution 87, and I submit a report (No. 3) thereon. I ask unanimous consent for the immediate consideration of the resolution.

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

The Chief Clerk read the resolution (S. Res. 87) submitted by Mr. JOHNSON on the 14th instant, as follows:

Resolved, That the Secretary of State be, and he is hereby, requested to transmit to the Senate the notes, correspondence, and communications from the Government of the United States to the Governments of China and Japan or to the government of any other nation relating to the present existing conditions in Manchuria, and the controversy between China and Japan, which has resulted in armed encounters in Manchuria; and particularly any messages, notes, or communications from the United States Government to either the Governments of Japan or China referring to the treaty entered into at the city of Washington on the 6th day of February, 1922, by the United States, Belgium, British Empire, China, France, Italy, Japan, the Netherlands, and Portugal, known as the 9-power treaty, and referring to the treaty entered into by Japan and China, the United States, and other nations, and commonly known as the Kellogg pact; and also the notes, messages, letters, and communications sent or transmitted by the Government of the United States to the League of Nations, or any individual or committee representing the League of Nations, relating to the said conditions in Manchuria, and the said Chinese and Japanese controversy; or sent or transmitted to any individual or individuals representing the Government of the United States in said matters acting with or in conjunction with the League of Nations or the Council of the League of Nations, or any individual or committee representing the League of Nations or the Council of the League of Nations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BINGHAM. Mr. President, may I ask the Senator from California whether the Secretary of State was heard at the meeting of the committee which considered the resolution?

Mr. JOHNSON. No; the understanding is that he is to be subsequently heard.

Mr. BINGHAM. Let the resolution go over.

The VICE PRESIDENT. The resolution will go to the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. THOMAS of Oklahoma:

A bill (S. 1964) for the relief of James Albert Bennett; to the Committee on Naval Affairs.

A bill (S. 1965) granting an increase of pension, with retroactive benefits, to Fred E. Dixon; to the Committee on Pensions.

By Mr. BRATTON:

A bill (S. 1966) to suspend the requirements of annual assessment work on mining claims during the years 1929, 1930, and 1931; to the Committee on Mines and Mining.

A bill (S. 1967) for the relief of Ernest Gaines; to the Committee on Military Affairs.

A bill (S. 1968) granting an increase of pension to W. O. Thompson; to the Committee on Pensions.

A bill (S. 1969) for the relief of Jose Ramon Cordova;

A bill (S. 1970) for the relief of Florence Cavanaugh; and

A bill (S. 1971) for the relief of Sigmund Lindauer; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 1972) for the relief of Amy McLaurin (with accompanying papers); and

A bill (S. 1973) authorizing the Court of Claims of the United States to hear and determine the claim of the city of Houston, Tex.; to the Committee on Claims.

A bill (S. 1974) for the relief of Albert T. De Baum, jr.; to the Committee on Finance.

A bill (S. 1975) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

A bill (S. 1976) for the relief of Russell and Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas; to the Committee on the Judiciary.

A bill (S. 1977) relating to personal-injury suits by seamen; to the Committee on Commerce.

By Mr. CONNALLY:

A bill (S. 1978) for the relief of Daisy Anderson; to the Committee on Claims.

By Mr. SWANSON:

A bill (S. 1979) for the relief of Mrs. A. R. Holderby, 3d; to the Committee on Claims.

By Mr. DALE:

A bill (S. 1980) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.; to the Committee on Commerce.

A bill (S. 1981) granting an increase of pension to Laura B. Landon;

A bill (S. 1982) granting an increase of pension to Ina J. Densmore;

A bill (S. 1983) granting an increase of pension to Isabell J. Estes (with accompanying papers);

A bill (S. 1984) granting a pension to Mary Derrick (with accompanying papers);

A bill (S. 1985) granting an increase of pension to Bell J. Adams (with accompanying papers);

A bill (S. 1986) granting an increase of pension to Rose A. Fernan (with accompanying papers);

A bill (S. 1987) granting an increase of pension to Emma I. Fowler (with accompanying papers);

A bill (S. 1988) granting an increase of pension to Ann E. Foster (with accompanying papers);

A bill (S. 1989) granting a pension to Emma H. Hughes (with accompanying papers);

A bill (S. 1990) granting an increase of pension to Clara A. Phelps (with accompanying papers);

A bill (S. 1991) granting an increase of pension to Hannah L. Robbins (with accompanying papers);

A bill (S. 1992) granting an increase of pension to Vitaline Beaudet (with accompanying papers);

A bill (S. 1993) granting an increase of pension to Mary E. Daniels (with accompanying papers);

A bill (S. 1994) granting an increase of pension to Lida A. Aldrich (with an accompanying paper);

A bill (S. 1995) granting an increase of pension to Anna M. Walbridge; and

A bill (S. 1996) granting an increase of pension to Nellie Muzzey; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 1997) for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. SMOOT:

A bill (S. 1998) for the relief of Rada I. Kendall; to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 1999) for the relief of Thomas M. MacLachlan; to the Committee on Naval Affairs.

By Mr. STEIWER:

A bill (S. 2000) to aid agriculture by exempting from income tax income from agricultural loans, and for other purposes; to the Committee on Finance.

A bill (S. 2001) granting a pension to Mark Baldwin; and

A bill (S. 2002) granting a pension to Christiana L. Todd; to the Committee on Pensions.

A bill (S. 2003) for the relief of Fred Herrick; to the Committee on Claims.

By Mr. PITTMAN:

A bill (S. 2004) for the relief of Gilbert McNicoll; to the Committee on Claims.

A bill (S. 2005) granting a pension to Charles A. Clark; and

A bill (S. 2006) granting a pension to Roy E. Donnelly; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 2007) to authorize the erection of a United States veterans' hospital in Rhode Island and to authorize an appropriation therefor; to the Committee on Finance.

A bill (S. 2008) for the relief of Maurice M. Keleher; to the Committee on Naval Affairs.

A bill (S. 2009) for the relief of Anna Ventrone; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2010) for the relief of Dewey Newman (with accompanying papers); to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 2011) for the relief of Israel Brown; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 2012) for the relief of Oscar W. Behrens; to the Committee on Naval Affairs.

A bill (S. 2013) granting a pension to Ann E. Thomas (with accompanying papers);

A bill (S. 2014) granting a pension to Flora Rice Giddings (with accompanying papers); and

A bill (S. 2015) granting an increase of pension to Mary A Dittman (with accompanying papers); to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 2016) granting a pension to James E. Rush (with accompanying papers);

A bill (S. 2017) granting a pension to Emma Crow Dog Stewart (with accompanying papers);

A bill (S. 2018) granting a pension to Richard Payne (with accompanying papers);

A bill (S. 2019) granting an increase of pension to Mary H. Keck (with accompanying papers);

A bill (S. 2020) granting an increase of pension to Nellie Rowland (with accompanying papers);

A bill (S. 2021) granting an increase of pension to Gus W. Peterson (with accompanying papers);

A bill (S. 2022) granting a pension to Emily S. Marlett (with accompanying papers); and

A bill (S. 2023) granting a pension to Anthony Penson (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 2024) granting a pension to the survivors of the *Jeanette* relief expedition;

A bill (S. 2025) granting a pension to Richard T. Cream;

A bill (S. 2026) granting a pension to Martha M. Flood;

A bill (S. 2027) granting an increase of pension to Michael J. Haggerty;

A bill (S. 2028) granting a pension to Henry A. Pennington;

A bill (S. 2029) granting an increase of pension to James R. Ready;

A bill (S. 2030) granting a pension to John Reynolds;

A bill (S. 2031) granting a pension to Josephine Stombaugh;

A bill (S. 2032) granting pensions and increase of pension to nurses of the war with Spain, the Philippine insurrection, or the China relief expedition;

A bill (S. 2033) granting a special pension to officers and enlisted men who received the medal granted to those who participated in the Battle of Manila Bay, May 1, 1898; and

A bill (S. 2034) to increase the pensions of persons who have lost the sight of both eyes in line of duty while in the military or naval service of the United States; to the Committee on Pensions.

A bill (S. 2035) authorizing the President to appoint Capt. DeWitt Blamer, United States Navy, retired, a rear admiral on the retired list of the Navy;

A bill (S. 2036) granting six months' pay to Annie Bruce;

A bill (S. 2037) for the relief of Clifton H. Cantelou;

A bill (S. 2038) for the relief of Titus Leo Crane;

A bill (S. 2039) for the relief of John Davidson;

A bill (S. 2040) for the relief of William J. Dillon;

A bill (S. 2041) for the relief of Lieut. Nicholas S. Duggan;

A bill (S. 2042) authorizing the appointment and retirement of Walter N. Fanning as a chief petty officer, Naval Reserve;

A bill (S. 2043) for the relief of William Bartlett Haegele;

A bill (S. 2044) to provide for alterations and repairs to the U. S. S. *Henry County;*

A bill (S. 2045) for the relief of James E. Hughes;

A bill (S. 2046) for the relief of Jeremiah R. Hurley;

A bill (S. 2047) for the relief of James Jackson;

A bill (S. 2048) for the relief of Bendix Peter Jensen;

A bill (S. 2049) for the relief of Michael Kelly;

A bill (S. 2050) for the relief of Maurice J. Keegan;

A bill (S. 2051) for the relief of Walter Fred Kirchoff;

A bill (S. 2052) for the relief of George Lloyd Laraway;

A bill (S. 2053) for the relief of John P. Larimore;

A bill (S. 2054) for the relief of Edward J. Murphy;

A bill (S. 2055) for the relief of George L. Newell;

A bill (S. 2056) for the relief of Stanley Nolan;

A bill (S. 2057) for the relief of Patrick O'Brien;

A bill (S. 2058) for the relief of William C. Rives;

A bill (S. 2059) for the relief of Albert Ross;

A bill (S. 2060) for the relief of Otto Schluter;

A bill (S. 2061) for the relief of Otto F. Schroder;

A bill (S. 2062) for the relief of Adam Augustus Shafer;

A bill (S. 2063) for recognition of meritorious service performed by Chief Gunner Clarence L. Tibbals;

A bill (S. 2064) for the relief of Harry Francis Zeller;

A bill (S. 2065) to amend section 30 of the act entitled "An act providing for sundry matters affecting the naval service, and for other purposes," approved March 4, 1925;

A bill (S. 2066) authorizing the promotion of certain officers of the staff corps of the United States Navy;

A bill (S. 2067) to further amend section 4756 of the Revised Statutes;

A bill (S. 2068) establishing a naval record for certain officers and enlisted men of the naval militia of California who performed active duty on the U. S. S. *Marion* or *Pinta* during the war with Spain; and

A bill (S. 2069) to amend the act entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," approved February 28, 1925; to the Committee on Naval Affairs.

By Mr. HARRIS:

A bill (S. 2070) for the relief of Frasier Matthews Porcher; to the Committee on Claims.

A bill (S. 2071) granting an increase of pension to Margaret B. Furlow; to the Committee on Pensions.

By Mr. WALSH of Massachusetts:

A bill (S. 2072) for the relief of Arthur Maxwell O'Connor; to the Committee on Military Affairs.

A bill (S. 2073) for the relief of James Flynn;

A bill (S. 2074) for the relief of Leo Dennis O'Connor;

A bill (S. 2075) for the relief of Denis Healy; and

A bill (S. 2076) for the relief of Arthur Alvie Barrette; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 2077) to relieve the Commissioners of the District of Columbia of certain ministerial duties; and

A bill (S. 2078) to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan police force and fire department of the District of Columbia, and for other purposes,' approved May 11, 1892"; to the Committee on the District of Columbia.

By Mr. ROBINSON of Indiana:

A bill (S. 2079) granting an increase of pension to Sarah J. Garten (with accompanying papers);

A bill (S. 2080) granting a pension to Charles F. Williams (with accompanying papers);

A bill (S. 2081) granting a pension to John A. Davis (with accompanying papers);

A bill (S. 2082) granting a pension to Lora Lemons (with accompanying papers);

A bill (S. 2083) granting a pension to Lona Wright (with accompanying papers);

A bill (S. 2084) granting a pension to Agatha Cook (with accompanying papers);

A bill (S. 2085) granting an increase of pension to Lucretia E. Aydelotte (with accompanying papers);

A bill (S. 2086) granting a pension to Lewis C. Brookshire (with accompanying papers);

A bill (S. 2087) granting a pension to Homer G. Frame (with accompanying papers);

A bill (S. 2088) granting a pension to Martha E. Goble (with accompanying papers);

A bill (S. 2089) granting a pension to Lee Jordan (with accompanying papers);

A bill (S. 2090) granting an increase of pension to Dora Klinger (with accompanying papers);

A bill (S. 2091) granting an increase of pension to Sarah A. Long (with accompanying papers);

A bill (S. 2092) granting an increase of pension to Permelia J. Long (with accompanying papers);

A bill (S. 2093) granting a pension to Lizzie Sarver (with accompanying papers);

A bill (S. 2094) granting a pension to Ella White (with accompanying papers);

A bill (S. 2095) granting a pension to John M. Williams (with accompanying papers);

A bill (S. 2096) granting a pension to Michael Kanyuch (with accompanying papers);

A bill (S. 2097) granting an increase of pension to Malinda Sprague;

A bill (S. 2098) granting a pension to William A. Luttrell (with accompanying papers);

A bill (S. 2099) granting an increase of pension to Rachel J. Johnson (with accompanying papers);

A bill (S. 2100) granting a pension to James A. Haley;

A bill (S. 2101) granting an increase of pension to Nathan Ain (with accompanying papers);

A bill (S. 2102) granting an increase of pension to Elizabeth Wesley (with accompanying papers);

A bill (S. 2103) granting an increase of pension to Ada F. Williams (with accompanying papers);

A bill (S. 2104) granting a pension to Mary Wilkins (with accompanying papers);

A bill (S. 2105) granting a pension to Laura Belle Winters (with accompanying papers);

A bill (S. 2106) granting an increase of pension to Richard M. F. Jones (with accompanying papers);

A bill (S. 2107) granting a pension to Blanche Walker (with accompanying papers);

A bill (S. 2108) granting a pension to Sandford W. Smith (with accompanying papers);

A bill (S. 2109) granting a pension to Ethel M. Saulter (with accompanying papers);

A bill (S. 2110) granting a pension to Grover C. Oberle (with accompanying papers);

A bill (S. 2111) granting an increase of pension to Emily J. Moore (with accompanying papers);

A bill (S. 2112) granting a pension to Stephen Sowinski (with accompanying papers);

A bill (S. 2113) granting a pension to Malissa J. Richey (with accompanying papers);

A bill (S. 2114) granting a pension to Charles Parker (with accompanying papers);

A bill (S. 2115) granting an increase of pension to Nancy Maskel (with accompanying papers);

A bill (S. 2116) granting an increase of pension to Gertrude Cox (with accompanying papers);

A bill (S. 2117) granting a pension to Dawson W. Fawbush (with accompanying papers);

A bill (S. 2118) granting a pension to Harriet S. Frederick (with accompanying papers);

A bill (S. 2119) granting a pension to Perlie R. Chambers (with accompanying papers);

A bill (S. 2120) granting an increase of pension to Eliza A. Caster (with accompanying papers);

A. bill (S. 2121) granting a pension to Ellen J. Owen; (with accompanying papers);

A bill (S. 2122) granting a pension to Daniel L. Myers (with accompanying papers);

A bill (S. 2123) granting a pension to Henry Stateler (with accompanying papers);

A bill (S. 2124) granting an increase of pension to Martha A. Pyle (with accompanying papers);

A bill (S. 2125) granting a pension to Carrie D. Patton (with accompanying papers);

A bill (S. 2126) granting an increase of pension to Catherine Beach (with accompanying papers);

A bill (S. 2127) granting a pension to Estella Albright (with accompanying papers);

A bill (S. 2128) granting a pension to Maud Melville (with accompanying papers);

A bill (S. 2129) granting a pension to Thomas J. Durham (with accompanying papers);

A bill (S. 2130) granting a pension to Mertena Swaidner (with accompanying papers);

A bill (S. 2131) granting a pension to Hubert G. Schwartz (with accompanying papers);

A bill (S. 2132) granting an increase of pension to Neal Whaley (with accompanying papers);

A bill (S. 2133) granting a pension to Rosa A. Woodrum (with accompanying papers);

A bill (S. 2134) granting a pension to Elizabeth Burris (with accompanying papers);

A bill (S. 2135) granting a pension to William H. Revelle (with accompanying papers);

A bill (S. 2136) granting a pension to Cecile V. Tupper (with accompanying papers);

A bill (S. 2137) granting a pension to Charles E. Gulledge (with accompanying papers);

A bill (S. 2138) granting a pension to Robert Bales (with accompanying papers);

A bill (S. 2139) granting an increase of pension to Rosanna Kellogg (with accompanying papers);

A bill (S. 2140) granting a pension to Cora D. McCart (with accompanying papers); and

A bill (S. 2141) granting an increase of pension to John G. Hawkins (with accompanying papers); to the Committee on Pensions.

By Mr. BRATTON:

A joint resolution (S. J. Res. 55) to amend section 2 of the act of February 25, 1927 (44 Stat. L., pt. 2, p. 336); to the Committee on Irrigation and Reclamation.

By Mr. ROBINSON of Indiana:

A joint resolution (S. J. Res. 56) authorizing the Comptroller General of the United States to consider, adjust, and settle the claim of the Indiana State Militia for military service on the Mexican border; to the Committee on Claims.

CONSERVATION OF WILD LIFE

Mr. WALSH of Montana submitted an amendment intended to be proposed by him to the bill (S. 263) to insure adequate supplies of wild life, plant and animal, including forests, fish, and game, for the people of the United States; to secure the correlation and most economical conduct of wild-life research and restocking and the elimination of duplication of effort and expense between the several departments of the Federal Government having to do with the same; to promote the development and extension of experimental stations for breeding; to promote studies of diseases and other factors limiting the natural supply; and for other purposes, which was ordered to lie on the table and to be printed.

COMMERCE AND TRADE WITH CHINA—EXPENSES OF FOREIGN RELATIONS COMMITTEE

Mr. PITTMAN submitted the following resolution (S. Res. 96), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Foreign Relations and the subcommittee thereof authorized and directed by Senate Resolution No. 256 on June 2, 1930, Seventy-first Congress, second session, to examine and study stipulations relating to commerce in existing treaties of the United States and other governments with the Republic of China, and conditions that may affect our commerce and trade with China, hereby is authorized to expend in furtherance of such purposes $10,000 in addition to the amounts heretofore authorized.

MARGARET J. DUFFY

Mr. GLENN submitted the following resolution (S. Res. 97), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Margaret J. Duffy, widow of James E. Duffy, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SOPHRONIA B. LYNCH

Mr. NEELY submitted the following resolution (S. Res. 98), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Sophronia B. Lynch, widow of Columbus F. Lynch, late a messenger of the Senate under supervision of the Sergeant at Arms, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. NYE submitted the following resolution (S. Res. 99), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Lands and Surveys, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not to exceed 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expense thereof to be paid out

of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON PENSIONS

Mr. ROBINSON of Indiana submitted the following resolution (S. Res. 100), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Pensions, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-second Congress to send for persons, books, and papers, and to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. THOMAS of Idaho submitted the following resolution (S. Res. 101), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, hereby is authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee, may sit during the sessions or recesses of the Senate.

POSTPONEMENT OF PAYMENT OF FOREIGN DEBTS

Mr. McKELLAR. At this time I offer an amendment to be proposed to Senate Joint Resolution No. 38 and ask that it may now be read. The amendment is very short.

The VICE PRESIDENT. Is there objection to the reading of the amendment proposed by the Senator from Tennessee? The Chair hears none, and the amendment will be read.

The CHIEF CLERK. At the end of section 1, Senate Joint Resolution No. 38, it is proposed to strike out the period, to insert a colon, and the following proviso:

Provided, That it is the sense of the Congress that there should be no further moratoriums, no additional debt-funding legislation, and no further cancellation in whole or in part of the debts mentioned in this joint resolution.

The VICE PRESIDENT. Does the Senator from Tennessee desire to have the amendment lie on the table or to have it referred to the committee?

Mr. McKELLAR. I merely desire that the amendment be printed and lie on the table.

The VICE PRESIDENT. The joint resolution is in the committee and the amendment should go to the committee for consideration.

Mr. McKELLAR. I am perfectly willing that the amendment should take that course, but I desire also to have it printed.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Finance.

BOND ISSUE FOR PUBLIC WORKS

The VICE PRESIDENT. If there are no further concurrent or other resolutions, the Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 94) submitted by Mr. BLACK on the 15th instant was read, as follows:

Whereas the paramount problem confronting our Nation to-day is unemployment and public distress; and

Whereas this situation exists at a time when the national wealth is the greatest in our history; and

Whereas there is to-day a surplus of food, clothing, and other necessities of life which can not be purchased by millions of American citizens who want and need them, because they are unable to secure work; and

Whereas this condition has stopped the work of our mills and factories and condemned our people to involuntary idleness; and

Whereas this condition has created a national emergency, which calls for quick and effective action, in order to utilize our national resources for the public welfare: Now, therefore, be it

Resolved, That the Committee on Finance is authorized and directed to prepare a bill and report to the Senate at the earliest possible date, said bill to authorize the issue and sale of a Government bond issue of $1,000,000,000, and providing for the expenditure of said money throughout the States in the building of highways, bridges, and other public projects, having in view the doing of such work as will be most useful to the public and employing the maximum amount of human labor, and work that can be begun in each particular locality with the least possible delay.

The Committee on Finance, or any properly authorized subcommittee thereof, is hereby authorized to conduct such hearings as may be necessary to determine how the money raised by such bond issue shall be expended to accomplish the purposes hereinbefore set out and to determine what other funds should be raised, and how, for a program of public works throughout the States, and for what purposes and in what manner it should be expended.

Mr. BLACK. Mr. President, I shall detain the Senate for only a very few moments to call attention to the resolution and the action which I desire to request be taken upon it.

Mr. President, this resolution was offered because I believe it was made necessary by the failure of the President and his stabilization committee to act in line with the bill which was passed at the last session of Congress, and which was introduced by the Senator from New York [Mr. WAGNER]. Under that bill, as referred to in a resolution offered a few days ago by the Senator from New York, it became the duty of the President, by reason of conditions and circumstances which exist in this Nation, to recommend to the Senate and to the House of Representatives an emergency appropriation for public works.

The Senator from New York calls attention in his resolution to the depression which exists, and to the fact that instead of the public-works programs having been increased in recent months public-works programs have been greatly decreased. The Senator from New York calls attention to the duty of the President, under the act which was passed at his instance, to this provision of the law:

SEC. 5. Whenever, upon recommendation of the board, the President finds that there exists, or that within the six months next following there is likely to exist, in the United States or any substantial portion thereof, a period of business depression and unemployment, he is requested to transmit to the Congress by special message, at such time and from time to time thereafter, such supplemental estimates as he deems advisable for emergency appropriations, to be expended during such period upon authorized construction in order to aid in preventing unemployment and permit the Government to avail itself of the opportunity for speedy, efficient, and economical construction during any such period.

We have had a message from the President on the moratorium; we have had a general message which instead of indicating the desire to increase emergency appropriations for public works indicates a desire to decrease emergency appropriations for public works. The resolution of the Senator from New York provides that the President shall be requested to act under the authority given him by law and report to this body at the earliest possible time concerning the things demanded by this statute in order that an emergency appropriation bill may be passed.

Since the President has not acted in compliance with this law—for what reason I do not know—it was my idea in offering this resolution that, pending action by the President, the Finance Committee itself should be called upon to perform these duties in order that the Senate and the House of Representatives may not neglect that which I believe to be the most important thing in America to-day—attempting, so far as possible, to stimulate activities in this country by necessary public works. Therefore my resolution provides as a supplement to the resolution of the Senator from New York that, pending action by the President, the Senate committee shall draw a bill providing for a bond issue and shall determine by evidence heard before it where the work may best be done in a way to use the most human labor, the work to begin as speedily as possible. I offered the resolution because it is my belief individually at the present time that we should not wait any longer before we provide an appropriation for the purpose of putting people to work, because, in my judgment, that is the supreme issue which confronts the Congress and the people at this time.

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

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield to the Senator from Florida.

Mr. FLETCHER. Is it not a fact that appropriations have already been made and the money is in the Treasury, and in many instances has been there for two years, but those in charge of the building program, those who administer the law, have simply failed to prosecute the work that has been ordered by Congress and for which money has been provided?

Mr. BLACK. That is my understanding.

Mr. FLETCHER. If that is true, what is the use of issuing bonds, or what is the use of making appropriations, if we can not have the work done under the authority and appropriations already provided? The authorities who are carrying forward the building program are to blame for the delay in giving people employment, because the money has been provided, the projects have been adopted, and everything has been done except to let the contracts and prosecute the work. There is where the trouble lies. It is not, in my judgment, because they are without funds or that there is need of appropriations or need of further funds that should be provided by a bond issue or anything of that sort. The trouble lies in the agencies that ought to go forward with this work failing utterly and inexcusably to prosecute it.

Mr. BLACK. I agree with the Senator that that is partially the trouble. The situation, therefore, is that the Senator from New York has submitted the resolution to which I have referred and I have submitted a resolution supplementary to it. It is my hope that within the next few days those resolutions may be considered by this body. I do not think, however, in view of the fact that a number of Senators have stated that they have not as yet had time to consider and study the entire proposition, that the consideration of the resolution should be insisted upon this morning, but it is my hope and that of the Senator from New York to present to the Senate, at such time as can be agreed upon, the facts concerning the necessity for this work and the necessity for drawing bills and appropriating money in such way that those in charge of the work will be directed and compelled to proceed to meet that which I consider to be the supreme problem facing the American people to-day—the problem of in some way endeavoring to alleviate the widespread unemployment which exists in this Nation. Therefore, I shall not ask for action on the resolution this morning.

The VICE PRESIDENT. The resolution will go over.

PHILIPPINE INDEPENDENCE—LETTERS OF GENERAL AGUINALDO AND COMMISSIONER OSIAS

Mr. HAWES. Mr. President, some months ago there appeared in the press a statement to the effect that Gen. Emilio Aguinaldo was not in favor of independence for the Philippine Islands. This report was given wide circulation. Representatives of the commission in Washington reported its inaccuracy. But in order to settle the matter I visited General Aguinaldo, who was then confined in a hospital, and asked him to reduce to writing a positive statement on the subject so there might be no longer a dispute as to his position.

He sent to me, at Manila, a letter under date of July 25, 1931, a communication which will set at rest any uncertainty as to his position.

More recently there has appeared in the press, emanating from a small group of Americans in Manila who are opposing independence, the statement that Senator Quezon, Filipino leader, had abandoned his advocacy of independence and now favored merely an extension of Philippine autonomy in government. This statement is untrue, as was the one in relation to Aguinaldo's position, as is evidenced by a letter which I have received from Resident Commissioner CAMILO OSIAS.

It is time the American Congress, both the Senate and the House, should have the facts, and the American people are entitled to have them. To select two of the greater Filipino leaders and deliberately misrepresent their position regarding independence is not only unfair, it is dishonest; and I request therefore the privilege of inserting in the RECORD the letters of General Aguinaldo and Commissioner OSIAS relating to the position in the matter of independence of these two Filipino leaders.

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

The letters are as follows:

Senator HARRY B. HAWES,
Manila Hotel, Manila.

DISTINGUISHED SENATOR: I have read with care the questions you formulated on the subject of Philippine independence. My answers are herein conveyed in the form of a memorial which I have prepared for such use as you may deem convenient. I only regret that, due to my confinement in this hospital, it has not been possible for me to venture into a fuller discussion of the subject. I hope, however, that although the answers are incomplete, you will have an idea of my points of view on the independence of my country.

I am thankful to you from the bottom of my heart for having requested an expression of my opinions on the salient phases of this question, so vital to all of us. The restoration of the Philippine Republic has been the principal longing of my life. That Republic we had erected after tremendous sacrifices; it was the compendium of our dreams as a nation subjugated for three centuries by foreign domination; it forms a part of our very being as a people.

The efforts you are exerting to bring about the restoration of that Republic have the unanimous support of the Filipino people. To you and to your colleagues in the Congress who have assumed the difficult task of helping us in the campaign, we all owe a debt of gratitude. In our hearts you will find the monument to your great work.

No one, I believe, without committing an injustice, could question the sincere and unanimous desire of the Filipino people to obtain their coveted independence. Our revolutions are proof of that desire. Since then the sentiment of the Filipinos regarding their emancipation has not changed.

The insinuation that the popular expressions in favor of independence have been secured by intimidation is without justification. On the contrary, it may be said that the political leaders have had to declare themselves openly for independence, because a contrary behavior would have brought popular condemnation upon them.

The demand for independence by the Filipino people will be more and more pressing as the years go by, not only because of the innate desire of peoples for self-determination, but also because of the assurances given by the United States through her legitimate representatives, both civil and military, that upon occupying these islands America did not entertain designs of exploitation but of emancipation. The delay, therefore, in the concession of independence serves only to accentuate the people's desire for liberation and at the same time to aggravate the political and economic situation of the country.

It is true that the concession of independence will usher in new domestic problems. But it is then that our statesmen could, and will, dedicate themselves to the consideration of these national problems, preferably the economic, which have been and will continue to be neglected and relegated to the background as long as our political situation is not defined in harmony with our age-long aspirations. If we recall our revolutionary epoch of 1896 and 1898, I may be permitted to state that at that time we faced grave internal problems under the dictatorial and revolutionary governments, and later under the Philippine Republic; but thanks to the patriotism and civic spirit of our people we emerged successful from the test to which fate had subjected us.

What is more, I believe that when we are independent we shall have a better kind of democracy than that which prevails in the islands at present. As it is now, it may be said that we have only one political party. The opposition has always been weak, and this is attributable to the system whereby the majority party has intrenched itself formidably in power with the unconscious abetment of the representative of American sovereignty.

Twenty-four years have elapsed since representative government was inaugurated here, and yet the opposition party has not succeeded in coming into power. If things are to continue as they are now, I doubt whether the opposition, no matter what efforts it exerts, could ever succeed the majority party in the Government. With independence, the opposition will have a better chance; many national questions will be the theme of discussion; party responsibility and fiscalization will always be a serious issue. We could then expect periodical changes in party administration and the consequent betterment of the public service.

The possibility of a civil war or of a general disturbance is not an impediment to the concession of independence. Civil wars and uprisings have in many cases been the price which independent peoples have had to pay in order to consolidate their institutions. If it is written that the Filipino people shall pass through such a terrible ordeal, they will not hesitate to do so, provided they could be masters of their destinies. Civil wars, however deplorable, are often inevitable when constitutional means are impotent to restore the reign of law. But, despite all that, I do not believe in the possibility of a civil war or general disorder if independence is granted. By nature we are a peaceful people, lovers of public order, and it is not hazardous to affirm that if we are declared independent there will be a firmer union among the Filipinos brought about by the sense of a common responsibility and desire

to support and elevate the country redeemed. This was the case in the days of the Philippine Republic.

With the termination of the present uncertainty in the relations between the Philippines and the United States public attention will be concentrated on our economic problems, capital will emerge from its retirement, and as a result the material progress of the country will be emancipated from its present stagnation.

I believe that a delay of 20 or 30 years in the concession of Philippine independence will work irreparable harm to the cause of economic and political progress, aside from the fact that during such a long period of time new difficulties might arise which would necessitate further postponement of the grant. At present the country is literally mortgaged to the United States. Twenty years hence, therefore, the big interests will have intrenched themselves in such a manner and will command such means as would enable them easily to stifle our future as well as our desires for emancipation. Those big interests which made the independence of Cuba a solemn fiction will, if Philippine independence were further delayed, make that independence an eternal aspiration impossible of realization.

If the present situation continues for 20 years more, at the end of that period the Philippines will be a political as well as economic tributary of American capital. Individual initiative in the manhood of our race will have disappeared, and we will be nothing but a nation of bureaucrats and employees groaning beneath the thumbs of political chieftains, and whatever vestige of democracy we have now will then be a myth.

Other contingencies, too, might arise if the granting of independence were to be delayed further. The difficulties incident upon severance of relations will naturally increase a thousandfold. Various other new interests of the United States might be affected by the continuance of our association. Tariffs on our products will have to be imposed in the meantime if certain American industries are to be saved from extinction. A greater agricultural or industrial development here will have its telling effect on America's own agricultural and industrial interests. The severance of free-trade relations would seem to be inevitable. Congress could not prevent that even if it wanted to. The time, therefore, will surely come when the relations between America and the Philippines will be purely political; we will be a foreign country to her as regards trade relations, but politically we will be under her supervision and protection.

On the other hand, if independence were granted now, it would stimulate our initiative as a nation. The idea of political dependence will disappear from our minds. We could begin to fashion the structure of our nationality in our own way. We shall grapple with our problems in accordance with our capacity and means. And we shall have an opportunity to be strong and really prosperous, a thing we never can accomplish under the tutelage of another nation.

The argument that we are not prepared for independence is gratuitous. And in the strict sense, we are not being prepared for independence anyway even under the aegis of the United States. Where is the preparation for an army and navy, for aviation, and for aerial defense? Where is the preparation in diplomacy and consular service? It is true that much has been accomplished under American guidance; we have better roads, sumptuous government offices, a higher standard of living, and a modern system of public instruction. Nevertheless, as the enemies of independence would interpret the word "preparation," we have not got it, in spite of 30 years' tutelage. And two centuries from now we will be told the same thing.

The present uncertainty, as I have stated above, retards the economic development of the country. Capitalists have said that they do not care to make investments here in view of that uncertainty in our political status. If the uncertainty were terminated, the situation will change. Even in bolshevistic Russia and in China, with its continuous civil wars, foreign capital keeps pouring in. It can be safely predicted, I believe, that once independent we also can get desirable foreign capital invested here. Our industries and financial growth will also be accelerated. The responsibilities attendant upon the changed status will be so great that our people will exert all their efforts to create more wealth with which to meet their obligations. This has been the experience of countries that have attained their independence, and the Philippines does not have to be the exception.

I would prefer the opening up of world markets for our products. We have many tropical products which are in great demand not only in the United States but also in other lands. If we could place those products in the markets of other lands besides, it would surely be to our advantage. With the possible exception of cotton and steel and machineries, we could produce the things we need locally. We do not need much for our daily living. Foodstuffs we could produce in abundance. The raw materials for the primary manufactures are here also in abundance. We could be in a position to compete in the markets of the world.

The free-trade relations we now have with the United States were established by the Congress. I do not remember that we have asked for this arrangement. It has been beneficial to the islands, to be sure, but from the point of view of our national destiny it has deprived us of other markets and hence other chances.

The result of this free-trade arrangement is as follows: Encouraged by the demand in the American market, we have produced more sugar and we have also increased our production of oil and other products. But this increase is not now looked upon with favor by American agricultural interests and we are being told to restrict our output, because we are competing with American products in the United States. At the same time we are told to develop our country economically if we desire to be free. It would seem, therefore, that we are between the devil and the deep blue sea.

I venture to assert, then, that the economic structure of the country will be more stable if we secure an access to other markets besides those of the United States, although for reasons of gratitude and other considerations which we hold toward her we would be willing always to consider America as the favored nation under equal circumstances.

I am convinced that the contemplated readjustment of free-trade relations should come after the concession of independence. Disposed as we are to face the consequences imposed by new obligations that will arise our country will intensify its activities in all lines of endeavor with those new obligations in mind. Necessity is the mother of progress, and on the necessities incident upon an independent government, the Filipino people will construct the edifice of their prosperity and national greatness. On the understanding, therefore, that the adjustment regarding free trade should not precede the concession of independence, notwithstanding opinions to the contrary, I would suggest a period of not more than 10 years within which we hope to be able to adjust the economic difficulties attendant upon separation in a way satisfactory to both peoples. Let independence come at the earliest hour, however, at the latest within the next five years, inasmuch as the continuation of the present guardianship will kill our spirit of initiative as well as the characteristic elements of our nationality.

There is no doubt that the danger of a foreign invasion will be greater when we are independent than now under the sovereignty of the United States, this in spite of America's commitment under the quadruple treaty that the Philippines will not be fortified further. The mere presence of the United States here, without necessity of fortification, is sufficient guaranty against any possible danger of invasion. The country is perfectly aware of this advantage, but it can not sacrifice to it its independence ideal.

It would be desirable, of course, if the principal powers of the Pacific could reach an agreement guaranteeing the neutrality of the islands. International relations are slowly evolving toward concord and peace, and a treaty of neutrality would be a good guaranty of the external safety of the Philippines in the future. But if there should be difficulties in the realization of such a treaty the country will not renounce its ideal because of those difficulties. The Filipino people desire their independence and they will pay the price that destiny might exact.

Our people have waged two revolutions, shed much blood, and sacrificed innumerable lives and fortune in order to attain their political independence; they are disposed now to forego the material advantages they enjoy and even the greater ones they might enjoy in the future in exchange for their liberation. After all, these are transient advantages, and we have seen how, recently, a movement has been started, and is gathering momentum, to terminate the present tariff relations between the Philippines and the United States. Hence even under the present state of dependence there is a possibility, not remote, of those advantages disappearing.

The preservation of our public lands for the present and future generation of Filipinos is undoubtedly one of the serious problems which will require most careful study by our statesmen. The present laws, however, offer sufficient guarantees of protection for foreign and for local capital alike, and whatever attempt there will be to liberalize the present public land laws will meet with decided and vehement popular protest. No political party would dare father a measure which would thus rile popular sentiment.

It has been argued that with the advent of independence there will be a backslide in the sanitary conditions of these islands. Nothing is more erroneous. The present sanitary service, which is a success, has been in the hands of Filipino officials for more than 15 years. In case of independence, therefore, the danger is not in a possible backsliding but in going ahead too fast, for then there will be greater desire to serve the country recently emancipated.

The so-called Moro problem has never existed and does not exist. During the life of the short-lived Philippine Republic our Mohammedan kinsmen shared with us in the benefits of that government and abided by the orders and decrees promulgated. I repeat that there is no such problem. It has been fabricated by the enemies of independence in order to discredit us in the eyes of the Government and people of the United States. Our Mohammedan brothers are conscious of our desire and solicitude to impart to them the benefits of civilization enjoyed by the Christian Filipinos.

With respect to the oft-repeated Japanese menace, I would state that Japan has a noble rôle to play in this part of the globe as a nation which is at the vanguard of the other nations of the Far East. It would be a dark day for oriental peoples if Japan would seek to impose her sovereignty on every one of them. The awakening of China and other oriental countries during recent years is not a sign that would encourage Japan to entertain designs of suzerainty over the Far East. On the other hand, it would be to her advantage if she could have the friendship and good will of all her neighbors. Overlordship based on might has never endured. Weak peoples will not continue weak forever. Always there have been upheavals resulting in their emancipation. National consciousness and the instinct of self-preservation have always saved nations, however small, from humiliation and disaster.

There are, it is true, many more Chinese than Japanese in the Philippines. Whether, however, the Chinese constitute a menace

to the country is something we can not as yet foresee. Indications are to the contrary. The Chinese here are peaceful and law-abiding. They do not bother the Government nor their neighbors They comply with their obligations and attend industriously to their industrial and commercial speculations, in which it is hard to excel them. They mix with Filipinos; they intermarry with Filipino women and their children become good Filipino citizens. A treaty on immigration between China and the Philippines would be good for the preservation of their friendly relations.

I believe that the fact that there are only about 7,000 Americans who have taken up their residence here is due to the distance from the United States and also to the climate here. Having been born and reared in surroundings vastly different from ours, the lure of home and of dear relations would be too strong for them to want to stay here all their lives.

Our feeling of gratitude toward the United States will be intensified with the grant of independence. This is but natural. America and her illustrious statesmen have repeatedly announced that her presence here is not actuated by selfish motives, nor is it for exploitation, but to aid us in the establishment of a representative system of self-government. We placed implicit faith in her word. Its fulfillment will be the occasion for rejoicing throughout the islands; it will strengthen our faith in the sincerity of the United States. To our people the waiting has been too long. Many Filipinos of worth who have fought for the freedom of the land have already passed on—they would have been glad to witness the restoration of the Republic they proclaimed and defended. If, on the other hand, the United States does not fulfill her promise, then the Filipinos will be convinced of the injustice that has been their fate; they will realize that all their efforts and sacrifices, in war and in peace, have been in vain, and that they made a great mistake, for which their children and their children's children will rebuke them, in having trusted in the word of the United States.

Reiterating my sincere gratefulness to you and to those other Members of Congress who are taking an interest in the independence of my country, I am,

Very sincerely yours,

EMILIO AGUINALDO.

ST. JOSEPH'S HOSPITAL,
Manila, July 25, 1931.

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 7, 1931.

MY DEAR SENATOR: There has been such a subtle publicity of late seeking to convey the information, or rather misinformation, that Senator Quezon has abandoned his well-known independence stand after his recent return to the Philippines. Of course, I am confident that no one who really knows Mr. Quezon and his record of persistent fight for our national emancipation would give credence to the propaganda, and I am writing you, not because I fear that you would believe the erroneous news that is going the rounds but merely to place in your hands textual quotations from his statement.

In a report submitted to the last session of the Philippine Legislature, Mr. Quezon, president of the Philippine Senate, under the caption, "What I would Do," said:

"(1) I would try to obtain immediate, absolute, and complete independence with free trade between America and the Philippines for 10 years. Safeguards for the independence and integrity of Philippine territory through a treaty entered into by the great powers of the world. If this plan fails, (2) I would strive for the fixing of a period necessary for our economic readjustment, after which the Filipino people will be given absolute independence, or will be free to choose whether they will have independence or not. During such period of economic readjustment, the government of the Philippines will be autonomous, with a chief executive elected by the people, and with such powers as may be necessary to take all the measures designed to promote the country's political, economic, cultural, and social development in keeping with the needs and the genius of the Filipino people. I would give my consent to the intervention and control of America over those matters which directly or indirectly might affect our international relations, until the complete separation between the two countries shall have been effected. (3) If I saw that none of the plans above outlined had any probability of being approved I would support any measure which would insure an action by the next Congress on the Philippine question. This means that I would accept immediate, absolute, and complete independence without free trade or any other plan that would put an end to the present uncertainty and American control of our government, which will bring us nearer to the full attainment of our national ideals."

Referring to his conversations with the Secretary of War when Mr. Quezon was last in Washington, as the head of the Philippine mission sent by the Philippine Legislature to work for independence, he said in the same report:

"I told him (the Secretary) finally that both the conservative and the radical Filipinos would be united in favor of immediate independence, even without free trade, if the other alternative only was the continuation of the present uncertainty of the political and economic relations between America and the Philippines."

The foregoing should be sufficient to show that the propaganda to the effect that Mr. Quezon has abandoned his stand in favor of the imperative necessity of remedying the unsatisfactory and uncertain status of the Philippines on the basis of the early grant of independence is without foundation, if, indeed, it may not be said to be a misinformation. The Filipino people with Senator Quezon naturally wish "a free and independent but prosperous Philippines," but between independence without prosperity and prosperity without freedom they would unhesitatingly accept the former.

Mr. Quezon, as the recognized leader of the Filipinos, spoke truly when in the same report he declared that "in the interests of both of the United States and the Philippines, the present relation between them, which is that of the ruler over the subject must terminate."

By way of conclusion he further added:

"* * * Our relations with the American people, if there are to be any, must be inspired by the principle of self-determination and voluntary partnership. It is only thus that an effective and cordial cooperation between America and the Philippines may be secured in a common design to promote the moral and material interests of both peoples."

Knowing of your zeal and disinterestedness in favor of Philippine independence, I am writing this that you may be in possession of the facts.

Trusting that you will continue helping us secure early congressional action to redeem America's pledge to withdraw her sovereignty over the Philippines and grant the independence which the Filipino people consider supreme in life, I beg leave to remain,

Yours for Philippine independence,

CAMILO OSIAS.

Hon. HARRY B. HAWES,
United States Senate, Washington, D. C.

PHILIPPINE INDEPENDENCE—SPEECH OF SENATOR HAWES BEFORE THE PHILIPPINE LEGISLATURE

Mr. HAWES. Mr. President, during my visit last summer to the Philippines I became a victim of the propaganda of suppression and misinformation coming from a Manila source opposing independence of the islands.

Fortunately, a stenographic record of my speech before the Legislature of the Philippines was made and printed in the record of the Philippine Legislature, which is similar in form to our CONGRESSIONAL RECORD, and I ask permission to insert in the RECORD a copy of the official record of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

Mr. President, Mr. Speaker, and members of the Philippine Senate and House of Representatives, the many courtesies and wonderful hospitality extended to me since my arrival in your beautiful islands now culminates in the honor of this invitation to address in joint session both branches of your legislature.

It affords me an opportunity to restate my own position in the matter of independence, but more important still, to give to you briefly not my personal opinion but the opinion of the committee which reported favorably on this subject.

There should be no partisan politics injected into this matter. It is too serious, too vital to permit party advantage or factional gain to have the smallest consideration. I have observed that both of your political parties have placed this subject upon the highest human pedestal. I hope there will be no division between Democrats and Republicans in my country.

Senator CUTTING, joint author of the bill, is a Republican. I am a Democrat. There was no partisan politics in the preparation of our bill. It will be supported by both Republicans and Democrats as it is here by both of your political parties.

It has not occurred to me in receiving your hospitality that it was personal. It was because of the bill that your generous hospitality has been extended. It would have been the same for any other man. If it had been Senator CUTTING, the reception would have been identical.

So I have not had the feeling that the united response to my inquiry was personal. It happened that Senator PITTMAN and myself were here, so the answer was given more directly to us.

Neither Senator PITTMAN or myself have attempted to influence your opinion.

I came to your islands because they interested me. There was a romance connected with them. Your repeated struggles and sacrifices for liberty are known. You have a real mission to perform in this part of the world; you must do it yourselves; it can not be done for you by another race of people. So, the more quickly the sole responsibility is yours, the more rapid will be the advance.

We sent to you some of our great men. Their personalities have impressed themselves upon your government, have advanced your welfare, and, I am sure, promoted your happiness. I have a feeling of justifiable pride in their personal achievements in the matters of health, sanitation, and jurisprudence.

We are familiar with your struggles for liberty under the old Spanish rule, and with your revolution of 1896 and that of 1898, showing a united intention to secure freedom.

Since the arrival of the American school teacher, your children have been taught the finest pages of American history, which has added to your natural aspiration for liberty, self-government, and independence.

Starting almost immediately after the war, our teachers and our public men have read to you our Declaration of Independence, celebrated the Fourth of July, and upon every occasion extolled the virtues of our colonial ancestors. This combined the history of your country and my country in their endeavors to secure self-government.

To find myself in your far provinces, introduced to large audiences by graduates of the leading American universities, such as Yale, Harvard, Cornell, Chicago, Columbia, and others, increases my pride in American accomplishments.

The subject of my special inquiry was to determine whether you earnestly, unitedly ask for independence, for complete self-government; whether you realize that the severance of the ties with America would carry with it heavy responsibilities, possibly increase in taxes, and some loss of trade.

I desired an answer to the propaganda directed partly from Manila that the voice of independence was a small, well-organized voice, or whether it came from all classes of your people, your leading business men, your executive officials, the governors of your provinces, the mayors of your cities, your local councils, from the schools, and of great importance, from your press.

Our Senate committee, in its report in May, 1930, said:

"Your committee desires to call attention to a propaganda intimating that the Philippine leaders are not sincere in their demands for independence. * * * It is insinuated that the Filipino people do not actually desire independence; their leaders do not really favor it."

On the day of my arrival in Manila, June 18, I made this statement:

"The object of my present visit is to ascertain just one thing: Do the Philippines want to be independent in the near future? Are there any Filipinos who are opposed to it? If the Philippines are united, determined, and persistent, in my judgment independence will be granted.

"The American people never intended to hold the Philippines for the sole purpose of commercially exploiting its people. The American people want your trade, your friendship, your confidence. We desire even more, your respect and your affection."

These statements by the Senate committee and myself are clear and should be easily understood.

Your answer to the charge of insincerity has been given with unanimity. It came in great volume, with energy and good-natured enthusiasm. No one can doubt either its strength or convincing sincerity.

This remarkable unanimity of opinion in the matter of independence by your people, your public men, and your local newspapers will be all controlling in America. Stories have gone to the States conveying a wrong impression, and upon these stories editorials have been written conveying a wrong impression of the attitude of your people.

The subject of independence involves the contentment and the happiness of 13,000,000 people, and rational happiness and content should be the first object of all government. It is unfair to your people and to our people to deceive them regarding either the unanimity or sincerity of your expressions.

The question of the sincerity of Filipinos in asking for independence was not raised by me. The responsibility for its presentation must rest upon those who introduced the doubt, who made the charge.

The door of doubt was not opened by me. My small part has been merely to assist in ascertaining the truth. You have now closed the door upon the falsehood.

In my country we have political leaders who express themselves, and they are supposed to express the opinion of their followers; we have great national conventions that make declarations; we have city councils and representative bodies that control our cities. We have a vigorous and intelligent press. These are the usual avenues of expression of public opinion, and it was to similar bodies here that I directed my inquiry.

In every city visited I have been presented with resolutions passed by the city council. In every province I have been accompanied by the governor of the province. In every place there have been arches across the roads; there have been parades; there have been flowers; there have been delegations of men and women, and the representatives of the old soldiers of Aguinaldo. There has been but one answer; it was complete, effective, conclusive.

Your press united in stating that the independence demonstration on the 12th of this month was the greatest of its kind ever held in the Philippine Islands; greatest in point of numbers; greatest in enthusiasm; greatest in good nature and good order.

So your answer came from every source, from your political leaders, from your organized towns, from your newspapers. From every source there was one reply: We want independence. We realize the sacrifices that must be made. We have an affection for the American people; we consider them to be our friends; we rely upon the fulfillment of their promise. This will add to our gratitude.

THE PARALYSIS OF UNCERTAINTY

Having answered hostile propaganda and disposed of the question of sincerity, we come to the serious matter of economic stagnation created by uncertainty as to the future, harmful in its effect both in America and in the Philippines.

Upon this point our Senate committee said:

"Every witness who appeared at the hearings, whether he was an official of the central or the insular government or a private person with admitted economic interests at stake, agreed that a definite policy toward the Philippines would be both necessary and desirable as a means of curing the present uncertainty.

"The initiative of the Filipino is hampered by his status. The development of 114,000 square miles of island area is being handicapped, and certain manufacturing possibilities are being dwarfed because of the general uncertainty.

"American capital, doubtful of the future, declines to enter the islands. Foreign capital with no voice whatever in the settlement of the problem will not invest there.

"Under such conditions satisfactory economic progress is impossible."

During the past 12 years billions of American money have been invested abroad, but less than one-sixteenth of 1 per cent of these investments have been made in the Philippine Islands, notwithstanding the fact that the islands have great latent resources.

The reason is the uncertainty which exists. This has prevented any new important capital from coming into the islands.

Not only has this uncertainty prevented the introduction of new American capital, but it is having its serious consequences in the matter of the American population in the Philippines.

In 1903 the population of the Philippine Islands was 7,635,426. To-day it is estimated at 13,000,000, showing an increase in 28 years of approximately five and a half millions.

But during the same period, although the islands have been under American sovereignty for over 30 years, there has been a decrease in the number of American residents of the islands.

In 1903, over a quarter of a century ago, civilian Americans in the Philippines numbered 8,135; to-day the estimate is only 7,000, of whom, it is stated, about 6,000 reside in Manila and only about 1,000 are scattered through your Provinces.

In my opinion, this decrease is due to two causes. The first is climatic conditions. The second is uncertainty regarding the future.

American business men will not come here or make any new investments until this uncertainty is removed. Young American employees will not come because of the uncertainty of the tenure of their employment.

Few young Americans are here now. The American residents are nearly all gray-haired veterans. Neither money nor men will come from America until this uncertainty is disposed of.

Still more embarrassing is the present uncertain political status of the Filipino. Under this uncertainty a Filipino is not an American citizen; he is not a Filipino. A foreigner under certain of our statutory provisions, he is uncertain as to his national status, and not sure of his international status. He carries two flags, and may not even be permitted to peacefully express his appeals in a plebiscite. He can not elect his national executives, not even the mayor of his capital city of 350,000 people, and yet, from his pockets comes the money to pay all the cost of government, including the salaries of all appointed officials.

With the exception of the salary of $10,000 a year to each of the two Resident Commissioners to the United States Congress, and a contribution to the enforcement of quarantine regulations and the Coast and Geodetic Survey, all expenses of the Government are borne by the insular treasury.

Our Department of War reports that we have spent in your islands up to June 30, 1929, $485,000,000 for Army and Navy purposes and only $8,000,000 for civil government, of which $3,000,000 was for emergency relief purposes.

Even beautiful Baguio, rising 5,000 feet above the sea, giving pure and cool air to your citizens, was built and is maintained by money from the Philippine treasury. I was surprised to find that some Americans did not know that the entire cost of government in the islands, the government of Manila and the summer capital at Baguio, is maintained by Philippine and not American taxes.

Fifteen years ago, in 1916, the Congress passed the Jones Act, and since that time there have been no important changes in your organic law. In my opinion, in view of the preamble to the Jones Act—

"Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it always has been, the purpose of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein"—

the government of the Philippines was not intended to be permanent but merely a prelude to independence.

There are some justifiable excuses for the silence of Congress during these years. The World War began in 1914 and its effects were felt by the peoples of all the earth, and the thought of the world, including the United States, was directed to this world-wide conflagration. In the year 1917 the United States entered the World War, marshalled its resources, contributed its money, placed the burdens of great bond issues upon our people for the maintenance of our Army and Navy, contributed money to assist our allies, and the attention of Congress was diverted not only from our domestic affairs but from the problems of the Philippines.

Readjustments because of the war, the depression, agricultural losses, and other immediate domestic problems have absorbed the attention of our Congress. But there can now be no excuse for further delay in the matter of a permanent decision of our future relations with your people.

There are but three courses.

The first is admission into statehood in the American Union, which for political reasons now seems impractical.

Second, the creation of a modern colonial system similar to the Canadian plan. But this would not settle either the tariff or the immigration problem, because Congress will still have the power to change its Philippine policy at any succeeding session. The present uncertain situation will continue.

And, third, independence, with its responsibilities, but also with its contentment, leaving each separate nation to deal with the other upon the basis of mutual interest, trust, and confidence.

One of these plans should now be adopted.

I realize the effect of uncertainty upon your own deliberations. With the thought of independence uppermost in the minds of your members, it must be difficult to give undivided attention to economic and other subjects.

TEMPORARY CHARACTER OF THE JONES LAW

The Jones Act created political machinery for your Government somewhat similar to the early colonial governments of Great Britain prior to our American Revolution, the strongest evidence that it was temporary in character.

While our present administration remains much the same, Great Britain has since that period completely changed her form of colonial government, with the exception of India, which is in a state of transition. She has approved the policy of agreeing with the colonies as to what form of government they should have.

In this way she solved her Irish question by calling the representatives of Ireland and agreeing with them as to what was to be the nature of their future relations.

Every historical fact demonstrates conclusively that the present form of government established under the Jones Act was temporary. On this subject the Senate committee said:

"If there be any doubt left that the ultimate purpose of the United States in its legislation with respect to the islands has been to prepare them for independence, it should be removed by the fact that in the 30 years in which we have held the Philippines we have not attempted to incorporate them.

"By the operation of our own laws we have set up what must be a temporary government, in that we have continued the administration of certain affairs of the Philippines in the War Department. We have left the general supervision of the Philippine Government to the War Department. We have provided that the Governor General report annually to some official designated by the President of the United States, and that official is not the Secretary of the Interior, the Secretary of the Treasury, or the Secretary of State, but the Secretary of War. The plain implication is that our tenure of the Philippines is temporary in character."

THE ELEMENT OF TIME

There may be honest differences of opinion as to whether independence should be given in 5, 7, or 10 years, but the proposal to delay decision for 15 or 20 or 30 years is not a plan; it is a subterfuge.

It is dodging the issue; it is a subtle plea for permanent possession. It does not end, it continues, the present paralyzing uncertainty.

To propose a plan to be executed when the proposer will probably be dead is what might be termed a grave-yard settlement, a passing of responsibility to a succeeding generation, a safe guess upon what may happen, by persons who, while boldly looking 30 years in to the future, refuse to decide a situation which is immediately before them.

Those opposed to independence should have the courage to admit it. If there are reasons why the present situation should continue, frankness may furnish information for which crocodile tears are not a substitute.

OPINION OF THE SENATE COMMITTEE

The Senate committee's report so well expresses my own judgment and it is so comprehensive that I take the liberty of reading its conclusions:

"1. That it is the policy of the American Government to free rather than retain the Philippines.

"2. That the Philippine people are justified in their plea for independence at this time.

"3. That the Philippine people have made remarkable strides in the path of self-government.

"4. That at the present time the Philippine people are conducting, except in a few instances, the affairs of government.

"5. That the Philippine people are keenly alive to the untoward eventualities of independence.

"6. That the Philippine people, realizing serious hardships may result from independence and from the loosening of the ties that now bind them to American sovereignty, prefer to risk these hardships at the present time, when they are confident of their ability to endure them, than at a remote date when the hazards of separation from the American Government would be so great as either to threaten disaster or to preclude their independence.

"7. That, so far as the interests of Americans are concerned in Philippine trade, it will be more simple to grant independence at an early date than when their interests have a deeper and more far-reaching contact with the Philippines.

"8. That at the present time the conditions existing in the Philippines and the uncertainty of the future status of these islands is operating to dwarf their initiative, handicap their agricultural and industrial development, hamper their efforts to obtain investment of foreign capital, and militate against their enjoying the full possibilities of their economic development.

"9. That there are important elements, both American and Philippine, whose interests demand some action on the part of Congress in the settlement of this national uncertainty.

"10. That the action of the American Government in relation to the Philippines will determine America's prestige in the Orient.

"11. That the Philippine Islands, of doubtful advantage at present, from a purely trade standpoint, have little or no utility in times of war and might even become a burden and a threat to us in the event of our embroilment with certain powers.

"12. That proposals to postpone the date for the granting of Philippine independence for any great number of years will result in the expansion of certain economic ties which may ultimately make impossible the granting of independence.

"13. That no selfish motives or commercial advantage of expansion should interfere with the redemption of our pledges to these people.

"14. That the Philippine people are unanimous in their demand for early and complete independence.

"The United States owes a solemn duty to the Philippine people—the duty of an honest declaration of our future intent. If we have decided to retain these islands under some form of colonial government we should be frank enough to proclaim it. We should not further encourage national aspirations to ultimate independence on the part of the Philippine people if we are ourselves opposed to their independence.

"If the delay of independence for 30 years is for the purpose of defeating independence we should say so frankly."

OUR CONGRESS

Fifteen years have passed without amendments to the law under which the islands are governed, althought changing our own laws regarding our relations with the world and by new treaties. This must be a disappointment, at least a cause for conjecture.

In addition to the national perplexities occassioned by the World War and domestic problems, our Congress, because of the necessity of solving special questions, has been compelled to meet in extra session almost continuously to dispose of its regular work.

The last Congress had before it approximately 20,000 bills, besides resolutions, treaties, and confirmations. The morning hours are devoted to extended committee hearings, so it is very difficult to bring upon the floor for discussion or to pass any measure.

A bill to pass must have behind it public necessity and the pressure of public opinion. It must be one of immediate domestic concern to have a chance of passing.

A measure involving the independence of your islands, setting up the machinery for a change and a new government, will require long discussions and debate. Therefore, there is a tendency not to take up such questions but to pass them to a future period.

So to secure consideration of your national aspiration will require patience and persistence to bring the matter to a vote.

The story of your aspirations can not be told too frequently in America as your opponents are active. In my opinion Congress will deliver its decision upon the opinion it forms of your earnestness. Your own expressions, therefore, will have great weight with it.

You may be encouraged, however, by the fact that for the first time in 15 years a bill in your behalf was favorably reported by the Senate committee.

The sending of a commission to present your cause was very helpful, both before the Congress and outside of it.

Your subject is not one that is all sentiment. In fact, it is a very practical matter. It has its moral side, but practical considerations will be brought forward and I hope that it will be decided upon the basis of common sense.

Your standards will never be identical with our own. There will always be a difference but what may be called the fundamentals are the same.

Your last commission made a most favorable national impression. It acquired experience and brilliantly presented your appeal.

But the personnel of our Congress changes; a new Congress goes into session. There are many new Senators and new Congressmen, and it is important that they should have the advice and opinions of the Filipino people. Information should be readily available; it should be in close touch with our legislative situation. Another commission, with representatives of business and educational interests, should be prepared to furnish facts, information, and to answer questions.

Any uncertainty as to your national attitude, if any now remains, would be dispelled by this commission and American newspapers could make their own inquiries direct from your authorized representatives and not be compelled to rely upon flashes from Manila.

PROSPECTS FOR INDEPENDENCE

What are our prospects for independence? is the question most frequently asked of men. I can only give my opinion.

First. The American people know the islands belong to you. It is your land, your blood, your bone, your inheritance, and its government your ultimate responsibility.

Second. Distance and climate will never make the Philippines a place of permanent colonization for Americans.

Third. Yours is an agricultural country. There are millions of uncultivated farm acres in America awaiting development.

Fourth. Your native population of Malays is rapidly increasing, and although under American sovereignty for over 30 years the American residential population in your islands is decreasing.

Fifth. If your united national aspirations for independence are withheld, it will breed unhappiness and discontent which liberty loving Americans will not permit.

Sixth. American participation in the World War to assist the European nations to secure the right of self-determination in Europe is too recent to permit its national conscience to deny the same right to an oriental people.

Seventh. Because our national promise of independence has been given to you our national honor will compel fulfillment.

Eighth. No Congress can legally bind a succeeding Congress for a long period of years, and the present destructive uncertainty to both American and Philippine interests can only be settled by independence.

Ninth. Because I believe you will, by orderly, peaceful persuasion, convince Americans of the justice of your cause.

There are economic and military consideration which will naturally suggest themselves, but it is largely because of these elemental and fundamental considerations that I believe your national aspirations will be granted.

When America retires from your islands it is my hope that there will always remain the memory of good deeds and practical accomplishments for your welfare, and in our country a justifiable pride in the period of our trusteeship.

The truth of what has happened here will reach America. For truth has the faculty of ultimately entering into the understanding of our people. One of our great American Presidents, Abraham Lincoln, wisely said:

"You can fool all of the people some of the time, and some of the people all of the time, but you can not fool all of the people all of the time."

I have caught some of your enthusiasm; it has given me what Americans call a thrill. My conviction was from the head; now it is from the head and heart, and I leave your islands with a feeling of some sadness, sad because you are so far away I may never return, but I take back with me the fine thought that you unitedly place liberty above every other consideration, economic or financial, the conviction that you will willingly pay a high cost for freedom.

My memory will always retain the benediction given before the bowed heads of 150,000 patriotic people, when Doctor Bocobo, appealing to our God, said:

"Bless Thou every hand that toils and every heart that throbs for freedom. Grant that in the vehemence of our struggles for liberty no ill will or hatred may creep into our hearts."

INTERGOVERNMENTAL INDEBTEDNESS

Mr. COPELAND. Mr. President, in the current number of the Saturday Evening Post is a splendid article by Garet Garrett relating to present economic conditions. I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The article is as follows:

[From the Saturday Evening Post, December 12, 1931]

OPENING THE GOLDEN GOOSE

To the further education of American credit abroad now enter these autumnal sights and experiences, viz:

First. The gold honor of the American dollar impugned in Europe, where our lending of it had been so prodigal. Our credit impugned by our debtors! And for what reason? For the reason that we had been too free with it; precisely for the reason that our debtors knew they had borrowed too much on poor security.

Second. The rationally impossible spectacle of debtor nations raiding the gold reserves of a creditor nation while the creditor is self-bound under an agreement not to collect its debts from them.

Third. The strange experience of a creditor nation finding itself beholden to one of its principal debtors, the debtor undertaking on grounds of generosity and helpfulness, to stop raiding the creditor's gold reserves short of the point at which the creditor's gold solvency might seem in jeopardy.

Fourth. The sight of public ovations in this the creditor country to the Premier of one of its principal debtors, when he comes to tell us that more of Europe's war debts must be charged to the American taxpayer in a spirit of international friendship; more public ovations as he departs, saying he has our official promise to consider it.

Fifth. Experience of numbness and a sense of ill-being in the body of American credit, probably psychic.

And for all of this, the narrative beginning abruptly.

What with the American moratorium for a year on war-debt payments owing to the United States Treasury, the rueful relending of $700,000,000 or $800,000,000 of short-term American credit in Germany to save her from default, a cash loan at the same time to the Reichsbank, then a cash loan to the Bank of England to save the gold honor of the pound sterling, and immediately another to the British Treasury for the same purpose—with all of this we put no less than $1,500,000,000 of American gold credit into Europe last summer, thinking thereby to avert the disaster of a financial collapse.

The specific intent of our loans to the Bank of England and the British Treasury was to keep the mighty pound sterling on a gold basis—keep it, that is to say, at its full traditional gold value. This the British themselves were heroically resolved to do, for if the Bank of England should be unable to meet its obligations in gold on demand, that would mean inflation, a depreciated British currency no longer worth its face in gold. It would mean, naturally, the humiliation of British credit over the whole world. Nevertheless, this happened. After the Bank of England had borrowed all the American gold credit it could get on its own signature and after the British Treasury had itself borrowed $200,000,000 more in New York in behalf of the Bank of England, the blow finally fell. On September 20 the Bank of England ceased to pay its obligations in gold. The value of the pound sterling immediately declined one-quarter, and Great Britain was on a paper-money basis.

The event may have been inevitable; nevertheless, one of the factors in the situation was the behavior of the French. For a long time they had been accumulating credits in England. That is easily explained. When French goods are sold in England there is a French credit in England. The French may take it home in cash or leave it there as a bank deposit at interest. In the marvelous business of foreign exchange there are many apparently complex transactions which, when stripped of their special language, are all as simple as that one illustration is. Two nations trading together will have balances with each other to pay and to receive, and if one elects to leave its credit balances in the other's country in the form of bank deposits payable on demand, that is all right. It is all right in proportion. But when one nation comes to have very large credit balances in the other's banks there is danger in it for that other country because something may happen to cause the one to want all its money at once in gold, and to want it when it is very inconvenient to pay gold away.

And that is what happened. Those large French balances on deposit in England turned out to be harmful to the Bank of England. Seeing that an enormous amount of British credit, along with American credit, had been trapped in Germany, and that first the Bank of England and then the British Treasury were obliged to borrow gold credit abroad to sustain the gold value of the pound sterling, the French all at once began calling on England to pay them their bank deposits in gold. Holland also had large bank deposits in England; and seeing what the French were doing, the Dutch, too, began calling on England to pay them in gold. Lastly, the British themselves fell into a panic and began individually to convert their private bank balances into gold.

A RUN ON THE BANK OF ENGLAND

Thus there was a run on the Bank of England. As American gold credit borrowed in New York flowed in at one door, other banks, other countries, the British people themselves were taking coin and bullion out by another door. The behavior of the Bank of France was the least understood and the least explained. France did not need the gold. She had already one-quarter of all the monetary gold in the world, much more than England, actually much more than any other country, excepting only the United States; and, relatively, the French gold reserves were greater than ours. The Bank of England could not stand the run. Two weeks after the British Treasury had borrowed $200,000,000 in New York to save the pound sterling the Bank of England suspended gold payments.

Now, with Great Britain off the gold basis, Germany financially frozen, Austria and Hungary bankrupt, all war-debt payments owing by Europe to the United States Treasury suspended for a year, the situation in principle was simply this: That what Europe owed us was payable either in depreciated paper currency or not at all, whereas anything we owed or might owe to Europe was payable in gold on demand, because the United States was still on a gold basis.

Is that clear? Suppose you have at your bank two separate accounts. In one account you owe the bank $1,000,000 on a long-term promissory note which you have undertaken to pay off gradually with interest. The other account is current. You have there a credit, say, of $50,000. That is the account in which you transact your daily business. Now suppose you go to your bank and say: "I can not pay the interest on that $1,000,000 note. I am bankrupt if you make me pay." Saying this, you put yourself in the hands of the bank. It can demand payment and sell you out; it can foreclose on your business and take all your property for debt. But the bank does not want to do that. It says: "All right. These are hard times. Let the interest go for a year and let the note run." You say, "But how about my current account in which I have $50,000? What will you do with that?" The bank says, "Well, of course, you have to go on doing business. We will treat that account as if you were solvent. Go on drawing your checks against it as before and keep your business going. All this will work out in time."

A reasonable arrangement. Its element is grace. But suppose the next day you walk into that bank and say, "I'm afraid of this institution. It's too loose with its credit. My current account may not be safe. I am closing it out. Here is my check for $50,000, and I want it in gold, please."

That would be difficult behavior on the part of a debtor, owing his bank $1,000,000 on which he is unable to pay the interest, yet demanding $50,000 in gold. The bank, however, having made that arrangement with him, is obliged to pay him his credit balance of $50,000, and pay it in gold if he demands gold, or confess itself insolvent.

Between an individual and his bank such a case would be preposterous. Between Europe and this country it is in the same nature preposterous, though the fact may be somewhat obscured by its own magnitude and by the high language surrounding it.

EUROPE LOOKS TO THE WEST

Owing this country $15,000,000,000—a part of it war debt, the rest of it representing private and public borrowing from American investors and American banks—Europe, nevertheless, had very

large credit balances over here, payable on demand. You might put the sum of these balances at $1,000,000,000. They had originated in various ways. While American banks had been putting deposits in European banks—especially German banks, because the rate of interest was high—European banks at the same time had been putting deposits in American banks for an opposite reason. They wanted safety. So there were credit balances of that character, payable to Europe on demand. Then European exporters had been in the habit of leaving their profits on deposit in American banks, thinking the money was safer here than in Europe, especially German exporters, who were quite right. More or less for the same reason private European capitalists had been sending money to New York to be employed in short-term paper which they could sell at a moment's notice. And some of Europe's credit balances in this country were simply the untouched proceeds of recent American loans, even the ambulance loans we had made in the summer to avert a financial collapse in Europe. And now, what happened to these European credit balances, or, rather, what they did to us, is what we are about to see.

The Bank of England suspended gold payments for the reason, at the very last, that as fast as the New York banks could write in their books, "Item, gold credit set aside for the Bank of England on the security of her promissory notes," the European raiders ran to the Bank of England and took the actual gold away, in coin and bullion. The Bank of England in that case was a sieve. When the New York banks stopped writing that item down in their books—"Item, gold credit set aside for the Bank of England"—then immediately the Bank of England stopped paying out her own gold to anybody. She decided, instead, to hoard what was left.

What followed was a revelation in the abnormal possibilities of international finance. Europe looked westward. The historic habit. For nearly four and a half centuries she has been looking westward for gold. There lay the great American gold reserve—$5,000,000,000 of it—exposed and unprotected. She had keys to it. The keys were those credit balances in New York banks, payable in gold on demand. And where these balances represented, as some of them did, the untouched proceeds of recent American loans to Europe, the keys she had to the American gold reserve were keys we had unwittingly handed away.

The American gold reserve was defenseless. There was no way to stop Europe from using those keys, no matter how she had got hold of them. We were foreclosed from making such demands upon Europe as would offset her demands upon us for gold.

True, we had enormous bank balances in Europe, but these were either frozen, as in Germany, or now payable in paper money. In no case could we get gold for them. But Europe could demand all her credit balances in New York to be paid forthwith in gold.

True, Europe was owing to the United States Treasury $250,000,000 a year on account of her war debts, and that would have been a large offset against her demands upon us for gold, but we had granted her a 1-year moratorium on that obligation; wherefore it was no offset at all.

True, we had immense investments in Europe, principally in Germany, but if we sold them we could not get gold for them, whereas German investments in this country could be sold and converted at once into gold.

True, we could sell dollars in Germany or dollars in London, but we could not get gold for them; whereas Germany could sell paper marks in New York and get gold for them; England could sell paper pounds in New York and get gold for them.

ONE-WAY GRACE

The curious and final illustration would be this: That a British holder of a pound-sterling note could not go to his own Bank of England and get gold for it, but he could send it to New York, sell it in the foreign-exchange market, and take the proceeds in gold. A gold-money country must be prepared to honor every kind of paper obligation, not in gold equivalent, not in gold credit, not in something that may be sold somewhere else for gold, but in the gold itself, when, if and as the gold is demanded; and it must do this without demur or hesitation. Therefore, the only protection a gold country has against a run on its gold reserve is to be steadily receiving from its debtors as much as it pays out all together; its income from foreign countries must equal its outgo to foreign countries, for otherwise it will lose its gold.

But we had relieved our debtors. We had eased them of their obligations to us without limiting in any way our obligations to them. One-way grace. Thus the abnormality that owing us $15,000,000,000 in the form of public debt on which we had granted a 1-year moratorium and in the form of private debt on which we could get nothing in gold even where it was not in default, in the form of overdue short-term credits in Germany and Austria which we had agreed not to demand payment of, and in the form of bank balances all over Europe that were simply frozen—owing us all this, Europe nevertheless could demand payment forthwith, and payment in gold, of all her credit balances in New York, amounting to $1,000,000,000, more or less. And we were obliged either to give up the gold or leave the gold basis ourselves. If we refused the gold in a single case, that instant we were off the gold standard.

How preposterous. Debtors owing us in all manner of ways much more than they can pay, themselves protected by grace, by moratorium, or by insolvency, are yet able to descend upon the American gold reserve and deplete it wholesale. During July and August Europe swallows up $1,500,000,000 of American gold credit, much of it without security, simply because she is in despairing need of it; in September she is making a run on the American bank system for gold, and the American bank system is helpless.

We were complacently prepared to lose some gold. We were thinking of Europe and her problems and of ways in which we might help to build England back to the gold standard. One way of helping would be to set no obstacles against a natural movement of gold from this country to Europe. We were willing to sell and lend her all the gold we could spare. But we were not prepared for a raid. Not only did Europe demand her deposits with American banks to be paid immediately in gold; she began selling out her short-term American investments, even her American bonds and stocks, and to demand the proceeds of these in gold, and this at a time when our own internal liquidation was running at flood and the whole American banking structure was under a terrific strain. One of the principal reasons for our own internal liquidation was the frozen and moribund condition of American investments in Europe. For example, American banks were obliged to sell high-class American bonds, even Government bonds, because their enormous assets in Europe, especially in Germany, could not be liquidated. Now, on top of it all comes this selling of American things by Europe with but one idea, and that is to get the proceeds in gold.

COMPARATIVE FIGURES ON GOLD

In six weeks we lost $750,000,000 of coin and bullion, and that was nearly one-sixth of our entire stock of monetary gold. In less than a year, at that rate, we should be bare of it. And it was not simply that Europe's need for this gold was greater than ours, not that the mere possession of it would cure any of her economic ills. The raid was motivated much more by fear and panic than by any economic necessity; and yet that was not all. Europe wanted the gold for its own sake, while she could get it. The gold itself. The power of possessing it. The American gold. The temptation was irresistible.

This strange phase of the situation was presently made clear by the daily figures on where it was going. England did need gold; there was no doubt of that. But to our astonishment England was not getting it. Of the $750,000,000 we lost out of the American reserve in the first six weeks, France alone took more than one-half—nearly, if not quite, two-thirds—and she did not need it at all, for already she had actually more gold in her possession than any other country, save only the United States, and relatively more than we ourselves possessed. This statement has occurred before. It will be convenient at this point to give the data.

When the Bank of England suspended gold payments our gold stock of monetary gold was $5,000,000,000; the French stock was $2,330,000,000. But our population is threefold that of France; our national wealth may be easily five or six fold greater. Therefore, France had more gold than this country in proportion to her economic weight and rank. Our stock of monetary gold was less than $42 per capita; hers was more than $57 per capita. Yet it was France that led the run on the American gold reserve.

Why did she want the gold? Was she fearful that the United States would abandon the gold standard? If so, did that fear seize her all at once?

In any case all that France could do with the gold would be to hoard it, and for that purpose she has built since the war a treasure chamber unique in the world. Every country, of course, has a massive burglarproof vault for its gold reserve. But France decided to make one so deep and strong and mysterious that not even a victorious modern army could break into it. You might blow the Bank of France away with bombs and its gold would be all the safer. The chamber is 2½ acres big; it lies 200 feet deep in the earth. Over it, first, is 40 feet of water, which is a lake they made by damming the subterranean river that flows beneath Paris, and then above the water 50 feet of solid rock. The way to it is through six steel towers with revolving doors moved by electric engines, and the passage of descent can be flooded at a moment's notice.

At the signal of alarm a detail of defenders would instantly vanish through this passage, pull the water in after them, and be forgotten—safely forgotten for an indefinite time, or for the duration of the war, because everything has been thought of beforehand. They would find in the gold chamber a kitchen, provisions enough for two or three arctic expeditions, dishes, linen, beds, all the facilities for comfortable housekeeping.

Beginning on or about September 20, every fast ship from New York for French ports carried gold on its way to this hiding place. The same fast ships or others carried gold also for Holland, Switzerland, Belgium, Italy, and Germany. Even Germany, where $700,000,000 or $800,000,000 of American money was frozen in the form of bank balances and overdue short-term credits—even Germany could take gold from New York.

THE CAMPAIGN AGAINST THE DOLLAR

To lose $750,000,000 of gold coin and bullion in six weeks, with no saying when or where the run would end and no way of stopping it, was a very serious matter for this country, especially in view of its own condition of internal stress. No country, under any conditions, could lose gold at that rate or in that proportion for long and hold to the gold standard. That would be true if, to begin with, it had exactly all the gold in the world. We had only ourselves to blame. One-way grace; no means of self-protection reserved. Caught by our gold heel in a trap we had built for ourselves. We made it and walked straight in. It was not inevitable that we should have exposed our gold reserve, without protection, to an unlimited foreign attack. Once we had done it, however, the attack, all the natural consequences, were inevitable. But this is not to say the total of Europe's behavior was only such as we might have expected. Who could have foreseen that parallel to the raid on the American gold reserve there would

run in Europe a campaign of rumor, innuendo, and propaganda against the value of the American dollar? That also happened, and it certainly was not inevitable—not even from our naïve point of view.

As the Bank of France took gold from New York, rumors of an imminent financial collapse in the United States spread throughout Europe, and the French papers kept saying with one sound that the franc was the sound gold money of the world. Then came the news that President Hoover had called upon American bankers to mobilize the credit resources of the American banking system against the tide of liquidation that was running in New York—much of it foreign liquidation in order to produce gold for Europe—and instantly, upon the raw news, without waiting for details, it was said in France that the United States had entered the path to inflation. This was the beginning of the end of the gold dollar. Would the people now believe it? The franc was the good gold money of the world.

THE DOLLAR DECLINES IN EUROPE

Immediately in all the financial capitals of Europe the value of the American dollar declined. In Poland, where the dollar had been for years a standard unit of value, serving even as security for the Polish currency, there was a dollar panic. The New York Times correspondent at Warsaw cabled October 9:

"A flight from the dollar started here this morning on the heels of alarming reports from Paris that the United States Government had decided to abandon the gold standard and that an increase in the issue of dollar notes was being discussed in Washington."

In one day the Polish people, remembering what inflation was like, sold 1,000,000 American dollars to the Bank of Warsaw at 99 cents. The panic lasted several days, and then subsided in a bewildered realization that the Paris rumors were false.

The British campaign was led by the Rothermere newspapers, which have a combined daily circulation of 5,000,000. Day after day these papers printed under big headlines the editorial opinion that the downfall of American credit was at hand, together with the exhortation to sell dollars and dollar securities while yet there was time to convert them into gold. Examples:

"BRING YOUR MONEY BACK TO BRITAIN

"Advices from America indicate a serious state of affairs. This, therefore, offers a favorable moment to sell dollar securities and bring back the money to this country."

Again:

"SELL DOLLAR AND FRANC SECURITIES

"Don't be trapped. When the break on Wall Street comes, the reaction may be far-reaching."

Another day:

"WHO WILL GO OFF THE GOLD STANDARD NEXT?

"The American banking position shows no sign of improvement."

And so on, in such taste and meaning, day after day, with $350,000,000 of American gold credit freshly trapped in the Bank of England and in the British Treasury.

The financial nerves of the world are taut. They have been plucked and frayed to the snapping point. All the shapes of insolvency are dim. At this moment the Premier of France must pay a visit to the President of the United States to examine with him the problems of the world and explore all solutions.

What is it France wants? We already know in principle, even in some particulars, what she wants. First, she wants to get rid of her war debts to the United States Treasury. She wishes the American Government to forgive her these debts and charge them to the American taxpayer. At the same time she wants to continue receiving reparations from Germany. Therefore she wants to save the Young plan, which Germany, England, and many Americans, too, have taken for dead since the London conference last summer, especially since the report of the Wiggin committee of experts. The reason why she wants to save the Young plan is that it stipulates for certain large unconditional annuities to be paid by Germany to France before anyone else shall receive reparations at all. She does not want the Hoover war-debt holiday to be extended beyond its year; she prefers to be receiving more money from Germany on account of reparations than she pays to the United States Treasury on account of her war debts, as it was before. The holiday had almost cost her $100,000,000 a year, which was the excess of her German reparations over her payments to the United States Treasury; and it would have cost her that if she had not demanded special treatment as a preferred German creditor. Then in principle, of course, France wants anything else that will increase her power and prestige in the world.

THE FRENCH CREDITS IN AMERICA

What has any of this to do with the gold crisis? Well, what it all has to do with the gold crisis now immediately appears.

With the Premier of France on the high seas in this direction and with the newspapers running big headlines on the momentous nature of his visit and what France wants, and will she get it, suddenly we are astonished by the news that the Bank of France has notified the American banking system that France can not afford to leave her credit balances in New York any longer unless the rate of interest is raised. If the rate of interest is not raised, she will feel obliged to call the remainder of her credit balances home. And the remainder of these credit balances is $600,000,000.

This is as the news appeared in the New York Times on the morning of October 20:

"The Bank of France, which has about $600,000,000 of short-term balances in this market, yesterday notified New York banks that the 1½ per cent rate of interest now being paid on foreign central-bank deposits by local institutions was unsatisfactory. The French bank of issue indicated that unless a higher rate was provided it would seek other employment for its huge dollar balances.

"The French demand for a higher rate of interest, carrying with it the implied threat of withdrawal of French dollar balances in the form of gold, aroused a mixed reaction in Wall Street. Some bankers, who interpreted the move as an attempt to dictate to this market the terms under which France would refrain from recalling her money, flatly declared that they were willing to see the funds go. They said, despite the heavy gold losses recently sustained by the country, the United States had nothing to fear from such action on the part of France and much to gain by getting rid of an unwieldy obligation that, under other circumstances, might prove embarrassing. Other important bankers expressed the belief that the Bank of France would be satisfied with a slightly higher rate, possibly 2 per cent, and were inclined to stress this viewpoint as an indication that amicable arrangements for maintaining French balances here intact could be reached."

Firstly, the figure was astounding. For a long time France had been doing here what she did in England, namely, accumulating enormous credit balances. The amount of them was much more than we realized, much more than Wall Street itself knew, since, of course, they were not all in one place.

PROTECTED BY OUR MORATORIUM

Secondly, what did these French credit balances represent? Besides the normal proceeds of trade left on deposit with American banks, they represented, (a) dollar checks cashed by American tourists in France, and (b) American money loaned to Germany to pay reparations to France. These transactions are easily understood. As the French banks cashed the dollar checks of American tourists they took credit for them in American banks. This credit in American banks was gold credit; therefore the Bank of France treated it as gold reserve, as if it were gold actually in hand, and issued French currency against it for circulation in France. And the same way with American credit loaned to Germany to pay reparations. The Germans transferred it to France on the books of American banks, and the French left it here at interest.

Thirdly, how oblique that France, our debtor, owing us in one pocket $3,750,000,000 on which she is paying us this year nothing, may yet demand $600,000,000 of gold out of another pocket! She has that right. If she insists, we shall have to give her the gold. But she can do this only because her payments to the United States Treasury are suspended for a year by grace of an American moratorium.

Fourthly, such a thing as the central bank of one country serving notice on the banking system of another country that because the rate of interest is too low, or for any reason, it may feel obligated to call its aggregate credit balances away in gold, was hitherto unheard of. No one could have imagined it. That is not the way it happens in the normal course of international finance. Credit balances are continually shifting. If the rate of interest is higher in New York than in London, credit balances move automatically to New York; or if the rate of interest is higher in London, they shift from New York to London, and nothing is ever said about it. The only news of it will be in the bank statistics.

Now, the Bank of France very well knew that suddenly to lose $600,000,000 more gold, on top of what we had already lost to Europe—and the bulk of it to France—would create a grave situation in this country. And mark this: If the French themselves believed what they had been saying in Europe about the dollar and about the American financial situation in general, they must have believed that a demand upon New York for $600,000,000 more gold all at once would pitch this country off the gold standard. Well, of course, in that event—in the event of the dollar going the way of the pound sterling—then the French franc assuredly would be the premier gold money and govern the world of finance.

Did she mean it? That is a very interesting question. As a proposition in pure finance you would suppose that if the Bank of France had really meant to call away her $600,000,000 credit balances in gold she would not have been so stupid as to announce her whole intention beforehand. Any village banker would know better. Actually, therefore, the Bank of France was probably bluffing. The Bank of France is to France what the Bank of England is to Great Britain. In finance it is France. Therefore, it would have been France that was bluffing, and this carries it at once beyond finance into high politics.

Under pretense of being dissatisfied with the rate of interest in New York, the Bank of France revealed to us, to Europe, to the whole world, the amazing fact that France almost had the power, if not quite, to throw the American banking system off the gold standard! To send the American dollar after the pound sterling!

That was something for the Premier of France to have in his hand when he should begin to examine the problems of the world and explore solutions with Mr. Hoover in the White House. But it was at the same time a revelation in no way calculated to relieve the tension then existing here and elsewhere or to check the hoarding of gold by individuals—a dread movement that was already world-wide and threatening to become uncontrollable.

There were some very anxious moments in Washington. Public utterances were guarded and hushed, lest something should get

said out loud to offend the feelings of France. What would Wall Street do? What could it do? If it were willing to raise the rate of interest, on the ultimatum of the Bank of France, still, to do so would be to acknowledge the power of France. But if it refused, then what would happen? Would France really demand the gold?

WALL STREET STANDS FIRM

But there was only one right thing for Wall Street to say. May it be long remembered to the credit of Wall Street that it did say it. To this effect: "We pay here the New York rate of interest, whatever that may be. If France wants her credit balances, let her take them. If she demands them in gold, the gold will be ready."

The right honorable Financial Chronicle, with its Biblical prestige in Wall Street, said:

"The move was resented as an attempt to bring financial pressure to bear on the United States after the fashion that has been followed from time to time in recent European political maneuvers.

"Bankers here are confident that the country has nothing to fear from such a move, provided the American people themselves remain undisturbed. We think this is a proper attitude for our banking institutions to take. France contributed in no unimportant degree to the financial breakdown in Germany by withdrawing large amounts of short-term credits which it had employed in that country, its action then being followed by general withdrawal of credits and deposits by other foreign governments. It was then supposed that its purpose was mainly political. But later it began also to indulge in withdrawals of capital and of funds from Great Britain, though when the French bank became alarmed as to the possible consequences it once more began to cooperate and to extend new credits to the Bank of England and to Great Britain. But it was now too late to save Great Britain from suspension of gold payments.

"In like manner France is now engaged in huge withdrawals from New York, though we can not get ourselves to believe that the Bank of France has any ulterior purpose in doing this. At all events, the effect has been to create a feeling of distrust all over Europe and to lead to large withdrawals here by other important European countries, and more particularly Holland, Belgium, and Switzerland. In these circumstances the best course is unquestionably to ignore all threats—if such have really been made—and to let France do her worst if she is really bent on doing so."

Any other way of speaking to the Bank of France would have stultified American credit in the eyes of the world. The effect of that way of speaking was immediate. In all foreign financial capitals the dollar rose to new prestige and its value increased. When the disordered events of 1931 come to be viewed in perspective, it may well appear that Wall Street's strong-minded behavior at this point was of crucial importance, not only to this country but to a world that needed more than anything else just then a point of stability whereon to rest its confidence.

THE GOLD TIDE TURNS

So it turned out that when the Premier of France landed in New York the matter of a withdrawal of the French credits had been settled, and Laval pledged France to assist the United States in maintaining the gold standard.

In the joint statement issued from the White House on October 25 by President Hoover and Premier Laval this paragraph occurred:

"Particularly we are convinced of the importance of monetary stability as an essential factor in the restoration of normal economic life in the world, in which the maintenance of the gold standard in France and the United States will serve as a major influence."

And what would be the French contribution to the monetary stability of the world? What would France do to assist the United States in maintaining the gold standard? This, to wit: Pending a reexamination of her war debt to the United States Treasury, pending, further, a reexamination of Germany's capacity to pay under the Young plan, which makes France the preferred creditor, France would make no more abnormal demands upon the American gold reserve.

In his news report of the Hoover-Laval conversations, the Washington correspondent of the New York Times, October 26, wrote:

"In a cautious way, the joint statement made known that President Hoover and Premier Laval had determined that their two Governments should stand together in the maintenance of the gold standard. * * * Among the things accomplished were the assurance by Premier Laval that abnormal movements of gold from New York would be stopped, and that reexamination of Germany's capacity to pay reparations should be made under the existing provisions of the Young plan, with the United States deferring action on a survey of European debts to this Government to determine the capacity of debtor nations to pay until after a Young plan committee had reported on Germany's financial position."

Again in the same dispatch:

"Premier Laval made known that steps had been taken * * * to stop the flow of gold from New York to France."

Then the news of reflection, New York Times, October 28, from Washington:

"Two days after the results of the conversations between President Hoover and Premier Laval were announced in a rather colorless and unilluminating communiqué, a considerable Washington reaction is that beyond the mutual measures taken for the preservation of the gold standard, the stabilization of international exchange and the stoppage of abnormal shipments of gold from New York to France, the United States obtained no immediate concrete benefits from the Franco-American exchanges."

"Abnormal" is a strange word to be appearing in respect of the demands of one nation upon the gold reserves of another. In respect of the demands of a debtor nation upon the gold reserves of its creditor it grows stranger. And that the debtor should be able to oblige the creditor nation by undertaking to make no abnormal demands upon its gold reserves is more than strange. Why any possibility of abnormal demands by France upon the American gold reserves?

Then, again, what is abnormal? Did M. Laval mean abnormal in principle, perhaps? He sailed away on Monday, October 26. On that day the Bank of France took $20,000,000 more gold from New York, on Tuesday $18,000,000, but on Wednesday only $3,500,000. Yet $41,500,000 gold in three days is certainly a great deal. However, there were signs by then that the tide was beginning to turn. Still losing gold heavily to France, we were again receiving gold at the same time, because the dollar at last was taking to mind its own welfare, and the world's confidence in American credit was rising.

A gold country is like a bank. Its first responsibility is to itself, for the integrity of its money, its credit, and its assets, and if it suffers its view of this principle to be overcome by a sense of responsibility to others, no matter with what intention, it will fail the others because it has failed itself. It is the natural law, and there is no other.

A FAMILIAR FIGURE MISSING

In one of the bad moments last October a member of the Federal Reserve Board was heard saying: "Not only is this the worst financial crisis in all history. Something is missing that was always there before. All over the world there is this sense of something missing, like a familiar rock, an immovable point, a wheel of balance. And what is it? The Bank of England is missing. The authority of the pound sterling is missing. The value of the pound sterling itself is uncertain, changing from hour to hour. We never had that to contend with before."

So it was. And that is why the suspension of gold payments by the Bank of England was an appalling financial event. No longer was the pound sterling worth $4.86 in gold anywhere in the world. No longer was it the universal unit of value in which all other things were priced. For now it was that the pound sterling itself had to be priced in other things—in American dollars, for example. Then suppose the same thing should happen to the dollar, which had recently become the next most stable unit of value in the world's opinion. Suppose the dollar, instead of being worth 100 cents in gold anywhere in the world, should have to be priced at 90 cents, 80 cents, 70 cents, in terms of something else, maybe the French franc.

The long and familiar preeminence of the pound sterling as a universal unit of value in any kind of financial weather, war only excepted, had been worth to Great Britain an income of $300,000,000 or $400,000,000 a year from the rest of the world in the form of banking profit, meaning discounts, commissions, interest, and fees. Preeminence of the American dollar in the trade and exchange of the world in place of the pound sterling would be worth $300,000,000 or $400,000,000 a year to this country. Or, if such preeminence passed to the French franc, it would be worth $300,000,000 or $400,000,000 a year to France.

THE OLD PREEMINENCE OF THE POUND

So you may see what was involved as between the dollar and the franc, merely in terms of national income; you may see also what Great Britain had lost.

When the British say it was a good thing for England to leave the gold standard, they mean only that it was good for England that she embraced a bitter necessity in time. Now she will work harder, trade harder, spend less, live a little less, until she is quite solvent again. Her export of goods will increase for several reasons. They will be priced in the depreciated pound sterling, which means they will be cheaper for the world to buy, or, to say it another way, other people's gold money will buy more in England than before. Prices will rise in England, but probably not so much as the value of the pound sterling declines outside; as prices rise in England real wages will fall, wherefore the labor cost of producing British goods will fall, and so will the standard of living in England, temporarily at least. And this must happen to any country that loses the integrity of its money.

True, some British economists are saying it was not England that failed the gold standard; it was the gold standard that failed the world. Therefore, they say, the world may do well to try something in place of the gold standard. This is a novel way of thinking in England; elsewhere it is very old. Putting the blame on money! If England had not lost her hold on the gold standard she would be the last to say the gold standard had not been working—in a remorseless manner, to be sure, yet, nevertheless, working as it should—in the past three years. If she had not lost her hold on it and other countries were losing theirs, the Bank of England would be saying: "This is hard, but it is the way the gold standard works." It would be a grim thing to say, a selfish thing, perhaps, and yet quite right. For how did the pound sterling come to have preeminence throughout the world in the first place? Its prestige was from the fact that the British had always a primary sense of their responsibility to themselves; that is to say, again, for the integrity of their own money and their own credit; and it turned out, as the law is, that the more jealous they were in this first sense of responsibility to themselves the more certain they were not to fail the world in their responsi-

bilities to it, including the responsibility to keep the balance wheel running true. Thus the pound sterling became a symbol of stability that was a great asset to the whole world.

The best answer to anything the British may now be saying against the gold standard is that, whatever they say or seem to be thinking, all their behavior is governed by an imperious resolve to work themselves back to it by any sacrifice of immediate comfort.

The true meaning of the gold standard is not gold, any more than the value of a piece of paper money is in the quality of the engraving. The true meaning of it is a convention, and the faith of that convention must be kept, not in gold but in credit. Gold is the accidental figure in which the convention is embodied. It might be almost anything else, except that after long experience it was found that gold served better than anything else, merely as the figure. Once it was silver. The pound sterling originally was a pound of silver. The American dollar was originally silver.

Yet when that was true—when the figure was silver—the convention was the same; so also were the penalties for breaking the faith, only not so calamitous, because the great mechanism of money, credit, and exchange, in which all modern wealth is revolved more and more each year, controls the rhythms of human welfare down to the lowest chord.

The value of gold is arbitrary; so is the length of a yardstick. But just as it is necessary to sell cloth by the yard or coal by the ton, so it is necessary to have some arbitrary unit of value in which to price the yard of cloth and the ton of coal. It would be ideal to have something of absolutely invariable value in which to price them. But there is no absolutely invariable thing in the world.

The relative constancy of the gold supply, the durability of the metal, the fact that over the centuries the amount of human exertion necessary to get it out of the rocks changes very slowly—for these and other reasons gold is the least instable thing man has found for purposes of money, hence his preference for it.

Once the quantity of it was important merely as money. That is no longer true. The actual quantity existing is very small. Yet if the mechanism of credit and exchange were perfect and all people could be trusted by themselves and by one another to keep the convention, 1 ton of it—1 ounce of it, in fact—would serve the modern purpose.

THE CONVENTION OF GOLD

One of the singular characteristics of gold is its extensibility. Between two pieces of fine leather made from the intestines of an ox it may be beaten to the impalpable thickness of one three-hundred-thousandths of an inch, so that 1 troy grain may be made to cover 56 square inches. On the number of pure gold leaves 4 by 7 inches that could be beaten from 1 ounce, worth $20.60, you could print the Old Testament in the ordinary Bible type, if the leaves would bear printing. The ancient goldbeater's art may astonish the senses. More astonishing to the imagination is the extensibility of gold in a nonexistent dimension.

Out of this same tame and friendly metal men have beaten a pure fiction of gold, the very spirit of it, and this fiction or spirit is infinitely extensible and infinitely divisible. The gross name for it is credit. The business of extending and dividing the spirit of gold—the business, that is to say, of creating credit and setting it free—is in the hands of bankers, banking systems and governments, and the convention—namely, the true meaning of the gold standard—is simply their undertaking that the amount of credit to be created and set free shall bear a certain relation, called a ratio, to the amount of actual gold in their possession. The ratio is variable from time to time. If and as the business of the world increases faster than the gold supply, so that there is really a need for more money and credit, the ratio may be raised. It is not the ratio itself that is so all-important, as many people think; especially debtors who are always wanting cheap money with which to pay their debts, or, on the other hand, creditors whose advantage is in dear money. The imperatives are simple, and three: First, that there shall be some definite ratio; second, that it shall have been agreed upon when we were all in our right minds; third, that we hold to it in good faith.

CREDIT REPRESENTS DEBT

For this now is the modern function of gold—to limit the amount of money and credit that may be willfully, irresponsibly created and set free. Organized credit is, relatively, a strange thing in the economic life. New and experimental forms of it are continually being invented and we love to deceive ourselves with them. We forget that credit in any form represents debt in some other form. We know about ourselves that we have seizures of ecstasy and mass delusion; that again a time may come when the temptation to throw the monetary machine into wild motion so that everybody may become infinitely rich by means of infinite debt will rise to the pitch of mania, as it did, for example, in 1928 and 1929. With this intelligent knowledge of ourselves we make bargains beforehand with reason; we agree that money, credit, and debt shall not be inflated beyond a certain ratio to gold, under certain penalties such as we shall be very loath to pay, and yet such as we can not refuse to pay under worse penalties still.

So long as the convention is reasonably kept in the faith of credit nobody wants gold. People know what the fiction is. They may read for themselves in the published figures of the bank that its liabilities exceed its gold ten or twenty fold, and yet they feel no anxiety about the gold value of their deposits. They may read for themselves in the figures from the Public Treasury that the gold reserve is only one-half or one-third as much as the amount of paper money in circulation. Yet they will treat that paper money as if it were gold. Nobody would dream of supposing that a country, no matter how rich, could redeem its bonds all at once in gold. Yet its bonds will be treated as if they were gold, and one who happens to want gold for them may freely have it. All so long as the convention is kept.

Does this mean, as some of the silly textbooks used to say, that we are all gambling upon a mythical law of averages? No. It means a very definite thing. It means that if every kind of physical wealth were priced in gold, all in one moment of inventory, the aggregate value of it would not be less than the total amount of money, credit, and debt outstanding against it. Then all the money is as good as gold, all the credit is gold credit, and gold itself is a nuisance in the pocket.

But let the faith be broken, let the delusion arise that the fiction is the reality, let the limit upon the amount of credit that shall be set free be left to imagination, and presently there is no way of telling what anything is worth by pricing it. For a while this difficulty of not knowing what anything is worth but inflames the ecstasy. Everything will be priced higher and higher to make sure it is high enough; there will be the illusion that things are becoming dear and scarce. They seem to be dear because the value of the money and credit in which they are priced is falling; they will seem to be scarce because people are buying in the expectation that prices will go higher and higher still.

Suddenly doubt, then coming awake, then panic. The spirit of gold has been debased by senseless inflation. The faith is lost. All with one impulse people rush to seize the gold itself as the only reality left—not only people as individuals; banks also, and the great banking systems and governments do it, in competition with their own depositors and their own people. This is the financial crisis. All of it has happened. It was not the gold standard that did it; it was breaking faith with the gold standard that did it, and the case would be the same if the standard were anything else.

In this country had taken place an increase of actual and potential wealth so sudden, in many ways so unexpected, altogether so prodigious, that we lost our heads.

The reality was not enough. We got the delusion that American credit was inexhaustible. One aspect of the delusion was an acute anxiety in Wall Street lest it should become impossible to invent new forms of debt fast enough to absorb the new forms of credit.

Then many unsound ideas about what credit was for and what it would do. One was the idea that it not only could but was somehow obliged to solve the problems of Europe. We had come new to the business of world creditorship, with no experience in it, no philosophy of it that was our own. Europe read us endless lectures on the obligations of a world creditor, always with emphasis upon its obligation to keep its credit at the call of debtor nations. For otherwise how should the debtors keep going or ever be able to repay what they had already borrowed? We did not forget the law that the first responsibility of a creditor nation is to itself, and that if it fails in this it fails the world. We had never learned it. If now we comprehend it, the frightful cost of educating American credit abroad has not been wholly wasted.

CONSERVATION OF WILD LIFE

The VICE PRESIDENT. Morning business is closed. The calendar under Rule VIII is in order. The Secretary will state the first bill on the calendar.

The Chief Clerk read by title the bill (S. 263) to insure adequate supplies of wild life, plant and animal, including forests, fish, and game, for the people of the United States; to secure the correlation and most economical conduct of wild-life research and restocking and the elimination of duplication of effort and expense between the several departments of the Federal Government having to do with the same; to promote the development and extension of experimental stations for breeding; to promote studies of diseases and other factors limiting the natural supply; and for other purposes.

Mr. REED. Mr. President, I should like to ask one of the sponsors of this bill about a particular paragraph of it.

The VICE PRESIDENT. The bill has not as yet been read. Does the Senator wish to ask the question before the bill shall have been read?

Mr. REED. No; I thought it had been reached on the calendar.

The VICE PRESIDENT. It has been reached, but the bill has not as yet been read.

Mr. REED. It was discussed at some length yesterday.

The VICE PRESIDENT. Yes; it was discussed before it was read. The Senator, however, may proceed with his question.

Mr. REED. I should like to see the bill made the unfinished business, and to that end I move that the Senate proceed to its consideration.

The VICE PRESIDENT. That may not be done before 2 o'clock.

Mr. REED. Very well.

Mr. THOMAS of Idaho. I ask that the bill may go over.

The VICE PRESIDENT. Is there objection to the bill going over?

Mr. REED. Yes. I object to its going over.

Mr. President, in section 5 of the bill I notice this provision:

> In the event that any department of the United States Government has for disposal any lands that are of no further use to such department for the purpose or purposes for which such areas were acquired—

And so on. Then there follows a provision that the land shall be offered to the various governmental agencies authorized by Congress to engage in the conservation of wild life. If the United States Government owns a 20-foot lot which has been bought for post-office purposes in the business district of some city, it is certainly rather ridiculous to require the Post Office Department to offer that to the Biological Survey for duck-breeding grounds or a fish hatchery. So I suggest that the Senator who has charge of the bill should consider some modification of that language, so as to make it apply only to lands that have some reasonable suitability for the purposes contemplated.

Mr. WALCOTT. Mr. President, of course the intent of that section is that it shall apply only to lands suitable to such purpose; that is, for the raising or for the care of wild life or fishes. If the intent is not sufficiently clear, it can be made clear.

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

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

Mr. WALCOTT. Certainly.

Mr. ROBINSON of Arkansas. In that connection I call the attention of the Senator from Pennsylvania to the following language in the same section to which he has referred:

> Such areas shall first be offered to other various governmental agencies authorized by Congress to engage in the conservation of wild life, including fishes and forests, to ascertain if such areas are suitable and are desired to be taken under administration by such Federal conservation agencies to assist in carrying out the purposes of this act. Whenever such areas having been so offered shall upon investigation be found to be suitable for these purposes, the administration of such areas shall be transferred to the department or departments requesting such transfer, to be administered in conformity with the purposes of this act, and such lands shall not be subject to other disposal until said lands have been duly offered to and declined by other governmental departments.

I merely point out that the section does not seem to be open to the particular objection implied in the question of the Senator from Pennsylvania, because it does provide for a formal ascertainment and a decision of the question whether the lands to be taken over are suitable for purposes of conservation as contemplated by the bill. It is, however, an unusual provision, a very extraordinary provision.

I have felt—and the burden of proof, in so far as my own judgment is concerned, is upon the sponsors of the bill to change that opinion—that the proper way for Congress to set aside areas for conservation purposes is to define the areas to be so set aside rather than to incorporate a blanket provision which might invite the taking over of areas which are not really suited to the purposes intended, with the thought and purpose in mind of disposing of those areas or of exchanging them for other areas.

In other words, the provision is quite too general to meet with my approval unless it is made clear that it will operate differently from what has been suggested.

Mr. HAWES. Mr. President——

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

Mr. WALCOTT. I do.

Mr. THOMAS of Idaho. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Idaho. I am wondering what rule we are working under. I thought the calendar had just been called, and I asked that the bill go over.

The VICE PRESIDENT. There is only one bill on the calendar. If the Senator objects to the bill, it goes over unless it is taken up by motion.

Mr. THOMAS of Idaho. I am objecting to the consideration of the bill.

The VICE PRESIDENT. The bill will go over unless taken up by motion.

Mr. WALCOTT. I move to take it up, Mr. President.

Mr. HAWES. Mr. President——

The VICE PRESIDENT. The question is not debatable. [Putting the question.] The Chair is in doubt.

On a division, the motion was agreed to; and the Senate resumed the consideration of the bill, which had been reported from the Select Committee on Conservation of Wild Life Resources with an amendment.

Mr. HAWES. Mr. President——

The VICE PRESIDENT. Does the Senator having the floor yield to the Senator from Missouri?

Mr. WALCOTT. I do.

Mr. HAWES. The Senators from Pennsylvania and Arkansas were asking about a provision of the bill. I should like to have an opportunity to explain why we inserted that provision.

For months during the last summer and the summer before our committee had been investigating what might be called the wild-life resources of our country. We discovered that there were vast acreages in parks, Indian reservations, cut-over lands, and other public acreages, upon which no effort was being made to propagate either fish or game; so we decided that cooperation of the Federal departments would be helpful. This section is not designed to transfer land to a game department, or to create a sanctuary. It is only to put upon this land propagation enterprises of birds and fish and mammals which have been neglected in the past.

Mr. President, I do not believe that the importance of this subject and the interest which people have in it are sufficiently realized. Some time ago the Southern Newspaper Publishers' Association conducted an investigation solely for the purpose of ascertaining the relative advertising advantages of different sports. They caused an estimate to be made in 14 of the Southern States in the radius of their publications. I shall not read all of these figures but I shall read those of the State of Alabama.

The hunters and fishermen in Alabama, in round numbers, were 298,000 in number; the baseball fans, 169,000; the football fans, 84,000; the golf players, 63,000; the tennis players, 25,000.

Taking the total of these 14 States, we find that there are 4,420,000 men and women who hunt and fish; 2,426,000 who may be termed baseball fans; 1,218,000 football fans; 900,000 golf players; and 363,000 tennis players. So, taking the total of all the sports put together, the hunters and fishermen in those 14 States number 4,420,876, and the total of those who are interested in the four other forms of outdoor recreation amounts to 4,916,652.

I ask for the insertion in the RECORD of this statement.

The VICE PRESIDENT. Without objection, leave is granted.

The matter referred to is as follows:

PUBLIC INTEREST IN OUTDOOR RECREATION

Reports all agree that instead of the interest in outdoor recreation, hunting and fishing, decreasing, there is a rapid and continuous increase.

For illustration: A representative of the Southern Newspaper Publishers' Association, seeking to determine, for the purposes of publicity, the relative news value of hunting and fishing as compared with baseball, football, golf, and tennis, assembled the figures available for 14 of the Southern and Southwestern States. He reports the following results:

State	Hunters and fishermen	Baseball fans	Football fans	Golf players	Tennis players	Total football, golf, tennis, and baseball
Alabama	298,259	169,933	84,966	63,725	25,490	344,114
Arkansas	260,250	128,200	64,100	48,075	19,230	259,605
Florida	173,023	94,200	47,100	34,075	13,630	189,005
Georgia	343,842	211,400	105,700	79,275	31,710	428,085
Kentucky	319,702	169,200	84,600	63,450	25,380	342,630

State	Hunters and fishermen	Baseball fans	Football fans	Golf players	Tennis players	Total football, golf, tennis, and baseball
Louisiana	263, 577	128, 933	64, 466	48, 350	19, 340	261, 089
Mississippi	[1] 275, 000	199, 374	59, 687	44, 765	17, 906	241, 732
Missouri	331, 101	234, 000	117, 000	87, 750	35, 100	473, 850
North Carolina	385, 690	193, 133	96, 566	72, 425	28, 970	391, 094
Oklahoma	352, 751	159, 800	79, 900	59, 925	23, 970	323, 595
South Carolina	264, 820	123, 000	66, 500	46, 125	18, 450	254, 075
Tennessee	270, 109	165, 666	82, 833	62, 125	24, 850	335, 474
Texas	554, 453	359, 800	179, 900	134, 925	53, 970	728, 595
Virginia	328, 299	169, 733	84, 866	63, 650	25, 460	343, 709
Total	4, 420, 876	2, 426, 372	1, 218, 184	908, 640	363, 456	4, 916, 652

[1] Estimated; no game and fish department.

These figures clearly demonstrate the interest of the Nation in the great out-of-doors. It is conservatively estimated that there is a 400 per cent increase during the last decade in the number of people who enjoyed the pastimes of hunting and fishing.

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

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

Mr. HAWES. I do.

Mr. REED. I am in sympathy with the main purposes of the bill; but it does seem to me that section 5 is open to objection, first, for the reason that it imposes an unnecessary formality on the sale of property that is obviously unsuitable, and it is hard enough to sell Government property now anyway. We ought to be able to realize promptly upon unnecessary lands held by the Government.

Certainly the Senator does not want a lot in downtown New York to be offered to the Biological Survey. I am sure that would not be his intention; and yet, as the section stands, we would have to take a lot in downtown New York and offer it to the Biological Survey and get their opinion that it is unsuitable for raising quail before we could go ahead and sell it.

What is the use of putting unnecessary impediments in the way of Government business if, by some modification of the section, we can carry out its real intent?

Then, I think the Senator from Arkansas [Mr. ROBINSON] has pointed out an even more serious objection, in that the language leaves too much discretion to the bureau officials here in Washington, who might be so absorbed in their own subject that they would want to retain for wild-life breeding land that was very valuable for other purposes, and ought not economically to be so held.

For example, suppose we wanted to sell Camp Meade out here. It is worth a very large amount of money. The head of the Biological Survey might say, "Why, no; I can raise birds there, or a fish hatchery can be established there." He ought not to be allowed to have such valuable land for that purpose. I am quite in sympathy, however, with the Senator's idea of using appropriate lands, wild lands, for this purpose.

Ought not the section to be further considered and modified?

Mr. KING. Mr. President, before the Senator answers, will he permit a suggestion?

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

Mr. HAWES. I do.

Mr. KING. It seems to me we would be violating what many of the representatives of Western States have contended for if this bill were passed in its present form, in that as just indicated, it permits an agency of the Government to make the selection. I think land belonging to the Government ought to be transferred only by and with the consent of Congress.

Mr. WALSH of Montana. Mr. President, I intend to offer an amendment to that section, and, if the Senator will pardon me, I should like to make some observations with respect to it.

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

Mr. HAWES. I do.

Mr. WALSH of Montana. Mr. President, that section of the bill is of particular importance to the Senators from the Western States. The Forestry Service, in its zeal in the discharge of its own duties, of course, has been persistent in endeavoring to include within the forest reserves vast areas of the West, the inclusion of some of these areas in the forest reserves being opposed by the people of the locality. The Forestry Service was so insistent that it became necessary for Congress to pass a bill taking away from the President—and that meant from the Forestry Service—power to include, by order, lands within the forest reserves, reserving to Congress the right to say what lands should or should not be included.

In the West there are great areas that are set apart for Indian reservations, for military reservations, and other purposes of that character. If they are no longer needed for those purposes, they are to be offered to these various departments of the Government—the Forestry Service, for instance—and the Forestry Service immediately takes over the administration of those areas.

Let me illustrate. In my own State Fort Assiniboine, a huge area of 49,000 acres, was abandoned some time ago by the War Department for military purposes. Under this bill it would be offered to the Forestry Service, and that whole area of 49,000 acres, if the Forestry Service desired it, would be added to the forest area of the State of Montana.

Fort Keogh Reservation, almost as extensive, was likewise abandoned. By act of Congress that was created a station for the development of methods of more perfectly utilizing the range for range cattle.

In the case of Fort Assiniboine, 2,000 acres of it, together with buildings, were turned over to the State of Montana for agricultural purposes, and the remainder was opened to homestead settlement.

In the case of Fort William Henry Harrison, an area of about 2,000 acres adjacent to the city of Helena, was abandoned by the War Department for military purposes. That has been turned into a veterans' hospital and is now a flourishing institution for the care of disabled veterans.

Under this bill all of these areas would be offered to the Forestry Service, for instance, and turned over to that department or to the Biological Survey or to some other department.

In that situation of affairs, Mr. President, and in conformity with the policy heretofore expressed by Congress, I shall propose that in line 5, after the word "shall," there be inserted the language "upon approval by the Congress," so that it will read:

> Whenever such areas having been so offered shall upon investigation be found to be suitable for these purposes, the administration of such areas shall, upon approval by the Congress, be transferred to the department or departments—

And so forth.

Mr. REED. Mr. President, I am afraid that would have the effect of slowing up the sale of all Government real estate so as to make it almost impossible to sell a tract of Government land.

Mr. HAWES. Mr. President, I should like to answer the Senator's question of a moment ago, and the questions of the Senator from Arkansas.

The VICE PRESIDENT. The Senator from Missouri.

Mr. HAWES. This bill does not contemplate a change of management or a control of these properties. All that it is intended to do, and all the committee believes it will do, will be to utilize certain portions of our great unoccupied areas for the propagation of game and fish.

That does not mean the whole property. For instance, we shall introduce in a short while a bill for the establishment of a game farm. That requires only a thousand acres. All this would do would be to promote propagation of fish and game on the public acreage. There would be no jurisdictional changes. The investment for this purpose would be small, infinitesimal.

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

Mr. HAWES. I yield.

Mr. SHORTRIDGE. Does not the Senator recognize the rule of interpretation of statutes, which would mean that if this bill passes with the language now in it, it will amend existing statutes?

Mr. HAWES. It would amend existing statutes, of course.

Mr. SHORTRIDGE. I say with deference to the Senator that it would to a certain degree amend existing statutes.

Mr. HAWES. Certainly.

Mr. SHORTRIDGE. With respect to the power of disposal of the use of the lands referred to in the bill before us.

Mr. HAWES. I would welcome any clarifying amendment which would more thoroughly define our object, which is the temporary use of this land, just like boys on a vacant lot in a city are permitted by the owner of the lot to play baseball on it until it is used for some other purpose. That is all this bill intends, and it does not transfer jurisdiction from the Park Service to the Biological Survey, nor does it change it the other way, or to the Bureau of Fisheries. It leaves the jurisdiction just as it is.

Mr. SHORTRIDGE. The Senator will understand that I am in hearty sympathy with the purposes of the bill.

Mr. HAWES. Mr. President, the extended discussions in relation to this bill were not anticipated. The amendments proposed are not objectionable. The work of the Committee on Conservation of Wild Life Resources occupied a great deal of the time of its members, and the continuous work which it has applied to the subject may be responsible for the appearance of this bill as No. 1 on the calendar.

The immensity of the subject to be covered by the committee may be visualized when it is understood that, in addition to the immediate subjects under investigation, it is connected with the matters of flood control, irrigation, reclamation, Government lands, military and naval reservations, public parks, and reforestation. To these may be added international treaties and regulations thereunder; regulations of the Customs Service; prosecutions by the Department of Justice; and actions of other Federal agencies.

The committee had before it for advice and suggestions representatives of each department of the Government who have administration either of direct or related activities.

It held extensive hearings, received suggestions, and personally visited wide sections of the central and extreme West, and on the Canadian border, holding hearings and taking testimony. On account of lack of time it was possible to visit but a small portion of our Nation, neglecting for the time other important and interesting sections which will require special study and consideration.

As the work of the committee proceeded, the magnitude of the subject has developed. The information so far obtained is but a small part of that necessary to complete the directed undertaking of the committee.

It will require at least two years, probably longer, to complete its investigations and recommendations, but its inquiry so far has established the vital part in health, national revenue, industrial investment, and recreational value that the preservation and restoration of American wild life holds for the Nation.

Your committee found convincing evidence of a rapid disappearance of wild life. The evidence supporting this conclusion comes from every source. It is not disputed.

Both National and State sources of information agree, and substantiation comes from conservation and sportsmen's organizations, from manufacturers and dealers, from research bureaus and statisticians.

The alarm of the conservationist, sportsman, fisherman, recreationist, and hunter has never been greater than at the present period. The rapid disappearance of wild life is proclaimed by the great newspapers of the Nation and by the smallest local publication. This alarm is supported by all of the Government experts who have appeared before your committee and by reports received from the conservation commissions of the 48 States.

There is unity of opinion on this subject. It is a matter which is not disputed, nor are the complaint and alarm sectional in character; it comes from every part of our country.

Happily for America, but contributing materially to this disappearance of wild life, we find that the instinct or call for hunting and fishing has not decreased but is constantly increasing. It is an hereditary instinct transmitted from pioneer ancestors.

We find that while there is a steady decrease of game and game fish, there is a corresponding increase in the number of hunters and fishermen.

Outdoor recreation and camping have everywhere increased as the result of the introduction of the motor vehicle, providing opportunities for wholesome recreation to millions of our citizens heretofore denied these blessings.

The principal influences which have been effective in reducing and destroying our wild life, your committee finds, are drainage, deforestation, fire, disease, water pollution, increasing numbers of hunters and fishermen equipped with means for rapid, cheap transportation, and, finally, the extended occupation of land by agriculture and industry. It must be expected that to a considerable degree the original stocks of birds, mammals, and fishes must give way for the predominant needs of our advancing civilization. From the investigations already conducted your committee has reached the positive conclusion that the destructive effects to wild life everywhere, apparently, might have been greatly modified and in many cases actually avoided had a national policy of conservation been adopted earlier by State and Federal Governments. And your committee is also of the opinion that it is not yet too late to formulate and apply such policies with every hope for success, and that the timely inauguration of a sound program will yet insure not merely a maintenance of existing supplies of birds, animals, and fishes but should produce an increase in these resources so that future generations of Americans may profit by this wholesome recreation even beyond our own present opportunities.

The larger part of a successful conservation program in the preservation and replacement of wild life belongs to the various States, but without active participation and the leadership of the Federal Government the work will fail.

National participation has been effective but has not been either fully defined, coordinated, or supported.

Our study has not advanced to a point which justifies our positive expression of opinion at this time in the matters of consolidation under a new Federal department of conservation or a consolidation of departments under one department with a permanent under secretary in charge.

Your committee has not had the opportunity to advance its investigation of these suggestions and is leaving the subject open for further consideration.

In asking for an orderly and effective program, your committee has given first consideration to Federal activities in wild-life preservation and finds that in the case of forage and farm crops experience has developed two principles now applicable to wild life:

(*a*) The Federal Government's part in connection with game crops grown on State land is to assist the States to work out better game-cropping methods. The Federal function is research and demonstration.

(*b*) On Federal lands the Federal Government should conduct its own game-cropping operations.

In seeking means to apply approved principles in Federal projects to develop wild life your committee has endeavored to define, in part, the responsibility of the National Government and to allocate this responsibility to the various departments and bureaus. The committee recommends concentration on the allotted subjects by these departments in order to promote a more effective coordination among the Federal agencies.

Congress has created two major Federal bureaus especially to administer the resources of birds, mammals, and fishes and designed to be the scientific fact-finding organization for all Federal agencies and operations having to do with

the development, protection, and utilization of wild life. They are the Bureau of Fisheries in the Department of Commerce and the Bureau of Biological Survey in the Department of Agriculture. The functions of these two bureaus in the Federal program are of a vital and peculiar nature. From these bureaus must come the information, both scientific and practical, to enable administration executive agencies to use methods for increasing the production of wild life which are economical and practical.

The Park Service, in the Department of Interior, and the Forest Service, in the Department of Agriculture, are two major Federal bureaus also principally responsible for the preservation and replacement of wild life by reason of the control which they exercise over great areas of public domain; the opportunities thus provided for increasing the supply on such lands and also because of the demonstration value of such operations to the State commissions and to other organizations and individuals engaged in similar undertakings.

We find that conservation is directly or partly administered by all members of the President's Cabinet: The Secretary of State; Secretary of Agriculture; Secretary of Commerce; Secretary of the Interior; Secretary of the Treasury; Secretary of War; Secretary of the Navy; the Attorney General, directing the Department of Justice; the Postmaster General; and the Secretary of Labor.

The necessity for coordination and cooperation between State enforcement and national enforcement is self-evident.

Industrial developments and the rapid expansion of the American population in its manifold activities and occupations have made serious inroads upon the forests and other natural environments of wild life. The marsh and other areas so necessary to the maintenance of wild fowl suffered especially by this development. Tremendous acreages were drained, and in many cases the soil exposed by the drainage operations proved to be worthless for agriculture.

Improved roads and the widespread use of automobiles and motor boats have brought the sportsman more quickly to his game. Even the effect of the building of railroads in the Middle West and the introduction of cold storage have hastened an unfortunate situation.

Mr. ROBINSON of Arkansas. Mr. President, I desire particularly the attention of the Senator from Missouri [Mr. HAWES] and the Senator from Connecticut [Mr. WALCOTT], who have expended much time and effort in the preparation of this bill. I think those who have not made a study of the subject are not fully informed of the conditions which the bill intended to remedy, in part.

With the multiplication of the processes of civilization, the clearing up of large swamp and forest areas, the placing of them in cultivation, the reclamation, by drainage and other processes, of grounds which constitute the natural breeding and hatching places of animals and fowls, the constant consequent narrowing down of the places where such animals and fowls may find life and protection, wild life in America is disappearing much more rapidly than is generally understood. The time is not far distant when any remedy which can be offered will prove largely futile, for the reason that it will come too late. Indeed, I am not certain, from the limited study I have been able to make of the subject, that we have not already waited too long, and that in spite of everything which may now be done it will prove difficult, and almost impossible, to preserve wild life within the meaning of the intention of this proposed act and its author.

Some years ago, at the instance of those who were familiar with the problem, I introduced in the Senate a bill to establish game sanctuaries in the national forests; I refer to Senate bill 266, introduced April 18, 1929. I do not refer to that with any degree of pride, because it has not been practicable to secure action on the measure. The bill has been reintroduced during the present session. It provides:

> That for the purpose of providing breeding places for game animals on lands in the national forests not chiefly suitable for agriculture, the President of the United States is hereby authorized, upon recommendation of the Secretary of Agriculture and with the approval of the State legislatures of the respective States in which said national forests are situated, to establish by public proclamation certain specified areas within said forests as game sanctuaries or refuges, which shall be devoted to the increase of game animals of all kinds naturally adapted thereto, but it is not intended that the lands included in such game sanctuaries or refuges shall cease to be parts of the national forests wherein they are located, and the establishment of such game sanctuaries or refuges shall not prevent the Secretary of Agriculture from permitting other uses of the national forests under and in conformity with the laws and the rules and regulations applicable thereto.

There are other provisions in the bill which seek to effectuate its purposes.

As Senators all know, particularly those Senators who represent Western States, there are millions of acres of lands within these national forests; and these areas, or at least large parts of them, may be operated and preserved in entire consistency with their simultaneous use as game sanctuaries. It would conform to the purposes of the section now under consideration if the Senator in charge of the bill should see fit to give consideration to the incorporation of some such provision as that embraced in the bill to which I have been referring.

The bill creating game sanctuaries in national forests was prepared at my suggestion by the departments which are intrusted with the administration of the national forests, and it is so framed that, in the opinion of those authorities, its administration would not interfere with the use of the forests for the purposes for which they were created.

It would constitute a material advance along the line which the committee reporting the pending bill evidently had in mind, in that it would make possible at once the creation of refuges for wild animals, game animals, and birds; and carry forward the purposes of conservation without undue interference with any other use of the land, and it would not bring into the public domain areas which are not now a part of the national forests. It would result in a sensible and practicable use being made of these natural sanctuaries, and if something of this nature had been begun 20 or even 10 years ago we would not be confronted now with the conditions which we are all desirous of remedying.

The protection of the breeding places of game animals is not an immaterial matter by any means; it is a very material one, because they supply a large part of the food products consumed by the people of the United States. These breeding places are constantly being diminished in number and in area, and one reason why the question of the preservation of wild life has become so acute at this time is the fact that during 1930 an additional natural cause cut off perhaps one-half of the supply of game which might have been anticipated without that cause. Great droughts, extending to the hatching places and the breeding places of fowl and animals which require water for their propagation, prevented the normal processes of propagation.

I wonder whether the attention of the committee was called to this bill, and whether they would like to consider it as an amendment to the section now under consideration. It would result in a definite incorporation, in the areas useful for the propagation of wild life and the protection of wild life, of literally millions of acres of land suitable for the purposes.

Mr. WALCOTT. Mr. President, the senior Senator from Arkansas [Mr. ROBINSON] has stated precisely what the committee had in mind in preparing this bill, and he stated it very clearly.

The chief purposes of the bill were to help those States within whose borders are still found the largest remnants of game and wild life, mammals and fish, and it is perfectly apparent that the Senators from those States are not in sympathy with all the provisions of the bill. I refer particularly to the States of Wyoming, Montana, and Idaho. Those are the States which most need help; they are the States which we are determined to help, and we thought this bill would help them. But apparently there are some objections to the bill.

I do not wish to have the bill lose its place on the calendar. I do want to have it helpful, and so does the entire committee. Therefore, if there is no objection, I would

like to have the bill go over until to-morrow, and we will try to iron out these difficulties and see if we can not get a really constructive measure here by to-morrow.

Mr. ROBINSON of Arkansas. Mr. President, I would like to point out to the Senator that the provision I have been describing contemplates the consent of the legislatures of the States in which the areas exist.

Mr. WALSH of Montana. Mr. President, it is quite agreeable to me that the bill should go over, but before that course is taken I want to remark that no doubt the Senator from Pennsylvania [Mr. REED] is concerned about military reservations and that sort of thing. It will be remembered, however, that the disposition of abandoned military reservations is provided for by general law. It would meet the requirements in that respect well enough to have a simple provision in the pending bill that nothing in it shall be construed to repeal or amend the law in relation to the disposition of abandoned military reservations, so that the law could not be made applicable to them.

But there is another feature of the bill which I think has not been adverted to particularly and concerning which I should like to speak for the information of the committee in its work in redrafting the bill, if it should take that course.

Section 7 of the bill reads as follows:

SEC. 7. The Bureau of Biological Survey and the Bureau of Fisheries are hereby authorized to make surveys of the wild-life resources of the public domain, or of any lands owned or leased by the Government, to conduct such investigations as may be necessary for the development of a program for the maintenance of an adequate supply of wild life in these areas, to establish game farms and fish-cultural stations commensurate with the need for replenishing the supply of game and fur-bearing animals and fish thereon, and, in cooperation with the National Park Service, the Forest Service, or other Federal agencies, the State agencies, to coordinate and establish adequate measures for wild-life control on such areas.

I do not know whether it is the correct construction, but it would appear to me as though this provision would authorize the Bureau of Biological Survey and the Bureau of Fisheries to establish game preserves, which, of course, implies the purchase of the necessary land, the establishment of the necessary buildings, and that kind of thing. As to the establishing of fish-cultural stations, I think the principle has the approval of every Member of this body, but heretofore Congress has reserved to itself the power to say where and when fish-cultural stations shall be established. I doubt whether Congress would like to grant full authority to the Bureau of Fisheries and the Bureau of Biological Survey to establish stations at will, or the power to do such a thing. I scarcely think it could have been the intention of the committee to confer any such power upon the bureau.

I make these suggestions in view of the possibility that the bill may be amended by the committee.

Mr. VANDENBERG. Mr. President, before the bill goes over may I pursue the suggestion just made by the Senator from Montana to the extent of calling attention to the fact that under section 9 the authority even to accept the donations of land for these various purposes is transferred to the Secretary of Agriculture and the Secretary of Commerce? The power even to accept donations is conferred. It seems to me those donations might amount to a sufficient magnitude upon occasion to be comparable almost with the offering of a national park, which, of course, we could not accept without the authorization of Congress, because it has implied in it the responsibility of upkeep and public taxation for that purpose. It seems to me if the question is to be restudied most assuredly section 9 should be restudied from that viewpoint.

Mr. THOMAS of Idaho. Mr. President, I am very much in favor of the bill going over. No State in the Union is more interested in the conservation of wild life than is Idaho. We have within the borders of that State the greatest fishing and hunting grounds in the country, and for that reason we are deeply interested in any legislation that is proposed affecting the matter. The pending bill has been brought before the Senate before our people had a full chance to study it. They know nothing about its provisions. I think it is very well to have the bill go over to afford us an opportunity to give it consideration before we discuss it on the floor of the Senate.

The VICE PRESIDENT. Without objection, the bill will go over.

WORLD COURT MATERIAL

Mr. BORAH. Mr. President, I ask to have printed as a Senate document a chronological history of the proceedings with reference to the World Court. The matter has been arranged by the executive clerk, and I am informed is full and complete.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BORAH subsequently said: Mr. President, I desire to submit a written order authorizing the printing of the World Court record which I presented a few moments ago, and I ask unanimous consent for its immediate consideration.

There being no objection, the order was read, considered, and agreed to, as follows:

Ordered, That the Secretary of the Senate be directed to prepare in the form of an executive document material relating to the subject of the World Court, consisting of indexes on the subject, contained in volume 64, Part I, of the Executive Journal; indexes to the CONGRESSIONAL RECORDS for the Sixty-seventh Congress, fourth session, to and including the third session of the Seventy-first Congress; reservations, resolutions, and amendments offered or submitted during the first session of the Sixty-ninth Congress, with the yea-and-nay votes thereon; the protocol with resolution of adherence and reservations agreed to on January 27, 1926; the present pending protocols and the so-called Root hearing held before the Committee on Foreign Relations on January 21, 1931; and that 2,000 copies be printed as an executive document.

IMPORTATION OF WOOD PULP

Mr. McNARY. Mr. President, on yesterday I offered a resolution which is on the clerk's desk. I ask that the clerk report the resolution and I request its immediate consideration.

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

The resolution (S. Res. 95) was read, as follows:

Resolved, That the United States Tariff Commission is directed to make a thorough investigation of the effect of the depreciation in value of foreign currencies upon the importation into the United States of mechanically ground wood pulp, chemical wood pulp, unbleached or bleached, and pulpwoods, and to report to the Senate as soon as practicable the results of such investigation.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. REED. Mr. President, I would like to ask the Senator from Oregon whether it might not be wise to broaden the terms of the resolution? The problem presented by Canadian exchange in regard to importations of wood pulp is after all only a duplicate of the problem presented by imports from Great Britain, from Japan, and from a number of other countries that have allowed their currency to go off the gold basis. Would not the Senator be willing to broaden the resolution to extend it to all importations? The problem is the same everywhere.

Mr. McNARY. Mr. President, I realize that the problem of exchange is involved generally, but a resolution so general in character as suggested by the Senator from Pennsylvania would involve a great study and a tremendous length of time on the part of the commission. This matter was brought to my attention. It is imperative that some study be made. Hence, I took up the matter with the Tariff Commission and they suggested the resolution in its present form. There may be a lot of industries which are not caring about the investigation. This industry feels that it is important to have the investigation.

Mr. REED. I do not want to impede the passage of the Senator's resolution, so I shall prepare one of my own, if I decide to do so.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States

submitting several judicial nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

ELECTION OF PRESIDENT PRO TEMPORE

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which is the election of a President pro tempore.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

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

The PRESIDING OFFICER (Mr. ODDIE in the chair). Ninety Senators having answered to their names, a quorum is present. The question is the election of a President pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOSES (when his name was called). Again announcing my unimpaired pair, I withhold my vote.

Mr. NORRIS (when Mr. HOWELL's name was called). I desire to announce the absence of my colleague [Mr. HOWELL]. He is paired with the Senator from Montana [Mr. WHEELER]. If present, my colleague would vote for Senator HEBERT.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS], who is detained at home on account of illness. I transfer that pair to the senior Senator from Ohio [Mr. FESS] and vote for Senator MOSES. I was requested to announce that if the senior Senator from Ohio were present he would vote for Senator MOSES.

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Missouri [Mr. PATTERSON], and therefore withhold my vote. If he were present, he would vote for Senator MOSES, and if I were permitted to vote I should vote for Senator PITTMAN.

The roll call having been concluded, resulted as follows:

FOR SENATOR PITTMAN—42

Ashurst	Connally	Hawes	Robinson, Ark.
Bailey	Coolidge	Hayden	Sheppard
Bankhead	Copeland	Hull	Smith
Barkley	Costigan	Kendrick	Swanson
Black	Dill	King	Thomas, Okla.
Bratton	Fletcher	Lewis	Trammell
Broussard	George	Logan	Tydings
Bulkley	Glass	McGill	Walsh, Mass.
Bulow	Gore	McKellar	Walsh, Mont.
Byrnes	Harris	Morrison	
Caraway	Harrison	Neely	

FOR SENATOR MOSES—32

Austin	Goldsborough	McNary	Smoot
Barbour	Hale	Metcalf	Steiwer
Bingham	Hastings	Norbeck	Townsend
Carey	Hatfield	Oddie	Vandenberg
Dale	Hebert	Reed	Walcott
Davis	Johnson	Robinson, Ind.	Waterman
Dickinson	Kean	Schall	Watson
Glenn	Keyes	Shortridge	White

FOR SENATOR HEBERT—12

Blaine	Capper	Jones	Nye
Borah	Couzens	La Follette	Shipstead
Brookhart	Cutting	Norris	Thomas, Idaho

FOR SENATOR McNARY—1

Frazier

The VICE PRESIDENT. On this ballot Senator PITTMAN has received 42 votes, Senator MOSES 32 votes, Senator HEBERT 12 votes, and Senator McNARY 1 vote. The total number of votes cast is 87; necessary for a choice, 44. No Senator having received a majority of the votes cast, there is no election, and the Secretary will again call the roll.

The legislative clerk proceeded to call the roll.

Mr. NORRIS (when Mr. HOWELL's name was called). Repeating the announcement I made on the previous ballot regarding my colleague and his pair, I desire to say that if present my colleague would vote for Senator HEBERT.

Mr. TYDINGS (when Mr. METCALF's name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF], who is necessarily absent. If he were present, he would vote for Senator MOSES, and if I were permitted to vote I should vote for Senator PITTMAN.

Mr. MOSES (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as before, I vote for Senator MOSES.

Mr. SHEPPARD (when Mr. WAGNER's name was called). The Senator from New York [Mr. WAGNER] is unavoidably absent. He is paired with the junior Senator from Missouri [Mr. PATTERSON]. If the Senator from New York were present, he would vote for Senator PITTMAN.

The roll call having been concluded, resulted:

FOR SENATOR PITTMAN—41

Ashurst	Connally	Hawes	Robinson, Ark.
Bailey	Coolidge	Hayden	Sheppard
Bankhead	Copeland	Hull	Smith
Barkley	Costigan	Kendrick	Swanson
Black	Dill	King	Thomas, Okla.
Bratton	Fletcher	Lewis	Trammell
Broussard	George	Logan	Walsh, Mass.
Bulkley	Glass	McGill	Walsh, Mont.
Bulow	Gore	McKellar	
Byrnes	Harris	Morrison	
Caraway	Harrison	Neely	

FOR SENATOR MOSES—31

Austin	Goldsborough	McNary	Steiwer
Barbour	Hale	Norbeck	Townsend
Bingham	Hastings	Oddie	Vandenberg
Carey	Hatfield	Reed	Walcott
Dale	Hebert	Robinson, Ind.	Waterman
Davis	Johnson	Schall	Watson
Dickinson	Kean	Shortridge	White
Glenn	Keyes	Smoot	

FOR SENATOR HEBERT—13

Blaine	Couzens	La Follette	Shipstead
Borah	Cutting	Norris	Thomas, Idaho
Brookhart	Frazier	Nye	
Capper	Jones		

The VICE PRESIDENT. On this ballot Senator PITTMAN has received 41 votes, Senator MOSES 31 votes, Senator HEBERT 13 votes. The total number of votes cast is 85; necessary for a choice, 43. No Senator having received a majority of the votes cast, there is no election.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn.

The motion was agreed to; and (at 1 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 17, 1931, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 16, 1931

UNITED STATES DISTRICT JUDGE

Gunnar H. Nordbye, of Minnesota, to be United States district judge, district of Minnesota, additional position. (Mr. Nordbye is now serving under a recess appointment.)

UNITED STATES ATTORNEYS

John B. Isbell, of Alabama, to be United States attorney, northern district of Alabama, to succeed Charles B. Kennamer, resigned, and Jim C. Smith, appointed by the court. (Mr. Isbell is now serving under a recess appointment.)

Edward W. Wells, of Pennsylvania, to be United States attorney, eastern district of Pennsylvania, to succeed Howard Benton Lewis, appointed by the court. (Mr. Wells is now serving under a recess appointment.)

John D. Hartman, of Texas, to be United States attorney, western district of Texas. (He is now serving in this position under an appointment which expired December 15, 1929.)

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 16, 1931

The House met at 12 o'clock noon.

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

We thank Thee, our Heavenly Father, for the imperishable realities of the soul, namely, faith, hope, and love. These are the sublime graces which inspire wise and heroic deeds and bind us together in those lasting friendships which shall abide forever. We pray that we are here to-day by a common impulse to record achievements that shall stimulate faith and confidence in our great system of government. Shed abroad in all hearts that spirit which gives courage and zest of life. These are not evoked by things and daily circumstances. With unflagging interest and generous enthusiasm may we serve the country which has so signally honored us. With unerring vision may we see "Immanuel"—God with us everywhere. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, without amendment, a joint resolution of the House of the following title:

H. J. Res. 72. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Third Olympic Winter Games and of the games of the Tenth Olympiad to be held in the United States in 1932.

THE SAVANNAH RIVER PROJECT

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered by myself before the Rivers and Harbors Congress last week in regard to the waterways of the country, particularly the Savannah River.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. BRAND of Georgia. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit an address delivered by me at the Twenty-seventh Convention of the National Rivers and Harbors Congress which was held in Washington, D. C., on December 8 and 9, 1931. The facts and figures embraced in this address were furnished me by persons interested in the Savannah River project.

The address is as follows:

Savannah River is the boundary line between Georgia and South Carolina. When General Oglethorpe settled Georgia, as the last of the original thirteen Colonies, he established the city of Savannah at the mouth of the Savannah River and a trading post at the head of navigation, which later became the city of Augusta. As a trade center, with the interior and the river affording communication with the coast, Augusta grew rapidly.

Over 100 years ago tobacco was brought over the mountains from Tennessee to Augusta for shipment by water. Later, trade at Augusta had grown to such proportions that the people of Charleston built the Charleston & Augusta Railroad, now the Southern, from Charleston to Hamburg, which is just across the river from Augusta, in order to direct part of the river traffic to the port of Charleston. From that time until the present, water transportation on the river has been continuous in spite of the fact that very little improvement has been made in the original channel conditions as compared with the tremendous improvement in railway and highway facilities.

Augusta is strategically situated as an Atlantic-seaboard outlet for the wonderful Piedmont section of northwestern South Carolina, northern Georgia, the western section of North Carolina, and the eastern section of Tennessee. This area is rich in hydroelectric power and minerals and is a highly developed textile and clay-products area. Its agricultural and other potentialities are unsurpassed by any other section.

With the wonderful port of Savannah at one end and the trade and industrial center of Augusta and vicinity 200 miles inland by water on the other end, the possibilities for navigation, provided there is an adequate channel, are tremendous.

An economic survey of potential water-borne traffic between Augusta and its tributary territory and the outside world, which was made during the past year, indicates there would be a movement of about 2,000,000 tons per year and that if this tonnage moved by water there would be an annual saving to the general public of several million dollars. Even discounting these figures by a large percentage, the reduced estimate of the savings would warrant an expenditure of between thirty and fifty million dollars in the construction of improved navigation facilities.

The river and harbor act of July, 1930, authorized the construction of a 6-foot channel between Savannah and Augusta by canalization, but the people in this section desire to be on the same footing as regards navigation with those on the Warrior, the Tennessee, the Ohio, and the intracoastal cities along the Atlantic and Gulf coasts, so that there can be free interchange of commerce without transfer of cargo by means of through-barge traffic. To accomplish this a channel 9 feet deep is necessary between Savannah and Augusta. Anything less on the river must be considered as a narrow-gage transportation line connecting with the standard-gage line at Savannah, and in this day and time no one would consider spending a dollar for the construction of a narrow-gage line to haul a large volume of traffic.

During the past year the Interstate Commerce Commission held extensive hearings in Augusta on an application by the Augusta-Savannah boat line for through rail-water routes and rates between the river-boat line and the railroads entering Augusta. The commission examiner, after hearing the evidence on both sides, decided that the establishment of such routes and rates was adequately justified and so recommended to the Interstate Commerce Commission.

I wish to have it clearly understood that Augusta and the promoters of the Savannah River project are not fighting the railroads because they are in favor of an improved waterway. The economic survey that I have just referred to indicates that the bulk of the prospective traffic will be new traffic that is not now handled by the rail lines, and that when this traffic is developed the present business of the railroads will be enormously increased by reason of the fact that much of it must be handled by the rail lines between Augusta and the back country. The citizens of Augusta do not claim to be the potential distribution point for the entire interior of the United States, but they do claim to be in a position to give to Augusta and its legitimate trade territory the opportunity to compete with the rest of the world.

A review of the present authorized 6-foot navigation project on the Savannah River is in preparation for consideration by the Chief of Engineers, United States Army, and it is hoped that when all the facts are before him he will agree with us that a 9-foot navigation project between Savannah and Augusta is justified and that its consummation in the near future will be a large factor in hastening the return and establishment of our national prosperity.

Augusta is at the head of navigation on the Savannah River, with a vast territory rich in agricultural, mineral, and manufacturing resources in the interior of the southeast that will be influenced in its economic development by a 9-foot channel on the Savannah River. Within this area is the great Piedmont section of Georgia and the two Carolinas, with the important cities of Atlanta, Athens, Macon, and Rome, Ga.; Chattanooga and Knoxville, Tenn.; Asheville, Charlotte, and Gastonia, N. C.; and Columbia, Spartanburg, Greenville, Anderson, and Greenwood, S. C. This is the textile center of the South and textile goods will be moved from this great area to eastern markets, to the Orient via the Panama Canal, and by direct steamer from Savannah to European markets, by means of the Savannah River.

Augusta is the second largest inland cotton market in the United States, handling an average of from 1,000 to 1,500 bales of cotton per day, including Sunday.

Augusta is one of the greatest cottonseed-crushing centers in the United States, with six large mills. Huge quantities of cottonseed oil will move down the Savannah River to the refineries of the East, as will cottonseed meal and cottonseed hulls.

Augusta is in what is probably the largest kaolin-clay-producing center of the United States, with mines on each side of the Savannah River working in deposits which geologists find to be practically inexhaustible. One kaolin producer estimates that with a 9-foot channel he will move 75,000 tons annually down the Savannah River.

Augusta is the largest brick and tile producing city in the entire Southeast, with 175,000,000 building brick made there each year. The clay from which this brick is made is on the banks of the Savannah River.

The executives of several of the large oil companies have made tentative plans for putting on oil and gasoline barges as soon as the 9-foot channel is completed, and this city, which is the farthest west of any city of the Atlantic-coast region on a navigable waterway, will be the distributing point for a vast territory for petroleum products.

Large sugar-refining companies have indicated their desire to put on their own boats to Augusta on the 9-foot channel, bringing sugar from the port of Savannah for 10 cents per hundred pounds, against 18 cents per hundred pounds that is now charged by the river packet boat and 24 cents by rail.

Fertilizer materials from the phosphate beds of Florida, nitrate from Chile, and other ingredients for fertilizer will move up the Savannah River to this city, which is one of the largest fertilizer manufacturing points in the entire Southeast.

Augusta as an inland port of the Southeast, representing to this section what Houston does to the Southwest, will distribute agricultural machinery, plumbing supplies, hardware and all kinds of canned goods from both the Pacific and Atlantic coasts.

The gross estimated cost of a 9-foot channel is between $10,000,000 and $12,000,000, and the territory affected has in excess of 10,000,000 people, a section which is so rich in resources that its development in the next 25 years will be so great as to stagger the imagination.

Augusta urges a 9-foot channel because of the fact that it is going to be the standard set for inland waterways by the United States Government and will conform to the plans of the Government for the upper Mississippi River, and which have already been carried out on the Ohio. In other words, as we see it, there is no place in our economic scheme of things for a 6-foot channel with the 9-foot standard depth of all important inland waters.

Augusta, at the head of navigation on the Savannah River, with a 9-foot channel, will become the gateway and port of entry of the Southeast. Shipping via Augusta and the Savannah River will save the South millions of dollars in her actual annual freight bill—savings that will pay for the cost of the project several times each year.

THE PLACE OF FEDERAL RECLAMATION IN A FEDERAL LAND POLICY

Mr. SMITH of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by Dr. Elwood Mead, of the Reclamation Service, on the Place of Federal Reclamation in a Federal Land Policy.

The SPEAKER. The gentleman from Idaho asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. SMITH of Idaho. Mr. Speaker, under leave to extend my remarks in the RECORD I submit an address delivered by Hon. Elwood Mead, Commissioner of Reclamation, before the convention of representatives of land-grant colleges and universities at Chicago, November 19, 1931.

The address is as follows:

The reclamation which I shall discuss is the reclamation of arid land by irrigation. Originally this was not a concern of our Government. Individuals or groups of individuals turned the water of streams on low-lying bottom lands. The first works were small and inexpensive. Later corporations and districts undertook larger and costlier works, but in time all the opportunities attractive to private enterprise were utilized. The further conservation of our resources of land and water became primarily a task of the Federal Government. It alone had the resources adequate to overcome the obstacles which have to be met. The works now being built are reservoirs to hold back floods until they are needed and great and costly diversion dams and canals to utilize the water of large rivers. These works require a high degree of engineering skill and experience to design and construct them. The outlay is too great and the return is too slow to make it an attractive field for private enterprise.

The experience of the United States has been the experience of the world. Wherever irrigation works are being built, the central government builds them. This country is doing precisely what is being done in Italy, Egypt, India, Australia, Japan, Mexico, and Peru.

Irrigation and the conservation of water comprise part of the development of the western part of this country in a zone 1,500 miles wide and extending from our northern to our southern boundary, which must travel along with the growth of population and industry throughout the Nation as a whole. The economic development of the West is essential to national success and to the best use of all our resources.

Here we are evolving land and water policies suited to economic conditions. Many of these are foreign to our past traditions and experiences. The greater part of the land can be used advantageously only for forestry or grazing. Water for irrigation can not be obtained. The part which can be reclaimed is in relatively small and widely separated tracts. Its total area is insignificant—less than 1 per cent of the area cropped in the whole country.

Nevertheless, it has an important national significance. These oases of production are "seeds of civilization" in what would otherwise be unpeopled and useless deserts. They give value to the surrounding grazing land. Their influence is felt in many directions. They give winter feed to range stock. They provide cheap and fresh fruits and vegetables to local towns, mines, and lumber camps and are an important factor in the Nation's commerce. If it were not for the people of the arid States supported by irrigation and the traffic originating on and sent to these irrigated districts continental freight rates would be much higher. In one year 17 of these projects received 95,000 carloads of merchandise from eastern points valued at $120,000,000. They are life-savers to the railroads and to makers of automobiles, clothes, farm machinery, and furniture.

THE CHANGED VIEWPOINT OF THE WEST

The activities, the hopes and plans of the arid States to-day are as unlike those of 50 years ago as the automobile of to-day is unlike the covered wagon of that period. A few illustrations will show this. Cheyenne in 1880 was the chief center of the range-stock industry. The life of the range stockman was alluring. The grass eaten by the flocks and herds costs nothing. If anyone realized that the grass could be destroyed by overstocking and that the industry could survive only by combining it with irrigation, he kept it to himself. The universal desire was to keep conditions unchanged. Julian Ralph, seeking facts for his book Our Great West, came to Cheyenne and was told by one of the leading stockmen that irrigation farming in Wyoming was impossible, that only deluded visionaries advocated it, that Wyoming was suited only to the range-cattle business, and that those who talked irrigation would spoil a horn without making a spoon. To-day Wyoming has one of the best-administered irrigation laws of any arid State. Irrigation has saved the livestock industry, and no one works harder for more canals and more reservoirs than the cattle and sheep owner of Wyoming.

MINES GIVE WAY TO FARMS

In the place of mines, like the Comstock in Nevada, the Little Pittsburg in Colorado, or the Ontario in Utah, we have great irrigation projects, like Imperial Valley in California and Yakima in Washington. We have power projects, like the Southern California Edison in California and the Idaho Power Co. in Idaho. One pumps water to irrigate thousands of acres, the other provides electricity to light 10,000 farm homes. We are creating a new industrial empire based on the conservation and use of water.

Statistics are tiresome, but they show as nothing else can how the collapse of the West threatened by the decline in mining and lumbering was averted by the growth of irrigated farming. In 1900 the gold and silver output of Colorado was about $50,000,000; in 1930 it had shrunk to $6,000,000. The great Argo and Grant smelters at Denver have been torn down. There are none to take their place. The processions of ore trains that once came out of the canyons of Boulder and Clear Creeks and the Platte and Arkansas Rivers are gone. The leading railroad from Denver to Leadville has been abandoned. If there had been no other resource to take the place of the abandoned mines, if some other profitable employment of labor could not have been found, Denver to-day would be a decadent city with grass growing in its streets, as it does in the streets of Leadville and Cripple Creek. The resource was the water of its streams replenished from the snows of its mountain summits and making fertile the wonderful soil of the valleys. To-day irrigated farms give employment to more people and yield more certain and larger returns than the mines ever did.

The experience of Colorado was repeated in every State where the mining of gold and silver was once important. The gold and silver output of Montana in 1900 was over $13,000,000. By 1930 it had shrunk to less than $4,000,000. The returns from the gold and silver mines of Washington in 1930 were less than one-tenth of what they were in 1900. The Comstock lode in Nevada turned out in 20 years bullion worth $278,000,000. To-day the costly homes and business houses of the city it created are in ruins, the great mine worked out, and nothing like it exists in any State.

The pioneer who preceded the irrigator was active, but his was a destructive activity. He slashed away the mountain forests. He overgrazed and destroyed the native pasture of the valleys. He wrested a golden hoard from its hiding place. Gold is not renewed when the mine is worked out; the miner must look for a job elsewhere; the store and the boarding house have to migrate with the worker and his wages. The situation has been saved where irrigation is possible. The lumberman, the stockman, and the miner have shifted from denuding the country of its wealth to conserving its resources and creating wealth. Boise, Idaho; Phoenix, Ariz.; Yakima, Wash.; and Denver, Colo., are only a few examples of the prosperous transition to irrigated farming.

The western third of this country is becoming water conscious. It sees more clearly than in the past that future growth depends on measures adopted to conserve and distribute its water supply. In its 30 years' experience the Reclamation Bureau has learned much of what to do and what to avoid. Let me explain some of the principles which govern its action.

FEASIBILITY—ITS MEANING IN RECLAMATION

First of all, let me explain the meaning of feasibility, as found in recent reclamation laws. The act of December 5, 1924, provides that "no new project or new division of a project shall be approved for construction or estimates submitted therefor by the Secretary, until information in detail shall be secured by him concerning the water supply, the engineering features, the cost of construction, the land prices, and the probable cost of development, and he shall have made a finding in writing that it is feasible, that it is adaptable for actual settlement and farm homes, and that it will probably return the cost thereof to the United States." Federal reclamation is one of few Federal activities that is expected to pay its way, to return all the money spent in constructing works. Before the Secretary of the Interior recommends any new project for construction he has to certify that it is feasible and will probably repay all the costs incurred. Before projects are submitted to the Secretary, the soil, climate, crops, and markets have been thoroughly studied to determine what returns may be expected from irrigation. The plans and estimates of costs have been carefully reviewed and recent estimates have been remarkably close to final costs. In the case of nearly all recent projects, authority to

construct has been preceded by a contract with the water users requiring the payment of the entire cost within 40 years. In 1930 over 97 per cent of the money due under these contracts was paid. The effort is to make reclamation a business activity in all the term implies.

POWER A GROWING FACTOR IN FEASIBILITY

When Federal reclamation began the opportunities to generate hydroelectric power as an adjunct to irrigation were disregarded, both in construction and in reclamation laws. Now the ability to generate such power is one of the important factors in determining the feasibility of new works. The value of power plants is twofold. Electricity on the farm makes life easier. The electric washer and the electrically driven separator save many a weary arm and tired back. The revenue from several of the power plants already built is greater than the income from irrigation payments. This income lightens the irrigation payments of farmers and makes possible many works which, without it, would not be feasible.

It is doubtful if the great development to control and utilize the Colorado River at Boulder Canyon would ever have been approved by Congress, had it not been for the fact that contracts for the power to be generated there insure the payment in 50 years of all the money spent by the Government on construction with 4 per cent interest. It gives a subsidy to the States of Nevada and Arizona, and will, in the end, leave $66,000,000 profit to be used in development elsewhere. The remarkable increase in the financial return from power plants, the industrial and social advantages of having hydroelectric power on projects make it one of the important factors in future reclamation activities. More adequate laws to protect the public interest in these power plants are needed. We need laws to define how these power plants shall be financed and how the net profits shall be used.

WHERE THE PRODUCTS OF IRRIGATION ARE MARKETED AND USED

There is a widespread misconception that Federal reclamation contributes to the agricultural surplus and so is an injury to the rest of the country. Those who know what is taking place know that is a mistake. As Secretary Wilbur has stated, one timely rain in the Mississippi Valley will cause a greater increase in our crop production than all the crops grown under Federal works. Besides, the greater part of the crops grown on arid lands are noncompetitive. Sugar beets, long-staple cotton, the products of the orchards and gardens of the Southwest that come into the markets at a time when they can not be grown elsewhere except at prohibitive cost add to our national wealth and satisfaction, but do not compete with the products of the farms of the East and Middle West. Each year an ever-increasing proportion of the products of the irrigated areas goes to meet the steadily growing needs of western cities, especially the cities of the Pacific fringe of the country. The butter from the dairy farms of Idaho goes to Los Angeles. A constantly increasing part of the products of the orchards of Oregon and Washington is finding markets across the Pacific.

THE DEVELOPMENT OF IRRIGATION INSTITUTIONS

In irrigated areas human foresight in planning has to supplement nature. Farms stretching for hundreds of miles along a stream are bound together by their common tie of dependence on its water. To protect them there must be water laws, measurement of streams, regulation of diversions. The early irrigators did not realize the significance of these things. They looked on the water of streams as being like air, free to all alike. They built ditches and took water as they shot game and caught fish. They opposed laws needed for their protection, because they believed they could always do as they pleased. They now know that as population increases the value of water increases and the struggle for its control increases in like measure.

SUPPLEMENTAL STORAGE ESSENTIAL

Dependence upon the spring floods of unregulated streams is as uncertain as dependence upon rain in time of drought. As irrigated districts began to grow better crops, to have orchards and dairy herds, they found that irrigation, to be successful, required a water supply that would last throughout the whole growing season, and such a water supply on nearly all streams necessitates storage of the floods. Reservoirs are costly. The pioneer irrigation districts could not build them, and the reclamation act was born out of their needs. The irrigation works that stand out as the greatest contribution to the prosperity of the arid region are reservoirs built to salvage private enterprises, to rescue communities, where irrigation companies were bankrupt and settlers were suffering from lack of water in midsummer to irrigate their fields.

One of the first of these works was the Roosevelt Dam. Without Government aid to create that storage, the orchards and farms which surround Phoenix, and which created Phoenix, would have gone back to desert. The floods which the Roosevelt Reservoir stores bring to maturity crops worth over $25,000,000 a year and enable the people living on the project to buy, largely from the East, manufactured goods of equal value.

Without the two reservoirs which the Government rebuilt and enlarged on the Pecos River to irrigate the burnt-up fields of the Carlsbad private project that prosperous district would to-day be only a memory.

Without the Elephant Butte Reservoir to hold back the floods of the Rio Grande the irrigated country above and below the city of El Paso, and which has done so much to make it a city, would be confined to the lands of a few primitive and discouraged Mexican irrigators.

The bankrupt private development along the Klamath River was made an enduring success when the Government put a dam across the outlet of Klamath Lake and built two other reservoirs to supplement it.

On the Yakima River private enterprise built canals; but, without stored water for later irrigation, they proved of little value. The Government has built the reservoirs. The city of Yakima, with its 22,000 people, its great fruit warehouses, and the growing vegetable industry of the valley, is the creation of these reservoirs.

THE GOVERNMENT SUPPLEMENTS PRIVATE EFFORT

The Federal Government has agreed to build five storage reservoirs to supply water to the lands first reclaimed in Salt Lake Basin at critical periods of the year. The first of these reservoirs was completed in time to be used this year. The value of the water the first season equaled the cost of the storage.

Two Government storages built on Snake River in Idaho have taken the hazard out of farming in that important valley. These two reservoirs hold over 2,000,000 acre-feet of water. It can be drawn upon whenever the settlers need it. Certainty and security have exerted a great influence toward creating better farms and better farming. The crops taken from the irrigated fields of this area give more business to the Union Pacific Railroad in a year than was furnished by the whole State before this irrigation development started. The crops saved by these storages in 1931 were worth more than the cost of the reservoirs.

The Government storage on the North Platte project was worth $1,000,000 to the farmers this year.

In all, the Federal Government has built 52 storage dams and has petitions to build 144 more. Every one of these is to improve the water supply of existing communities. Hoover Dam will create the largest artificial lake in the world. It will hold the entire flow of the Colorado River for two years. Without it, the river would continue to be a turbulent agent of destruction with an ever-present threat of inundating the irrigable lands in Mexico and the Imperial Valley in California. Los Angeles will draw on this lake to meet its imperative needs. It will add millions to the population of the Southwest and give an immense stimulus to industry.

INCOME AND EXPENDITURES OF THE RECLAMATION BUREAU

The bureau's means and efforts are to-day directed mainly to the rescue of harassed and impoverished communities that lack money and credit to help themselves. These reservoirs would be worth many times their cost. They would save farm homes and local banks and stores from failure. The progress made depends on the fund's income, which is about $6,500,000 a year.

This is being spent to build the Cle Elum Dam on the headwaters of the Yakima River, to build the Owyhee Reservoir to meet the water needs of four privately built irrigation systems in the valley of the Owyhee and Snake Rivers. It is building a larger pumping plant for the Kennewick district, which has orchards 20 years old, and will build the Hyrum Reservoir in the Cache Valley in Utah to supply the water needed to raise sugar beets on farms cleared, improved, and irrigated by the early Mormon settlers. It is building a reservoir for the Baker project in Oregon to provide water for one of the oldest communities in the State. The Seminole Reservoir in Wyoming will give that State a larger share of the water of the Platte River and create a sorely needed agricultural district in a Wyoming county which has contributed $30,000,000 to the reclamation fund from the oil leases in the mid-West field.

No activity of the Government has brought greater private and public benefits to the Nation than have come from the money spent on these Government reservoirs. Unless it is continued, scores of impoverished communities will give up, thousands of farms will be abandoned. This would be a national loss as well as a local disaster. It ought to be averted. An unhappy ending to the courage, sacrifice, and industry of thousands of worthy people who blazed the trails and began the development of irrigated agriculture would be a national calamity. The future of cities, railroads, mines, and factories, as well as farms of the arid region, rests on the measures taken for the conservation of the waters of western rivers. Water is the dominating factor in all its development. Federal reclamation is meeting a national economic need and is averting a crisis in the business and industrial life of the arid region.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
Washington, December 15, 1931.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I hereby tender my resignation as a member of the Committee on Accounts.

Most respectfully yours,

EFFIEGENE WINGO.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

INCOME TAX IN THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes. Pending that, in accord with an agreement which was reached between the gentleman from Tennessee [Mr. DAVIS] and myself, I ask unanimous consent that general debate upon the bill be limited to two hours, one-half to be controlled by the gentleman from Tennessee, Judge DAVIS, and one-half by myself.

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5821. Pending that, he asks unanimous consent that general debate be limited to two hours, one half to be controlled by himself and the other by the gentleman from Tennessee [Mr. DAVIS]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Michigan.

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 consideration of the bill H. R. 5821, with Mr. MCMILLAN in the chair.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAPES. Mr. Chairman, I yield 15 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, ladies and gentlemen of the committee, I did not happen to be in the Chamber yesterday when the gentleman from Pennsylvania [Mr. MCFADDEN] delivered his speech, but shortly thereafter I was advised that he had delivered a speech in which he had made certain references to the President of the United States. Late last night I requested and received from the Government Printing Office a proof copy of the speech in question. I read and reread the speech a second time. I wanted to be sure that I understood just what it was that the gentleman from Pennsylvania was undertaking to say.

I think in all my reading of the record of debates in this House, in all my reading of American history, limited as that may be, nothing has ever been called to my attention which surpasses in its enormity the charges which the gentleman from Pennsylvania makes against the Chief Executive of this Nation.

Moved by various considerations, I should not have taken the notice of the gentleman's speech which I now do, were it not that it is spread upon the records of this House and has been broadcast to the Nation. The vast reading public, having no intimate knowledge of the personalities of this House, would unquestionably give the speech much credence because it was delivered by the ex-chairman of the Committee on Banking and Currency. It is because the public is entitled to the facts and with a view to keeping the record of the House straight that I now take the floor.

The gentleman from Pennsylvania [Mr. MCFADDEN], in the early part of his remarks, accuses the President of a proposal "to sell us out to Germany." Referring to the President's proposed moratorium for one year, the gentleman states:

> If he was the agent of Germany. * * * We can not have an agent of Germany acting as President of the United States.

With that sentiment I think we are all in accord. But here I call the attention of the House to the fact that when the gentleman from Pennsylvania neared the close of his speech he abandoned the precautionary "if," and makes the open charge that "Germany was guilty" of violating the provisions of the Young plan, because she, Germany, was "using the President of the United States as an agent instead of acting for herself." Therefore we have the flat charge that the Chief Executive of this Nation has permitted himself to be used as an agent by the German Nation, and, as the gentleman would have us believe, to inflict losses upon the masses of our people who toil in order to lessen the burden of a nation but yesterday our enemy in the World War.

I have taken as much pains as has been possible in the time at my command—of this I give assurance to the House—to justify myself in the statement which I am about to make. I say that there is not an iota, not the smallest particle, of truth in this infamous accusation. [Applause.]

There are those of us who have been in close contact with the gentleman from Pennsylvania [Mr. MCFADDEN]—I myself have been a member of his committee for several years—who have felt for some time that the gentleman from Pennsylvania has come under the spell of pernicious influences. Just what there is behind the succession of speeches which has been launched for the past year or more against our banking system and the administration in general by the gentleman I am not now prepared to state. The gentleman stated yesterday that—

> It will be interesting when this matter goes to trial before the Permanent Court of International Justice to find out whether Herbert Hoover was acting as a legal agent of Germany or as the President of the United States when he made his [moratorium] proposal.

Let me say to the House that there are those of us here who think it would be quite as interesting, if trial and hearing could be had, for the information of the country generally, to ascertain just what sinister influences are moving the gentleman from Pennsylvania and just whose is the Machiavellian hand behind the speeches which the gentleman has been delivering upon this floor.

There are at my command facts which I might utilize at this time in derogation of the individual, who is by no means sparing in his accusations of the President. However, I shall forego personal references in that direction because I believe it is always most helpful to steer as clear of personalities as possible.

The accusation that President Hoover in December, acting as a member of a group of international conspirators, made secret overtures to the German Government, seeking the opportunity to help Germany at the sacrifice of American interests is absurd and indefensible. It is not true.

I do not know what part, if any, Treviranus, the German Minister of Transportation, may or may not have in what is all too apparently a far-flung conspiracy to impeach the integrity of our President. However, the minister's address reported to have been delivered in Berlin on October 23 last, to the effect that "the American President was in intimate negotiations with the German Government regarding a year's debt holiday as early as December 1930," and that the President "did not even let his Cabinet members know what was going on" is an unqualified falsehood. This insidious attempt to poison the public mind by implanting in it the thought that President Hoover, deceiving his own Cabinet, was endeavoring behind their backs as early as December, 1930, to put over a plan which has been represented as robbery of the American Nation and in aid of Germany is a cheap and traitorous attempt to assassinate the character and befoul the integrity of our President.

I am authentically advised that this subject of a moratorium for war debts first came under consideration by the President on May 6 last, when former Senator Sackett, now ambassodor to Germany from the United States, arrived in this country. He then brought to the attention of the President and certain officials of the Government the extremely

serious situation which existed in Germany, if not in Europe as a whole. At that time the possibility of a moratorium was given thoughtful consideration and in the customary manner. Natural prudence would have deterred the President from making what would then have been a premature announcement of his deliberations concerning public questions vitally affecting not only our own country but other nations as well. To have done so on May 6, or at any time subsequent thereto pending a final conclusion, would have been to violate every precedent and to have grossly betrayed the best interests of all concerned.

I am further able to assure this House that so late as the 14th of last June, when the President started for the West to dedicate the Harding memorial, he was still undecided either as to the wisdom or the necessity of a year's moratorium on war debts.

The crisis which was precipitated in Austria by the failure of the Credit Anstalt in May, 1931, and culminated on Friday, June 19, with withdrawals from the Reichsbank in Germany so heavy that its reserves reached the legal minimum. This constrained the President to the decision that it was not only his duty to his own country, but to the world, to urge a year's moratorium on war debts. He straightway made the decision—subsequent to his return from the West—contacted Members of the Congress and announced the moratorium proposal on the 20th of June.

The gentleman from Pennsylvania [Mr. McFADDEN] pictures the President as at all times engaged in a secret and malign conspiracy. It was in pursuance of this secrecy, if we are to believe the charge of the gentleman from Pennsylvania, that the President called in consultation numerous of the Members of the House of Representatives and the United States Senate. Was this, indeed, the act of a President who sought to betray his country in secret? Surely, a general consultation by the President with the Members of the Congress does not support the claim that the President was promoting his traitorous purpose in darkness and in secrecy.

Just how could the President have invited more general consideration of his moratorium proposal prior to its public announcement? There was but one alternative. As my esteemed friend from Texas [Mr. SUMNERS], chairman of the Committee on the Judiciary, has said, the President could have called the Congress in special session. Would any different considerations obtain under such procedure than obtain at the present moment? Certainly not. The President was loath to subject the country to the unnecessary expense of a special session. He had received evidence through the customary diplomatic channels. He had gathered facts from numerous and authentic sources of information in this country and, proceeding in strict accordance with his oath of office, he presented his recommendations through a message to the Congress in regular session.

The gentleman from Pennsylvania [Mr. McFADDEN] would have the country infer that the President was stabbing France in the back. If that were so, surely the French nation is intelligent enough to have known it. The President must indeed have been an archconspirator if, having betrayed France, he could then turn to that country and invite her Prime Minister, Monsieur Laval, to a series of conferences. If France had been betrayed, do you think her Prime Minister would have accepted the President's invitation, journeyed to this country, and participated in that series of cordial and friendly exchanges of ideas which may ultimately prove to be of greater help to the stricken world than you or I can now estimate?

I think the charge that the President betrayed France is sufficiently answered by the attitude of that country herself, not only in sending her Prime Minister for a conference with our President, but later in agreeing to a moratorium proposal.

The gentleman from Pennsylvania [Mr. McFADDEN] painted in glaring colors the details of a conspiracy. He builded a veritable tissue of heinous machinations which he lays at the door of President Hoover. He pursued his way in exultation from one scene of the monstrous plot to another until at length, carried away by his own enthusiasm, reason is displaced and ludicrous impossibility is enthroned. He climaxes the entire plot by representing the crash in the stock market of 1929 as a part of the entire scheme perpetrated by those whom he repeatedly nominates German international bankers. At this point he would have us believe that the international conspirators had signaled the electrician, had called for the spotlight and pushed President Hoover upon the stage to announce his proposed moratorium in the midst of falling prices and tremendous personal losses incident to a financial panic. Here every vestige of reason and sense in the alleged climax of the conspiracy disappears. If, indeed, the President had entered into any such conspiracy he certainly would have been intelligent enough to suggest to his masters, the German bankers, that the time to ask the American people to indorse a moratorium of war debts owing us by foreign nations was not when we had become impoverished in 1931, as the result of a world-wide depression.

Had the gentleman from Pennsylvania argued that German bankers, dominating our President and tricking the American Nation, had lent aid and encouragement to a policy of inflated credits and an unjustifiable bull-market orgy; had he advanced the seductive accusation that these self-same German international bankers had then proceeded to crack the whip over President Hoover in the fall of 1929 when prices were at their peak and we were deluding ourselves with fictitious evidences of wealth, it might have been barely possible for the gentleman from Pennsylvania to convince some of our people that there was a grain of truth in his cunningly fabricated charges. Certainly, no one with intelligence enough even to enter this alleged conspiracy, much less to fashion the methods of its operation, would aim to reduce us to a state of depression and necessity, and choose that hour of our necessity as the psychological moment to ask that we temporarily forgive our debtors. The entire charge of the gentleman from Pennsylvania [Mr. McFADDEN] is absurd, preposterous, and false.

I deny in whole and in part, in toto and seriatim, those charges contained in the gentleman's speech which attribute to the President of the United States any disloyal conduct, any betrayal of the interests of his own people. [Applause.]

My colleagues, the world is in extremity. Civilization itself stands at the crossroads. The family of nations is well nigh prostrate. People the world over are laboring under the burdens of debt incident to a world war which never should have been. We of America are one member of this family of nations. True, we are not a member of the League of Nations, but it is equally true we are inextricably interwoven with the very fabric of the world's civilization. Shall we assume an attitude of sufficiency unto ourselves? Can we ignore the hardships of our debtors whose crippled purchasing power is contributing to the paralysis of trade and the stagnation of world markets? Shall we stand aloof and unsympathetic with the problems and hardships of our world neighbors? All partisanship aside, no man of us would advocate that his country take any such stand. Furthermore, no thinking man of us would lend encouragement to future wars in Europe by permanently forgiving the war debts of Europe. But with commerce languishing, with want and need on all hands, the question has been, and is, What can the United States do not only to help itself but to assist a stricken world to rise from its knees to its feet? President Hoover's answer to this question was, let us give our debtors a breathing space. To that end he proposed a year's moratorium. To that proposal of the President, the Congress and the country should give their unqualified support.

So much for the humanitarianism upon which, among other considerations, the President places justification for his moratorium proposal. So much apropos of the charge of the gentleman from Pennsylvania [Mr. McFADDEN], that the President has linked his proposal "as usual with a lot of false and insincere humanitarianism."

At the very outset the gentleman from Pennsylvania misled the House. Bear in mind that it is the President's

advocacy of a moratorium which is under discussion from the start. He tells you that "the Hoover proposal originated in the offices of the German international bankers in New York." He tells you that the plan was presented to Mr. Hearst months before it was made public. He tells you that it was presented by at least one of these bankers to President Hoover, "who was rebuked by Mr. Hearst for his cheek and impudence." In proof of these assertions the gentleman from Pennsylvania quotes the following statement of William Randolph Hearst—I am now reading from page 560 of the CONGRESSIONAL RECORD of December 15:

> This plan for revision of war debts, with America paying the piper while war-mad Europe dances, is purely a plan of international bankers, who make money through commissions out of spoliation of their countrymen.

This was the plan which was presented to Mr. Hearst and repudiated by him. But what plan is it which is referred to in the statement by Mr. Hearst? Mark you, it is not the Hoover plan for a year's moratorium, or delay in payment. It was a plan for revision of war debts.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield the gentleman five additional minutes, but I will say to him that I will be unable to yield him any further time.

Mr. BEEDY. I thank the gentleman.

But any plan for the revision of war debts was quite distinct and apart from the plan for a year's moratorium proposed by President Hoover. In fact, you will recall that when the President announced the proposed moratorium, he specifically stated that it had no connection whatever with any proposal for the revision or cancellation of war debts. The plan, therefore, which was rejected by Mr. Hearst was an entirely different plan, dealing with an entirely different subject matter and having nothing whatever to do with the plan announced by President Hoover.

I have lived to see many things happen in this House which I never expected would happen. But I had never dreamed that I should live to read in the record of House proceedings an utterance by a man, whom I took to be a loyal American citizen, charging the President of the United States with any such preposterous offense as that which has been made by the gentleman from Pennsylvania [Mr. McFADDEN].

I do not know how the country may react to the gentleman's speech. I do not know what may be the mental processes of men in this House with respect to the charges which have been launched. For myself, when I contemplate such vicious and groundless accusations against the man who is to-day ridden not alone with the cares ordinarily incident to the great office of Chief Executive but burdened as well by the extraordinary cares incident to a world crisis, against a man, in this hour of his great trial, when our own Government and the well being of humanity are in the crucible, I unhesitatingly take my stand by the President in the White House. It is that President who, though worn and harried and misrepresented, still continues patiently and diligently at his task, moved only by a great love for his country and a sincere purpose, to do the best he can under extremely difficult circumstances. [Applause.]

The gentleman from Pennsylvania quoted from President Hoover's speech delivered at the dedication of the Harding memorial. I shall assume that he quoted with entire approval the noble sentiment therein expressed. I shall certainly not attribute to him any other motive. The quote is as follows, and I read from page 563 of the RECORD for December 15:

> There are disloyalties and there are crimes which shock our sensibilities, which may bring suffering upon those who are touched by their immediate results. * * * But the breaking down of the faith of a people in the honesty of their government and in the integrity of their institutions, the lowering of respect for the standards of honor which prevail in high places, are crimes for which punishment can never atone.

These are the words of our President. They are the words of a man whom it is sought to stigmatize as a traitor. I commend them to the thoughtful and silent consideration of the gentleman from Pennsylvania [Mr. McFADDEN]. I say to him, irrespective of his motives—for they indeed are hidden from my sight and are open alone to the Infinite—I say to him that he has done his country a great disservice. Yes; in this hour of unrest, when there is a concerted attempt to undermine our system of representative government and the financial fabric of the world, the gentleman from Pennsylvania [Mr. McFADDEN], by his reckless utterance, may have done his country and the world a greater disservice than he realizes. In so doing he becomes guilty of a crime for which punishment can never atone. [Applause.]

In closing, inasmuch as the gentleman from Pennsylvania has taken it upon himself to prefer charges so grave and reprehensible in their nature against the Chief Executive of the Nation, I now demand of him in the interest of fair play, in behalf of the American people, in behalf of those of us intrusted with the responsibility of government, in behalf of those whose dollars are invested in American industry and in behalf of those millions who depend for a livelihood upon their own labor, I demand that he produce authentic proof that the President has acted as an agent of the German Government. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield the gentleman one additional minute.

Mr. TEMPLE. If the gentleman will permit, I think it fitting for me to say that the Republican members of the Pennsylvania delegation held a meeting this morning and passed a resolution indorsing the 1-year moratorium and expressing complete confidence in the President of the United States. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, we have observed here upon yesterday and to-day a very unusual, if indeed I might not say, a very remarkable, incident in the annals of the Congress.

Upon yesterday the former chairman of the House Committee on Banking and Currency [Mr. McFADDEN] saw fit, upon his own responsibility as a Member of this House, to make certain very grave and serious charges against the Chief Executive of this Nation. I am not advised, of course, upon the basis of what facts those charges were made. That is answered this morning by a statement from the distinguished gentleman from Maine [Mr. BEEDY] by innuendo, at least, that if he were disposed to do so, he could produce certain facts that might reflect upon the integrity of the gentleman from Pennsylvania [Mr. McFADDEN] in connection with his speech.

Speaking as a Democrat and as one whose party has been charged with the deliberate purpose to undertake to "smear" in the national esteem the dignity and integrity of the President of the United States, I merely take occasion here this morning to call to the attention of the House and of the country that these charges, amounting in effect to an impeachment of the President of the United States for high crimes and misdemeanors, do not come from the Democratic side of this House. [Applause.]

I think it shall be the legitimate purpose and expectation of the Democratic Party in the coming national campaign to take advantage of every legitimate political opportunity that falls into its hands for attacking the present Republican administration, but I feel that I voice, without having consulted it, the best thought of the political sportsmanship of the Democratic side of this House that if we expect to win the national election, we shall do it upon the basis of the President's incapacity for leadership, the blunders of the Republican administration for the last 10 years, and that it shall not be predicated upon any presumed malfeasance in office or lack of patriotism upon the part of the President. [Applause.]

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

Mr. MAPES. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman and gentlemen of the committee, it seems almost unreasonable to take the time of the

House, which is valuable time to every Member, to discuss what seems to be a local matter and one that is put before us as a committee that we would gladly have avoided except it has been assigned to us and we have undertaken to perform the duty.

In view of the importance of the questions that have been discussed here to-day and yesterday, I feel this is true, and yet we are anxious to be relieved of a task that we have performed under direction of the House and had sought to perform properly and give you the facts to which you are entitled.

Both papers this morning, and the papers last night, criticized without gloves those who have been engaged in the work of this committee in trying to give to the House the facts that have come to us through the experts and through the studies we have made, and I am not going to answer the billingsgate of one of the morning papers. Those of us who know the publisher, know his character, and know the character of others who are responsible for such statements would not object to having our own records compared with theirs, and yet they abuse men, misrepresent their motives and acts so that no one wants to act in District matters.

I am not going to discuss them personally, but I am going to emphasize, if I may, in a few moments a situation that confronts the country in regard to the city of Washington and the District of Columbia that you should know. You Members who come from outside of the city should know what is being done here, the purpose of the proffered legislation. It ought to be discussed frankly on the floor of the House, because we have no other way by which to reach the subject of District taxes, of lump-sum appropriations or the District dole, as it was called this morning.

So, I am going to read, briefly, not from the additional views which I expressed to you yesterday and placed in the RECORD. I think that is practically a complete answer to the subject of unjust taxation if the committee is correct in its facts, and we are all agreed about that. I desire to discuss briefly the effect of this unfair District taxation scheme upon the rest of the country and in relation to a publisher of whom I speak in the highest terms, because I believe he is a gentleman whom we all respect, but do resent some of his unjust comments on the committee's labor.

Mr. Chairman, the hearings of the committee occupied a number of weeks and many District witnesses appeared, practically all of whom agreed that the District should pay the same average tax as that paid by comparable cities, but with the contention in nearly every case that it was doing so at the present time. This committee, as stated, has found to the contrary, and that $14,000,000 annually would be required to equal that paid by 22 other comparable cities.

In seeking to sustain the position that it is paying full taxes, the city at the outset presented the Government's Board of Efficiency that volunteered some novel tax suggestions never before encountered by any city or other government, and that fell by their own weight. This commission at the outset insisted it had been requested by committee members to prepare a report and it was given full publicity by the local press because of its evident efforts to maintain the District's claim of present payment of full taxes. This statement was repudiated by every member of the committee and apparently was due to a mistake, or to effort in advance to prejudice any action by the committee.

The commission first proposed the original idea that Washington was paying a per capita tax equal to that of the average city, and it quoted some meaningless statistics of average per capita property holdings to sustain this position. Every tax authority in this and every other country rejects any such theory. A brief illustration is sufficient to show its absurdity.

During the past 10 years and more Secretary Mellon has lived most of the time in Washington and is practically a resident of the city, although a taxpayer of Pittsburgh. If based on estimates of his wealth, if he was rated a Washington resident, it would raise the average per capita holding of wealth nearly $2,000 for each individual, although 487,000 other residents would have no individual benefits from his holdings.

In like manner his assistant, formerly a Member of Congress and resident of New York but officially living in Washington, according to his estimated wealth would have given a per capita holding for Representatives in Congress during his membership in that body of approximately $200,000 more than the average held.

These illustrations could be carried on indefinitely, and, on the other hand, many thousands of employees working in factories outside of big cities are an added burden placed upon the taxpayers of these cities during the closing of the great mills in which they are employed.

It would be as logical to claim that the color of the hair or its partial absence among men of one community would furnish a standard for men of another community. The property held has no relation whatsoever to the per capita method of estimates. That is fully recognized by every municipality and tax authority in the world, because, so far as the committee's investigation goes, it has never been employed and was only a creature of the fertile brain of the tax adviser of the Government's Efficiency Bureau.

Another equally original absurd argument was offered by this same commission which sought to fix the value, not only upon the real property owned by the Government in the District, but upon the personal property as well, and even upon intangibles. The whole method of comparison was without any authority or quoted from any responsible tax experts the whole world over. Apart from this fact, no other city has ever adopted the plan nor has it been suggested that it should adopt any such method of offset as proposed by the commission.

I have offered a brief illustration of a few of these offset items which disclose the labored efforts of the Efficiency Bureau to ignore the plain facts of the case and place a heavy burden upon the Federal Government.

Mr. BLANTON. I would like to ask the gentleman from Wisconsin if he pays any serious consideration at all to any statement or report from the Bureau of Efficiency?

Mr. FREAR. The committee rejected it entirely because of the absurdity of the reasoning.

Mr. BLANTON. It is the most unreliable of any bureau in the Government to-day.

Mr. FREAR. Fantastic tax gymnastics were offered by the Bureau of Efficiency that furnished several witnesses from among its employees, who frequently were local taxpayers to be affected by the result.

Outstanding lights of the "Bureau of Efficiency" findings

	Valued at
The National Capitol Building and Grounds	$45,490,640
Treasury Building and land	29,515,250
State, War, and Navy Building	19,800,000
Monument grounds and ellipse	29,842,570
White House	17,999,528
Triangle section	66,681,685
Potomac Park	33,694,305
Smithsonian Institution	15,131,592
Rock Creek parkway, park, and Zoo	15,462,940
Senate and House Office Buildings	15,700,000
Lafayette Square	10,620,750

Interior Department and other lots and buildings also were given careful estimated values to "set off" their value from District private property. City parks so charged to the Government included—

	Valued at
Dupont Circle	$1,991,620
Thomas Circle	563,520
Mount Vernon Square	1,453,320
Iowa Circle	482,690
Franklin Square	3,182,010
Pennsylvania Avenue and Thirteenth Street	1,066,550

All appraised with mathematical accuracy; and 250 triangles and other small parks are lumped off by the "efficiency commission" casually at $6,830,000.

	Valued at
Water works and reservoirs	$15,950,000
Soldiers' Home, St. Elizabeths, and others	25,733,709
Navy yard and Judiciary Square	60,120,938

Other items of from a few thousand dollars to $10,000,000 are named by the "bureau," all reaching a grand total of $499,960,928, or, to avoid more certain comment, $39,072 short of a half billion dollars. "Values," "sentimental" or otherwise, used by District residents in many instances but "offset" against District assessments.

The Efficiency Bureau did not offset churches, but reached all other nonprofit Government business that could be discovered in the District excepting the Monument.

This is all nonprofit Federal property taxed or offset by this efficiency commission. No other place in the world so far as known indorses or accepts such reasoning or lack of reason. To complete the picture, the Federal Government set apart this district and property originally for its own use.

Federal personal property, machinery, furniture, etc., was estimated at	$180,000,000
But depreciation was allowed arbitrarily at	90,000,000
Leaving Federal tangible personal property	90,000,000

The efficiency commission admitted it could not even vaguely reach varying cash in the Federal Treasury, but that was lumped off just casually at $90,000,000 for intangible values. Match it if you can anywhere in the universe. Chief "Expert" Murphy's testimony in hearings extract, attached hereto, gives his views adopted by the Efficiency Bureau on the subject.

Even the surplus of park area over 14 city parks average was scientifically determined and "charged off" against the Government for values and maintenance.

It was a picture painted by a United States Bureau of Efficiency that shows an inventive genius which might be employed at some more useful and certain work—or these "efficiency experts" should all be taken from the pay rolls of a Government they impose upon by such unbusinesslike taxing theories.

A third basis of tax comparison was constantly used by bureau "experts" and others in this adventure in tax wonderlands, known as a "per capita basis." Incidentally, it is nowhere employed in the world for tax purposes. It was figured that notwithstanding a fair proportion of millionaires and many people of wealth and a relatively small proportion of poor people, when compared with great industrial centers, the city of Washington should pay a per capita proportion compared with expert population computations from 14 cities it considered. This plan was rejected by the committee, and by every tax authority the world over.

Mr. Chairman, let me repeat the average adjusted rates based on reducing the present tax rates of comparable cities arrived at by careful and exhaustive study as heretofore stated. From these studies it will be readily seen that Washington with an adjusted rate of $15.30 is less than one-half that of Louisville and by far the lowest rate of any city.

The 23 comparable cities and adjusted rates are as follows:

City:	Rate
Louisville	$30.80
Boston	29.26
Minneapolis	28.54
Pittsburgh	26.60
Rochester	24.01
Atlanta	21.70
Cincinnati	17.68
Kansas City	17.58
Jersey City	30.34
Memphis	28.94
Buffalo	27.67
Milwaukee	26.34
Baltimore	23.40
San Francisco	20.20
St. Louis	17.61
Washington	15.30
Newark	29.55
Seattle	28.56
Portland	26.89
Denver	24.26
Cleveland	23.08
Dallas	18.18
Providence	17.68

The $9,500,000 annual contribution is referred to in the District press as a "District dole," to be maintained or increased irrespective of additional revenues derived from increased gas, motor-vehicle, estate, income, and other taxes. The following increases have been recommended as just and equitable by the committee based on above average tax rate:

An increased gas tax	$1,600,000
An increased motor-vehicle tax	1,000,000
Income and estate taxes	1,500,000
Increased public-utilities taxes	640,000
Increased railway-tunnel taxes, etc	175,000
Increased real and personal taxes	9,000,000
Total	13,915,000

This increased tax of about $14,000,000 annually should be paid before any District dole can be properly or justly fixed.

Contributions to the Federal Treasury and payments back to the contributors are studied by the States more than by local beneficiaries.

For 1930 the same year the following payments and receipts by and from the Federal Government are noted in several of the States:

Pennsylvania paid in $230,202,064; percentage returned, 3.1.

Michigan paid in $137,076,199; percentage returned, 2.8.

Illinois paid in $247,137,637; percentage returned, 1.7.

Among the smaller payments were:

Wisconsin paid in $35,512,796; percentage returned, 12.3.

Tennessee paid in $16,478,693; percentage returned, 15.5.

Texas paid in $38,884,521; percentage returned, 22.6.

The largest payment and the amount returned:

New York paid in $928,955,021; amount returned, $8,727,208, or less than 1 per cent.

The District of Columbia received more than any State in its subsidy, $9,500,000, and discloses another reason why Washington should properly pay the same tax rate as is now paid by 22 comparable cities.

In 1930 it is stated New York State paid about $929,000,000 in round numbers toward the support of the Federal Government and received back through various Federal subsidies $8,727,208, or less than 1 per cent of the amount contributed by this one State.

New Jersey paid $123,948,441 and received back $1,976,285, or only 1.6 per cent.

Illinois paid $247,137,637 and received back $4,300,201, or only 1.7 per cent.

Pennsylvania paid $230,203,064 and received back $7,069,423, or only 3.1 per cent.

Michigan paid $137,076,199 and received back $3,807,833, or only 2.8 per cent.

Wisconsin paid $35,512,796 and received back $4,372,665, or only 12.3 per cent.

Tennessee paid $16,478,693 and received back $2,561,202, or only 15.5 per cent.

Texas paid $38,884,521 and received back $8,786,883, or only 22.6 per cent.

The District paid in about $15,000,000 and received back about 66 per cent of that amount.

These figures include several States represented by the membership of this committee. They are not offered to present comparisons of States but to show that every one of these States pays far more for Federal and District support than it receives back.

Several Western States receive more than they pay, but in the whole list not a single State from New York, Pennsylvania, Illinois, or any of the remaining 45 States receive from all Federal subsidies combined as much as the District of Columbia's $9,500,000, which the local press says is far too little and should be increased. Actual comparisons present a picture to the rest of the country that can not be ignored. If District tax rates are increased $10,000,000 instead of $14,000,000, there will be no need of Congress giving any District dole.

The committee's tax expert, at the committee's request, has made comparisons of average real-estate taxes paid in 23 comparable cities giving a corrected adjustment so far as possible by bringing down the assessed values compared with actual values and tax rates to a common basis. That statement is unprejudiced and I believe discloses the real facts

of under taxation in the District compared to the rest of the country that contributes the $9,500,000.

The list of cities in population begins with Cleveland, Ohio, and ends with Providence, R. I. The cities reported within these limits include Washington, with a $1.53 per hundred rate or $15.30 per thousand dollars tax on its real estate, at 100 per cent valuation. The adjusted-tax rate of Washington among all these 23 cities was by far the lowest on the list, and a brief comparison by any Member will disclose that probably in no case is the tax paid by him in his home district on $1,000 in actual values of real estate in his own community anywhere near so low as $15.30, the adjusted rate paid in Washington. All States can not be compared, but about a score are submitted that speak their own lesson.

COMPARE TAX RATES PAID BY WELL-KNOWN PAPERS

The two outstanding papers of Washington, one published by Editor McLean and the other by Editor Noyes, president of the Associated Press, continually scold Congress and any questioning Member when District taxes are under consideration. The Washington Post is valued at $3,000,000, recently offered. The tax increase for the Post can readily be figured in all cases.

It is probable that Mr. Noyes, an eminently fine gentleman personally, owner, or largely owner, of the Washington Star and other properties, is worth a million dollars, maybe much more. No one begrudges him his wealth, whatever it may be. As real and personal property District tax rates are the same, it may not be important for comparison whether his holdings are real or personal property; but how do his tax payments compare with those of other papers of like or comparable circulation in 22 other municipalities?

The Star is a gold mine. His newspaper and other properties are now subject to a tax rate of only $15,300 on a million dollars of real estate, based on a rate found of $15.30 per thousand.

Now, I want to discuss a gentleman, one of the editors of a paper in this city, because he is a gentleman of high intellectual ability. He stands high in the country at large; he is president of the Associated Press of the country. I have the highest respect for him, but I want to discuss, not in a way to be critical but taxation in the District, because he occupies with reference to the other parts of the country an equally prominent place. I will not be personal, because I have no personal feeling in the matter. In fact, I have only sought to place frankly before the House the facts unanimously found by the committee.

CLEVELAND

Cleveland's adjusted local tax rate is $2.31 per $100, so the Cleveland Plain Dealer pays $23,000 on every million dollars of property compared with Mr. Noyes's Star, that pays only $15,300, or approximately 50 per cent more is paid for the privilege of living in Cleveland instead of the Capital City. The Cleveland Press, with all other Cleveland taxpayers, pay at the same rate, and in addition these Cleveland papers pay their proportion of the $9,500,000 that Mr. Noyes urges for contribution to meet District's expenses caused by his own extremely low taxes.

BALTIMORE

The Baltimore Sun and News, only 40 miles distant, in addition to paying double gas and automobile tax license fees compared with Mr. Noyes's paper, pays $2.34 per $100 for real property, or $23,400 on every million dollars of real estate and personal property, if fortunate enough to own that amount, compared with $15,300 paid by Noyes, or $8,100 less is paid by the president of the Associated Press, who so frequently lampoons Congress on the subject of his taxes.

Baltimore is a fine city to live in, but just what advantages are possessed by the city only 40 miles distant to require it to pay over 50 per cent more taxes on real estate than is paid by Mr. Noyes and other Washington residents has not been explained. It calls for a conscience fund of large size from past records. Why Baltimore should contribute to the $9,500,000 subsidy now paid Washington has never been explained.

BOSTON

As the local publisher revels in statistics, Boston will next be taken with its adjusted tax rate of $29.26 compared to Washington's $15.30 rate per $1,000. Now comes the Boston Post and the American, the Christian Science Monitor and Boston Globe, all metropolitan papers of note, that pay $29,260 in taxes, or $13,900 more on every million dollars of property, or 85 per cent more than is paid by Mr. Noyes in Washington, in actual values based on the adjusted comparison.

No one will depreciate the climate or esthetic surroundings for which the educational Hub is famous, but just why the Christian Science Monitor or Post and hundreds of thousands of taxpayers should pay 85 per cent more taxes, adjusted comparative rates, together with vastly larger gas and automobile license fees than is paid by our eminent friend on Eleventh and Pennsylvania Avenue is not yet explained.

In addition to all this, Boston taxpayers, including the publishers above named, contribute annually $6,587,173 State income tax, or a total tax levy in all more than double that of Washington.

PITTSBURGH

I may go further into this interesting statistical field. The next city, Pittsburgh, pays $26.60 per $1,000 on real estate, compared with Mr. Noyes, who complains over his $15.30 payment. What reason can be given by the president of the Associated Press why his profitable Washington Star only pays $15,300 per million dollars on its investment, while the Pittsburgh Press and Post Gazette pay $26,600, or $11,300 more than the District on the same investment, which translated into percentages indicates that the atmospheric conditions of the Smoky City call for a 70 per cent higher tax rate than is paid by Mr. Noyes, who scolds because Congress does not make Pittsburgh pay an additional subsidy so as to increase the amount received by the District from such source to $10,000,000 or $12,000,000 annually instead of $9,500,000 paid last year. It should be borne in mind that these outside publishers and all Pittsburgh taxpayers also aid with their contributions to the District in addition to the taxes they now pay.

Now, I take the city of Milwaukee, and I know something about Milwaukee. It is run, not by a Democrat, not by a Republican, but a Socialist mayor. There is not one word of criticism; he has been elected time after time because he has run the city so effectively and successful, and not one word of graft or extravagance is brought against him.

MILWAUKEE

Milwaukee, the metropolis of my own State, is slightly larger than Washington and prides itself upon its municipal management, unlike that of its neighbor Chicago, and has had no suspicion of city graft or waste or extravagance in recent years. Charges of extravagance alleged to be a normal condition in District of Columbia school and other affairs is at a minimum in Milwaukee. That city pays $26.34 per $1,000 adjusted assessed value on real estate compared with the $15.30 paid by Mr. Noyes, or $11 excess on every $1,000—nearly 70 per cent higher in Milwaukee than in Washington. This is also apart from the difference in fees to be paid by the gas tax, which is double in Wisconsin, and the automobile tax which is a thousand per cent more than that paid in the District.

Again this is only a beginning of the comparison, for Milwaukee paid in 1930, $7,542,403 additional State income tax. The difference in increased percentages borne by the metropolis of my State is apparent at a glance. Yet there is no reason known to the average citizen of Milwaukee why there should be 70 per cent more real estate and personal property taxes paid in Milwaukee by all its taxpayers than in Washington, but that is submitted for the consideration of the distinguished president of the Associated Press. In fact, many people living elsewhere would say that such evidences

constantly presented to the surrounding country indicate a plain case of tax favoritism for those who defend the District tax rates.

The only justifiable answer that can be made is that Congress, and Congress alone, is responsible for the District tax rate and should answer to itself for the unjust comparisons above cited.

BUFFALO

Buffalo is in a State that pays to the Federal Government ninety-nine times as much as it receives back in State subsidies. Buffalo is slightly larger than Washington and pays $27.67 per $1,000 valuation on Buffalo real estate, compared with $15.30 paid on every $1,000 by Mr. Noyes, publisher of the Washington Star, or otherwise stated, the New York tax collected on real property is over 75 per cent higher for Buffalo than Washington, based on the same comparable assessed valuation. When Buffalo's tax collector faces the disbursing officer of the Buffalo Courier-Express and the Buffalo Times and every other Buffalo taxpayer, he says in unmistakable terms, "You will please plank down $27.67 on every $1,000 in real estate you own, because Mr. Noyes, president of the Associated Press, protests so loudly against paying $15.30 for a like amount of property in Washington that Congress seems afraid to make a proper tax adjustment."

Another factor appears when Buffalo not only pays 75 per cent higher real-estate taxes than Washington, including far higher automobile taxes, but it pays $1,683,209 in State income taxes in addition to Federal income and personal-property taxes paid by other States. It also helps support the $9,500,000 fund demanded by the District publisher in addition to its 75 per cent heavier local tax for the privilege of living in New York State.

MINNEAPOLIS

Minneapolis has a population of 464,753 and Washington has 486,869, so it is a comparable case. Minneapolis has many summer advantages and is a fine city, but I doubt if any Minneapolitan would say his home city has the year round advantages over the Capital City of the country that receives $200,000,000 regularly from the Federal Government for its employees and other purposes, and has many other advantages over any other city in the world.

The parks of each city are beautiful and extensive, but many of the parks in Washington are cared for by the Federal Government, whereas Minneapolis pays for all as it goes. The Minnesota law provides for a 40 per cent assessment, which District witnesses dwelt upon with emphasis in the hearings without enlightening the committee about the tax rate paid of 73.9 per cent compared to Washington's 15.3 per cent rate.

On the adjusted tax rate, wherein assessments and a tax rate of 75 per cent in Minneapolis are reduced to a common denominator with Washington, it is shown that while Washington pays $15.30 per thousand in taxes that Minneapolis pays $28.54 per thousand, or 75 per cent more than Washington. Why?

The Minneapolis Journal and Minneapolis Tribune are found paying $28,540 per million dollars in Minnesota for the same valued property on which Mr. Noyes pays only $15,300 in Washington. All the explanations and smoke screens in the world can not confuse these figures; for in addition to its local taxes so paid the taxpayers in these outside cities contribute to the support of the District's normal maintenance because Mr. Noyes, president of the Associated Press, and other residents do not pay their fair share of taxes according to the adjusted rates quoted.

I am presenting facts, and I do not question the motive of those that do not want to pay taxes. To the gentleman from New Jersey, who is just leaving the Chamber, I want to say that 100 per cent more in taxes is paid by cities of New Jersey than is paid in the city of Washington on personal and real property.

NEWARK AND JERSEY CITY

Newark, N. J., with 442,337 population, compared with Washington, pays on adjusted rate on full value of $28.54 per thousand, or more than 80 per cent higher than Washington, $15.30, and the News, Ledger, and Star Eagle of that city have a right to be heard in protest of Mr. Noyes's taxes, which enable him, in addition, to exact from Congress $9,500,000 in order to preserve the low tax rate of $15.30 which is paid in the District.

Jersey City, in the same State, pays into the Federal Treasury more than $60 for every dollar returned in shape of any State subsidy and is a shining mark with its adjusted tax rate in that city disclosed to be $29.55, or practically double the $15.30 paid in Washington.

LOUISVILLE

Louisville, Ky., another comparable city, has an adjusted tax rate of $30.80, or more than 100 per cent higher than the $15.30 rate paid by Washington on the same adjusted valuation and rate basis, in addition to contributions toward District subsidies and higher auto and gas rates.

The Jersey Journal, Courier Journal and Louisville Times, and all Louisville taxpayers have real complaints to make against the president of the Associated Press, who uses his Washington Star and his own prestige as president to compel these Louisville papers to contribute toward the $9,500,000 for the support of the District so he can be relieved from his fair share of taxes, of which he pays, in comparison, only 50 per cent.

MEMPHIS

The Memphis Appeal, from the State of my colleague [Mr. DAVIS], and the Press-Scimitar, of the same city of Memphis, sound their appeals on deaf ears and wave their scimitars without effect. For the past 20 years they have been paying nearly double the taxes collected from the president of the Associated Press and publisher of the Washington Star, and what is true of these papers is equally true of every Memphis taxpayer.

The adjusted rate is found to be $28.94 per thousand dollars for Memphis, compared with $15.30 for Washington, or about 80 per cent higher in addition to other high license and gas expenses heretofore mentioned.

Senators and Members of Congress who wink at injustice to the rest of the country get laudatory notices from the Star for their "fairness," but what right have they to rob Peter to pay Paul in order to insure the publicity puffs given out by the president of the Associated Press for these Senators and Members.

In this discussion I have taken only certain cities that in many ways seemed comparable to Washington, but it would be unfair to say that all cities that pay more taxes are proportionately so much higher than Washington. New York, presumably, would go above any of the figures quoted, while Dallas, Alexandria, Fairfax, and other towns not especially favored in Federal surroundings like the Capital City may pay nearer the Washington rate. Yet adjusted tax receipts in the average city, whether large or small, I submit, will show a higher rate paid than in Washington.

It is repeated that all the other 22 cities, based on the adjusted tax rate, pay more taxes than the city of Washington. Reaching an average for the 22 cities, the adjusted tax rate is about $24.21 a thousand dollars, or over 60 per cent higher than that collected in the District. Instead of paying 60 per cent higher tax for its superior advantages, the city now pays approximately that percentage below the average of those making contribution for its support.

Leaving out of consideration the manifold special advantages enjoyed by every resident of Washington over that had by residents of other cities, the taxpayers of this city enjoy the luxury of living in a city of unequaled beauty of surroundings the world over, where approximately $200,000,000 is spent annually by the Federal Government, giving constant business and labor stability unknown elsewhere in this or any other country, and yet the Capital City pays less taxes than any of the other cities, all of which contribute liberally to the District support to make annual deficit.

It is that contribution which now makes an increased demand on Congress for a larger subsidy or dole. Included in the Star's news columns are protests from Brightwood, Takoma Park, Swampoodle, and other admirers and followers who so frequently and loudly resolute to Congress

without any conception of the real facts because they only read the Washington Star. A fine gentleman, personally, is Mr. Noyes, but from comparisons quoted he is mistaken in his facts so frequently given to the public through the columns of his Washington Star. I assume his apology for mistakes will come in the same mail with the letter expected from Mr. Gardiner that goes to the President.

The average tax rate adjusted as to valuations and local rates of 22 cities including Washington is stated as $24.20 per thousand instead of $15.30 now paid by the District. On District real estate of $1,182,463,345 a rate of $24 instead of $15.30 will increase the amount collected to that of other cities.

The National Capital does not belong to the District of Columbia but to all the States that pay their just taxes, without evasion. These comparisons are submitted to the president of the Associated Press and those who have been following his argument in order that he may consent to a fair adjustment of taxes to support the District of Columbia.

No Member seeks to criticize the publisher of the Star or the Washington Post or other news critics on the tremendous savings in taxes they have helped to bring about for themselves. Tax rates for all publishers in the District are alike, but the country is entitled to know that District papers pay approximately 40 per cent less than are paid by various comparable cities quoted, based on the best available testimony before the committees which after examination has been accepted in full by the committee. That is the unanimous finding of the committee.

Of course, Congress and neither Mr. Noyes, Mr. McLean, nor any other individual is to blame for the almost unbelievable tax situation brought about by constant misunderstandings not corrected by the local press. I doubt if any Representative or Senator can find a tax receipt back in his own State that for the same comparative-valued property in Washington is not 50 per cent or 100 per cent, and often higher, back home than here. Other added tax burdens will increase the amount far more than that stated.

We may desire to give liberally to the District, and I am not questioning that policy; but as one appointed to ascertain the facts without prejudice, I believe the District should pay its fair share for the maintenance of the city of Washington.

It has been openly argued that Senators and Representatives owning property in the District can be depended upon to refuse any readjustment of taxes. That is an inference, if at all, that a financial tax benefit to them will govern their judgment and action. It is a reflection on any property owner who is an official of the Government to so argue.

As an evidence of arguments offered by the local press to drive Senators and Representatives into support of the present indefensible annual tax avoidance of $14,000,000, which the committee has demonstrated should be added to District tax rolls, I attach extract from a news clipping, Washington Post of November 30, 1930:

MANY LAWMAKERS HAVE HOMES HERE

To-day nearly 100 Members of Congress own their own homes in Washington or in nearby Maryland and Virginia, and the sum they pay in taxes helps a lot to run the local government.

A great many things explain this—more attractive homes, the automobile (which permits Members to live long distances from Capitol Hill and yet get there in short time), and high-class school system in Washington.

There is many a young man or young woman the son or daughter of a Member of Congress who has received his or her entire education in this city.

Then follow the names of 24 Senators, with their political affiliations and State represented.

Also 34 Representatives in Congress, with the notation:

The lists bear the names of a number of Members who own property but who give apartment homes or hotels as their address in the Congressional Directory.

That published statement clearly calls attention to the supposed influence some personal interest may have in the judgment of those so listed.

An editorial from the same paper on December 7, 1931, at the opening of this Congress, contains additional editorial advice, offering novel arguments, usually made by the local press whenever efforts occur to correct self-evident tax favoritism extended by Congress to the District. The editorial says among other things:

It seems to be the attitude on Capitol Hill that residents of the District should pay as much taxes as do residents of other cities, regardless of other factors involved. This is not logic nor reason, but politics. Congressmen love to return to their home districts and tell how they "have soaked" the voteless Capital with taxes. Such an attitude makes a farce of every gesture that is made to adjust the costs of maintaining Washington on an equitable basis.

No member of the committee and presumably no Member of Congress from either branch has ever believed in or expressed views found in the editorial. Only a just share of tax burdens has been asked from the District, as well as from 435 other districts in the 48 States which are contributing to a district that does not pay taxes equal to those paid by any comparable city in the country.

Nowhere in the committee hearings or elsewhere will be found any warrant for believing Senators or Members are influenced in District tax matters by self-interest nor by any desire to do injustice to the District. Possibly a comparable tax recommendation for the $3,000,000 Post properties in Washington and on other property belonging to its publisher, now a resident of Latvia, Europe, may have influenced the editorial writer, but in the interests of independent and orderly legislation it is to be regretted that Members assigned without desire or knowledge to certain legislative duties should be subjected to a charge of motives of self-interest or prejudice when engaged in the study of District matters.

The committee's finding is that the gas tax must be doubled to meet that in surrounding States, and on the average it is below the average rate in the country. Motor vehicles are to be taxed, and the gentleman from Tennessee [Mr. DAVIS], on the Democratic side, is going to deal with that question. In my State motor vehicles pay something like $14 on the average, and yet you get your license here for $1 and a small personal-property tax.

The estate tax, as I said, is practically all returned to the District, so that they will pay only one estate tax. That is equally true of the income tax, which, of course, takes the place of the intangible tax now paid. So that you have practically only the motor-vehicle tax and the gas tax added to District tax burdens. I believe a real-estate and personal-property tax ought to be imposed to a larger extent, but we are not going to attempt to do that here. However, there is a legislative committee of the House on District affairs that ought to make a study of that phase of the question and undertake to remedy the present situation.

Mr. REILLY. Has the gentleman the assessed value of the non-Government property?

Mr. FREAR. Yes. All of that is presented in the report and it is in my minority report. I think that is all I have to say at this time. [Applause.]

A STUDY IN TAX OFFSETS

Mr. Murphy, chief expert in the Bureau of Efficiency, was testifying as to the method he pursued in estimating Federal Government tangibles and intangibles reached a total of $180,000,000.

Bearing in mind that nowhere else in the world has any such preposterous method been followed in trying to match up Federal, personal, and intangibles against a properly taxable community, I submit the following "expert" tax opinion that now bolsters up the District tax situation:

Mr. MURPHY. The Bureau of Efficiency made a request on the various Government establishments to report the value—that is, the cost—of the equipment and machinery, and so forth, which is owned and used in connection with the Government's operations. On the basis of these reports, which excluded the contents of the Capitol, the contents of the Congressional Library, the contents of the Smithsonian Institute, and Army Medical Museum, we arrived at a figure of $180,000,000 for the value of the personal property devoted to this use.

Mr. FREAR. What property did you include?

Mr. MURPHY. We included the property in all the Federal establishments that we had classified in our first list as being devoted to general Government needs, and the property which they were using which would be taxable if privately owned.

Mr. FREAR. That is, the desks and everything, the furniture and everything in the buildings?

Mr. MURPHY. Yes; machinery and everything of that kind. Now that $180,000,000 is the cost of that new. Of course, it was in various stages of depreciation and we took one-half of its value, or $90,000,000, as a basis for a tangible property tax.

Mr. FREAR. That was all arbitrarily based; I am trying to ascertain just what you used, how you arrived at your figure. It is arbitrarily based by your commission or your board of efficiency?

Mr. MURPHY. You mean the 50 per cent?

Mr. FREAR. Yes. Both that and the fact that you reached the basis of $180,000,000 by including all the furniture. I mean, have you had any figures of that kind from anyone else?

Mr. MURPHY. Of course, the figures we used were the figures and values of the various departments and establishments. We did not put our own figures on it. We took theirs.

* * * * * * *

Mr. FREAR. Then you took half of that?

Mr. MURPHY. Then we were confronted with the problem of what part should be used as the valuation for tax purposes. We know in personal property the valuation is scaled down materially, and we scaled it down 50 per cent and arrived at the figure $90,000,000 in that way. Of course, we could not include the property of the Army Medical Museum and the Smithsonian, because nobody could value that.

Mr. FREAR. I am not criticizing; I am trying to get the method you followed.

Mr. MURPHY. Now, we were confronted with the problem of determining what basis should fairly be used to determine the amount for intangibles. Obviously, any effort to determine the value of intangible property of the Federal Government on the same basis that is used for private individuals would be unsatisfactory. You could not take all of the debts due the United States from foreign countries and railroads, and all the cash in the Treasury on a given date and take one-half of 1 per cent of that, so we felt that we might arrive at a basis for determining this that would not be unfair to the Federal Government and would not be unfair to the District of Columbia government, and we made an examination of the tax returns of the principal business concerns in Washington to find the relationship between the value they reported for personal property and the value they reported for intangibles. Taking a group of those, we found that the values were approximately the same.

Mr. FREAR. That is, between the personal property and the intangibles?

Mr. MURPHY. That is right. So we inserted $90,000,000 as a valuation of the intangible property on which one-half of 1 per cent would be computed.

Mr. FREAR. That was the Government's share of intangibles. Now, will you go in detail and show what that consists of? Can you in any way show what this $90,000,000 of intangibles is that the Government is taxed for, or so set off and put into this estimate?

The CHAIRMAN. That was a purely arbitrary figure, was it not, Mr. Murphy?

Mr. MURPHY. Yes. It was out of the question, in our judgment, to attempt—I can tell you this, that for 1932 the amount of tax we arrived at, one-half of 1 per cent, is $451,000. That is part of the nine or ten million dollars.

Mr. FREAR. I feel that you are entitled for your own sake to make that more definite as to what would be considered. You say you could not arrive at the question of foreign debts, which, of course, is certainly true. No one ever anticipated that that would be considered. But what did you take as personal property of the Government? Did you take the gold and silver that is up in the Treasury Department?

Mr. MURPHY. That comes under intangibles. That is why I explained we thought we could not possibly take the cash balance in the Treasury from day to day.

Mr. FREAR. In personal property?

Mr. MURPHY. Yes; money and credits come under intangibles which I explained we thought we could not possibly take and get any satisfactory results, so we have attempted to offer for the consideration of the committee this other as a basis for arriving at it, which we feel is not unfair to either the District of Columbia or the Federal Government.

Mr. FREAR. That is $90,000,000 for Government intangibles?

Mr. MURPHY. Yes.

Mr. FREAR. I think this is important to be made a matter of record, that you arbitrarily say that because the business property of the city has an intangible value of a certain amount, the same amount of intangible property to personal property should apply to the Government that the private business has. That is right, is it not?

Mr. MURPHY. We arrive at the assessed valuation of intangibles on the basis of the actual assessed valuation of the tangibles.

Mr. FREAR. In private business?

Mr. MURPHY. No; in the Federal Government. We obtained a figure of $90,000,000 as the actual assessed valuation of the tangible personal property. Now, we arrived at the assessed valuation of the intangibles by taking an equal amount after having determined from a group of business returns that their reports showed that the assessed valuations of their tangibles and their intangibles were about the same.

Mr. FREAR. Yes; of course. Now, I am asking, we can take intangibles, stocks and bonds and matters of that kind that are held by private individuals, and we can very readily ascertain a correct statement of them; but what did you consider of the Government, outside of simply saying, "We will take the same rate that private individuals have"?

Mr. MURPHY. That is all. We are trying to put the Government in the same position as another business concern here, as far as the property which is used, both real and personal, is concerned.

Mr. FREAR. Do governments have the same intangibles in proportion as private individuals? Is that the suggestion?

Mr. MURPHY. No. The suggestion is that the business concern will have the same proportion as the Government.

Mr. FREAR. You have taken that arbitrarily; but have you had any estimates from any particular source? Is that true of any city that you know of?

Mr. MURPHY. In regard to intangibles?

Mr. FREAR. In regard to intangibles of the municipal government or of any government abroad or here?

Mr. MURPHY. We have no data on that; no.

Mr. FREAR. You have just assumed that?

Mr. MURPHY. That is all.

In discussing the efficiency commission's peculiar intellectual bent when trying to support the District of Columbia's contention that Federal property should be offset on the tax roll, I attach a brief extract from testimony in hearings of Congressman Browne that expresses a general estimate of the offset contention, as follows:

Mr. BROWNE. Let us accept the District of Columbia valuation of the Government property and charge 5 or 6 per cent for the use of parks. Let us go a little further. The Federal Government owns the streets of the city of Washington, in fee and not in use. The Government property should have a tax paid on it. Then, let us charge rent for the use of the streets. I can show you streets that are worth $100 a square foot. The whole value of the adjacent property rests on the free use of those streets. Let us be logical and have a sequence to our argument. Let us not be all one sided. Let us balance it. If the Government holdings can be taxed, then the Government can collect rent.

Mr. FREAR. From whom?

Mr. BROWNE. From the District, which uses it. There is the logic. Let us carry this logic a little further.

Mr. FREAR. They suggest it is used by outsiders as well as the District, because of the location of the Federal Capital.

Mr. BROWNE. It is in evidence and established anyway, just as any street in any part of the country, the District of Columbia people travel through the streets and roads in Washington and through Baltimore and through Virginia. So that goes both ways.

Mr. DAVIS. It is also a fact, is it not, that visitors to the city are always welcome because they spend their money in Washington?

Mr. BROWNE. They pay handsomely all the time they are there, and the District business houses and hotels get the money. I have no doubt there would be many places glad to welcome home the Federal Government of the United States if it spent $100,000,000 a year in the community. I am merely following what I consider an absurd point of view to its logical conclusions. We tax our intangibles. If we have money in the bank on the 30th of June there will be an assessment on it. It is an intangible. Why not tax the balance in the Treasury? It is the same thing.

Mr. FREAR. That has been suggested.

Mr. BROWNE. Four or five hundred million dollars. Why not put an income tax on the Government's income—carry the absurdity to the logical conclusion?

Mr. FREAR. It has been suggested to the committee by the Bureau of Efficiency it is difficult to obtain the exact indebtedness of the Government and to take a blanket of $90,000,000 intangibles as an equivalent.

Mr. DAVIS. Now, carrying that analysis further, if, as suggested by you, we accept the theory that the Government should respond in a manner either directly or indirectly as a taxpayer on its property in the Capital, what would be a proper basis for the payment of taxes on property like the Capitol and the Smithsonian Institution, the National Museum, and Zoological Gardens, and so forth?

Mr. BROWNE. If we accept that argument, the basis would be like the basis of any taxes—on the theory of what they are worth. And while we are about it, why exempt anything—churches, charitable institutions, and other benevolent institutions—and put taxes on them. They are benevolent institutions, and so is the Federal Government a benevolent institution.

I will be glad to give my opinion on anything that comes up. As long as we keep our feet on the fundamental economics we will not go astray.

Mr. Chairman, most of the Members of this House are to some extent students of taxation, as necessarily they have to be in the positions they occupy in the various districts. I think they will be interested in reading what I have attached here to my remarks from this Bureau of Efficiency expert, who was before us for several days. I call it a study in tax effects. He attempts to show why they should offset something like $500,000,000 worth of Federal Government property in this District-tax question.

It should be kept in mind that the Government does not have its property in Washington taken care of by the District of Columbia. The Government has its own policemen. The Government built the water plant here, and that was undertaken as a Federal activity. Of course, some expenditures may be made by the District of Columbia for the Federal Government, and the District ought to be paid for that, and no one will question that; but that does not enter into this, it is not an element for consideration at all. I do not think that any Member sitting on this floor will oppose any appropriation that is intended to beautify the city of Washington and make it what it is to-day, the most beautiful capital I have ever been in, and I have been in all of the European capitals, with one or two exceptions.

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

Mr. FREAR. Yes.

Mr. BLANTON. The Government of the United States pays for the policemen in the Capitol and the House Office Building and the Agriculture Department and the park police and various other police. The Government pays for them exclusively.

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

Mr. COX. Mr. Chairman, I believe the gentleman pointed out in his speech yesterday that if the tax burden of the people of the District was equalized with that of people living in comparable cities, there would be no necessity for this Federal contribution.

Mr. FREAR. Fourteen million dollars, I stated yesterday, by the findings of the committee, would be raised in addition to what they pay now, whereas they now get $9,500,000 annual dole, and that has been reduced by the committee because of raising $4,000,000 by offered bills to $6,500,000. I can see no necessity for even that amount. A total increased tax of $10,000,000 ought to be sufficient to meet the District's needs, and if not, then I shall vote for everything that is reasonable for the District.

I shall not take more time of the committee now, for I expect to speak briefly upon the matter of the estate tax later.

Mr. DAVIS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, ladies and gentlemen of the committee, this week seems to be wash day for the Republican organization. We Democrats are not concerned with their washing out of their dirty linen. The most serious criticisms of President Hoover that have been made in the other end of the Capitol have come from an old-line stand-pat Republican. The most serious charges against and criticisms of President Hoover that have been made in this Chamber come from the Republican chairman of that great Committee on Banking and Currency, and he has been the Republican chairman of that committee for several years until the present Congress.

Whatever have been the conditions prevailing in this country for the past 10 years, culminating in the present unprecedented depression, the people of the United States have now a ray of hope. From day to day, I predict, and I have been fairly close to the business men of this Nation, that the business men of the United States engaged in legitimate business are going to have more and more respect and confidence for the leader of this House. He is going to instill confidence into the business affairs of the country. The people are going to know that the legitimate enterprises will get a square deal, and that the illegitimate ones are going to be called to a halt from now on, and that the people have safeguards aplenty as long as we have JOHN GARNER in the Speaker's chair. [Applause on the Democratic side.]

I ask unanimous consent, Mr. Chairman, to insert at this point a short editorial from the Bridgeport Post concerning Speaker GARNER.

The CHAIRMAN. Is there objection?

There was no objection.

The editorial referred to is as follows:

[Bridgeport Post, December 15, 1931]

THE SPEAKER'S CAR

One prominent Democrat has set an example for lesser Democrats to follow.

JOHN N. GARNER, of Texas, newly elected Speaker of the House of Representatives, has refused to accept the use of the handsome motor car that has gone with the House Speakership for many years.

Congressman GARNER figures that he can save the Nation between $5,000 and $7,500 a year. He and Mrs. Garner, he explains, have found that they can readily take a trolley from their modest apartment and within a short distance of the Capitol can complete the trip "in one of those 20-cent taxis."

Besides, having the official car involves an official chauffeur in attendance at the Capitol entrance, waiting for the Speaker to emerge. "And I don't want any man hanging around waiting for me," says the democratic Mr. GARNER.

When the late Nicholas Longworth was alive and the make-up of the present Congress had not yet been determined, Speaker Longworth and his minority rival, Mr. GARNER, used to spoof each other a good deal about the official car and who would have the use of it in the present session. The division appeared so close that they compromised by calling it "our car."

Mr. Longworth is dead and Mr. GARNER has become the majority spokesman in troublous times. His act in rejecting the car, simple as it is—and theatrical as some critics may say it is—sets a good example. It strikes the right note.

After all, why shouldn't our public officials, from the President down, furnish and pay for their own cars if they must have cars? This business of providing luxurious equipage for our well-paid public servants to ride in never had any real sanction either in economy or common sense.

Mr. BLANTON. You are going to see commendatory editorials such as the above coming forth from every Republican paper in the land before this year terminates. For Mr. Speaker GARNER deserves it.

Mr. SHANNON. Which Bridgeport?

Mr. BLANTON. Bridgeport, Conn., the State from which hails our good friend Mr. TILSON. It is a leading daily from a strong Republican State.

I asked the other day the distinguished gentleman from Ohio [Mr. COOPER]—and there is no finer gentleman in this House—about an editorial that came from that staunch Republican newspaper, the Akron Beacon-Journal. It was trying to shunt Mr. Hoover aside as the Republican nominee next year and to substitute Mr. Coolidge as your standard bearer. And in such connection it carried a cartoon that had attached to it its own loud speaker. The gentleman from Ohio did not seem to remember it. It was a very short editorial.

The accusations which are coming against the Republican administration are not coming from Democrats. They are coming from Republicans. I do not blame my friend from Maine, Mr. BEEDY, for trying to iron them out this morning. Mr. BEEDY is a graduate of the Yale Law School.

Mr. BEEDY has been on various debating teams; for instance, on the Yale-Harvard debating team, the Yale-Princeton debating team. He has been on debating teams all over the New England States. He is a profound lawyer. He has been a distinguished district attorney in his district, and he has had a record than which there is no better in New England for prosecuting people who need prosecution. He is a wonderful prosecutor, but he is a poor defender. I presume you gentlemen picked the best lawyer that you had as a defender on your side, next to the gentleman from Illinois [Mr. CHIPERFIELD].

All of this defense commotion is unnecessary. When the President of the United States was disturbed about prohibition, when he could not answer all of his callers from New York who daily visited him on that subject, he appointed a commission to attend to that proposition for him, and with the report of his Wickersham Commission he has appeased the people of the United States—"wets" and "drys"—so that they are no longer concerned on that question. [Laughter.]

When the Navy League attacked the President and made accusation after accusation, the distinguished President of the United States, as was his wont, referred that to a specially selected commission, duly appointed, and they brought in a report clearing the President. [Laughter.] Now he is

cleared of those Navy accusations. To-morrow he is going to appoint a commission to take up the accusations made by the gentleman from Pennsylvania, his erstwhile Republican chairman of the Committee on Banking and Currency [Mr. McFADDEN]. [Laughter.] And in due time they will be passed on to the satisfaction of the American people. So why take up the time of this House washing out the Republican dirty linen? Why do you not take up the debate on these four splendid bills presented by this splendid committee, headed by our splendid colleague from Michigan, Mr. MAPES, and debate these bills?

Mr. LAGUARDIA. Why does the gentleman not set a good example and start right now?

Mr. BLANTON. I intend to do that. There are many new Members who may not be acquainted with our friend from Wisconsin [Mr. FREAR], of Hudson, Wis. I was here where he crossed swords with one of the strongest men of this House. It was a most memorable fight. It was with no less an antagonist than the distinguished former Member and Speaker of this House, Mr. Nicholas Longworth, of Ohio. You older Members remember that great fight on the dye schedules, the debate on one side led by Mr. Longworth, and on the other side by the gentleman from Wisconsin, and Mr. FREAR won the debate. He got enough votes on both sides of the aisle to uphold him in it. While he has been a Republican all these years, I have followed him on many fights, and I am following him now on the only speech that has been made on the present legislation that is before the House. He is a safe man to follow on propositions of this kind. [Laughter.]

Mr. FREAR. Why make any reservations? [Laughter.]

Mr. BLANTON. If the gentleman were not on the wrong side of the aisle there would be no reservations. [Laughter.] If my judgment is good, if the party to which the gentleman belongs continues in the way it has been going for the last 10 years, not only the gentleman from Hudson, Wis., but the entire Wisconsin delegation and other delegations from the western part of the United States are going to cross this aisle and we will have to move that middle door at least one section down, and move our aisle westward to accommodate the new Democratic Members. [Applause.]

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I yield to the gentleman from Texas 10 additional minutes.

Mr. BLANTON. For over 12 years' service here I never took a vacation. I spent every single interval between sessions of Congress in Washington investigating bureaus and commissions and independent offices and departments of Government. I went down there and had them show me where the money was going that we were appropriating here by hundreds of millions. I had them show me their methods of doing business.

In some investigations I had as many as 10 different people working for me, helping me gather the facts. And I had to pay them out of my own pocket. Incidentally, in checking up all Government business I investigated District matters. At that time these favored people in Washington were paying only 80 cents on every $100, as a total tax for everything, including water, streets, and schools. That covered every tax they paid—80 cents on the hundred dollars, because the people of the United States, through Congress, paid all of the other civic expenses for them out of the Public Treasury. The Members of Congress had given Washington what they called a 50-50 plan. The Government paid half of all street paving; paid half of all sewer connections; paid half of all the Metropolitan police force; paid half of all the fire protection; paid half of the salaries of all the trash gatherers, garbage gatherers, ash gatherers, street cleaners; paid for the water; and paid half of every other civic expense of this great city. Property rose in value here, and because of that you found tax evaders moving from every part of the United States to Washington. The tax on intangibles was only one-half of 1 per cent. You found multimillionaires coming to Washington with millions of dollars in their bank boxes in securities that were not touched by taxes, and then we began to fight that. I found many situations interwoven in District affairs that were intolerable. And I made an uncompromising fight to rectify them. Naturally I incurred the enmity of individuals and officials I investigated.

But no man can accomplish anything without making somebody mad. When I was judge of the forty-second judicial district of Texas and cleaned the congested dockets by dispatching business, I made some easy-going lawyers mad. But nevertheless, I cleaned up the court dockets in my five counties—Eastland, Stephens, Callahan, Shackleford, and Taylor. I incurred the special emnity of a lawyer named Dallas Scarborough. When my 4-year term expired he made an attempt to get me off the bench. He announced as a candidate against me for the office. We had a memorable joint debate at Ranger, Tex., and I ran him out of the campaign. But he has never forgiven me. He has opposed me for over 20 years. Every time I have run for Congress I have had to defeat not only the men who were in the race against me, but also this Mr. Scarborough. He has criticized me for this, and for that. He has incited and helped candidates to run against me. He has continually meddled in my affairs. He has repeated and helped to circulate adverse newspaper criticisms against me. He has just recently written a snooping letter to an official here in Washington seeking information about my office which he could have gotten from me for the asking. I always carry his old home county of Callahan almost solidly. I am willing for my office employees to tell him something about my work here.

Mr. Chairman, I ask unanimous consent to insert in my remarks four short statements by employees who have worked for me—some for a long time. They are about one page each.

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

There was no objection.

AFFIDAVITS OF EMPLOYEES

WASHINGTON,
District of Columbia:

I, Mrs. Louise Kennedy Marx, being duly sworn, upon oath state: I am Congressman THOMAS L. BLANTON'S secretary, in charge of his Washington office. I am not related to him in any way. Excepting a few intervals, I have been his secretary since April, 1917. During the short time he was out of Congress following his campaign for the United States Senate he "loaned" me to Congressman Spearing, of Louisiana, whose secretary I was until Mr. BLANTON returned to Congress.

I am a graduate of the Abilene High School and attended business college there, and my parents and sister still live in Abilene, Tex.

I draw a salary of $2,000 per annum, and Congressman BLANTON gives me a vacation of one month off each summer on full salary, and he pays for the substitute who does my work while I am absent.

For more than 10 years Congressman BLANTON took no vacations but devoted the entire intervals Congress was not in session to making close, careful, exhaustive investigations of all departments, bureaus, commissions, and independent offices of the Government, familiarizing himself in minute detail with their manner of spending public money and their methods of transacting business. This cost him much money.

He has never been on a junket. His check-ups caused several high officials to lose their positions. He has worked day and night in numerous important hearings and is well posted on every feature of Government business, which is of incalculable value to him in his efforts to keep waste and extravagance out of all bills. I know that since 1917 he has spent several thousand dollars of his own money in making investigations, and he has paid out for clerical help far more than his Government allowance.

All of his various employees who have worked for him like him and are still his loyal friends. Miss Ruby Saylors, who has worked for him for the past three years, is his private secretary in charge of his Abilene office, which he maintains specially to assist ex-service men.

He has recently been rewarded by being elected a member of the important Committee on Appropriations, a position long sought by him.

(MRS.) LOUISE KENNEDY MARX.

Sworn to and subscribed by the said Mrs. Louise Kennedy Marx before me on this the 16th day of December, A. D. 1931, in Washington, D. C.

[SEAL.] W. G. LADD,
Notary Public in and for the District of Columbia.

THE STATE OF TEXAS,
County of Taylor:

I, Ruby Saylors, being duly sworn upon my oath, state: For the past three years continuously I have been the private secretary of Congressman THOMAS L. BLANTON. I am in charge of his Texas office, while his secretary, Mrs. Louise Marx, a graduate of the Abilene High School, is in charge of his Washington office. He pays me $150 per month with his own personal checks. I am not related to him.

When it developed that many sick and disabled veterans and widows, children, and dependent fathers and mothers of veterans were unable to obtain merited compensation because they had no one to properly prepare their papers for them or to help them secure needed evidence and that they were unable through letters properly to explain their cases, Congressman BLANTON at his own expense opened local offices in his district, and pays $600 per year rental for two rooms in the Alexander Building, at Abilene, devoted to official business, thus giving his constituents an opportunity to be heard and to personally explain their business. He has taught me how to prepare their papers for them, and pays all expense incident to qualifying me as a notary public, and he furnishes free notary service to all of them, and constituents from every county in his district come to the Abilene office for consultation and assistance.

Under his guidance and direction I prepare the applications and affidavits and fill in the required Government forms for disabled veterans, their widows and dependent parents, and administer the oath required, so that the papers may go to Congressman BLANTON in good shape. I draw for them their affidavits of fact to be executed by witnesses scattered over the United States. I secure certificates of marriage records, certificates of death, birth certificates, transcripts of probate proceedings and of divorce decrees, and certificates of adoption, and I properly prepare their papers for them so that Congressman BLANTON may obtain needed redress for them from the Government; and he obtains for many of them duplicates of lost discharges and of lost adjusted-compensation certificates. When minor sons run off from home and join the Army or Navy, or when emergent necessities require the immediate return of adult sons, I prepare for their mothers and fathers proper applications and affidavits of needed witnesses, so that Congressman BLANTON may get such sons discharged and sent home promptly. I am an Abilene girl, and am not related in any way to Congressman BLANTON. I have worked in his Washington office, and know that he labors incessantly for his constituents.

RUBY SAYLORS.

Sworn to and subscribed by the said Ruby Saylors before me on this the 1st day of December, A. D. 1931. Given under my hand and seal of office in Abilene, Tex.

[SEAL.] KATE RATHMELL,
Notary Public in and for Taylor County, Tex.

The STATE OF TEXAS,
County of Taylor:

I, Louise Logsdon, being duly sworn, upon oath, state: I am employed by Congressman THOMAS L. BLANTON as mailing clerk for his office. I succeeded Miss Alleyne Osborne, an Abilene girl, who held this position until she married. Congressman BLANTON pays me my salary with his own personal checks.

I have mailed out over 80,000 farmers' bulletins that he secured from the Agricultural Department to his constituents in his district. They have contained valuable instructions on Canning Fruits and Vegetables at Home; How to Mix Plain Concrete for Farm Use; Farm Terracing; Swine Production; Fitting Dresses and Blouses; Raising Chickens, Turkeys, and Other Poultry; Proper Food for Young Children; Beautifying the Farmstead; Marketing Farm Produce; Use of Parcel Post; and many other subjects, which are constantly called for by constituents.

I have mailed out many educational bulletins and data to the teachers in Congressman BLANTON's district, and mail out continually veterans' laws, and different rules and regulations of the United States Veterans' Administration to the veterans of different wars who call for them. Congressman BLANTON maintains at his own expense two rooms in the Alexander Building devoted exclusively to official business for which he pays a rental of $600 per year out of his own pocket. I am an Abilene girl, and am not in any way related to him. He has two other Abilene girls working for him, Miss Ruby Saylors, who is his private secretary, and Mrs. Louise Marx, who is his secretary in charge of his Washington office both during term time and in vacation, and neither of the two are in any way related to him.

LOUISE LOGSDON.

Sworn to and subscribed by the said Louise Logsdon before me on this the 1st day of December, A. D. 1931. Given under my hand and seal of office at Abilene, Tex.

[SEAL.] RUBY SAYLORS,
Notary Public in and for Taylor County, Tex.

The STATE OF TEXAS,
County of Taylor:

I, Kate Rathmell, being duly sworn, upon my oath state:

I have worked for Congressman THOMAS L. BLANTON as supply when his help was off on summer vacation. He paid me with his own personal checks. I am an Abilene girl, and am not related to him in any way.

In my opinion it is of great benefit to his constituents for Congressman BLANTON to maintain a local office in Abilene, as it affords them an opportunity to be personally heard on their varied business matters, and they can explain and discuss the details of their various cases. I know that his constituents come from different parts of his district to see him.

KATE RATHMELL.

Sworn to and subscribed by said Kate Rathmell before me on this the 1st day of December, A. D. 1931. Given under my hand and seal of office at Abilene, Tex.

[SEAL.] RUBY SAYLORS,
Notary Public, Taylor County, Tex.

Mr. BLANTON. The above will keep Mr. Dallas Scarborough from circulating in my big district unwarranted criticism at a time when I am 2,000 miles away busily engaged in attending to the important Government affairs with which my constituents are vitally concerned.

But we who do our duty here may expect to be criticized. We can not do our duty without opposing measures which others espouse ardently. Every time we stop somebody from doing something they want to do, they will get mad and criticize us. If we are not able to withstand unjust criticism, we have no place here. It is only just criticism that hurts. Unjust criticism may sting for a while, but ultimately it does no harm. We must be willing to dare to do right, and take the political consequences. Our consciences will be clear in any event.

Mr. MAPES's committee is now passing legislation for which I have been making an earnest, uncompromising fight for 15 years. When I began fighting the tax rate here in Washington was only 80 cents on the $100, covering all taxes. When we raised it to 90 cents on the $100 we had this identical criticism from the Washington newspapers. Mr. Multimillionaire Ed McLean, of the Post, did not like it. Mr. Multimillionaire William Randolph Hearst, of the Herald and Times, did not like it. Mr. Theodore Noyes, of the Star, did not like it. But nevertheless we raised it. And then we raised it to $1.10 on the $100, and then again to $1.20 on the $100. And then we made another fight and raised it to $1.40 on the $100. And each step, we who led the fight had to be criticized and crucified by the five daily papers in Washington. And when we Members who had been leading the fight succeeded in raising the rate to $1.70 on the $100, we were all treated shamefully by the Post, Star, Times, and Herald. In the last campaign, when I returned to Congress, there was sent to my district, to be carried by as many of the 64 newspapers published in my district as would carry it, a front-page personal attack made upon me in the Washington Post. And it will be remembered that this is the newspaper whose owner carried the $100,000 in "greenbacks" in his little satchel as a go-between, which caused Mr. Secretary Fall to be condemned a felon.

I can not get fair treatment even through the great Associated Press because of the fights I have made here, for Mr. Noyes is president of the Associated Press. But does that deter me from doing my duty? Does it deter the gentleman from Wisconsin [Mr. FREAR]? Has it deterred the gentleman from Michigan [Mr. MAPES]? Has it deterred the gentleman from Tennessee, my friend, Judge DAVIS, or my colleague, Mr. PATMAN? No. They have done their duty on this committee in spite of this newspaper criticism.

We through the years have raised the tax from 80 cents to $1.70 on the $100, which Mr. FREAR has correctly stated is the lowest rate of taxation in any comparable city in the world. Yet these five daily newspapers are kicking about it.

Oh, they will chastise us about it, but we are doing our duty. We owe it to our people back home. They are tired of paying Washington taxes.

I love the city of Washington and its people as much as does Mr. Theodore Noyes. I have just as many close personal friends here as has he. I am just as much interested in beautifying the city of Washington and making it the most beautiful city in the world as is Mr. Theodore Noyes or Mr. William Randolph Hearst. I will take just as much interest in it and go just as far with you. I supported my friend from Massachusetts [Mr. UNDERHILL] in giving you a

great parking system for the District, giving you all the money the District needed for a parking system, one of the finest in the world. I have gone all the way down the line, as far as was just and right, but I have insisted that the Government of the United States should no longer pay the civic expenses of the people of Washington, much of which all of our people back home heretofore have had to pay.

Take the water system. Do you know that this Government paid for and owns the original conduit of this system? Do you know that much of the money that has gone into this magnificent water system, one of the best in the world for any large city, has been furnished to a large extent by the Government? You who have residences here get your water for your family for $5.60 a year. Where is the home back in your district that can get water for $5.60 a year? In the summer time in my home city I have in years gone by paid as high as $20 a month for sufficient water to keep trees alive. Here you get it for $5.60 a year. A residence in Washington does not have to pay a 5-cent piece for current sewer connections. After you once pay a nominal charge to connect your property with the sewer you are not charged thereafter. In every other city in the United States you pay so much per month for every connection you have and also pay full cost of installing. I do in my city, and as far as I know that is true everywhere else in Texas and other States. But you pay nothing for current sewer charges here. After you once get your connection you do not pay any more. You do not have any monthly payments or yearly payments. It is all paid for you through this old system which we have had going on here for so long.

I want to take my hat off to this Mapes committee. I think it has rendered a service that is invaluable to the people of the country. I say that the newspapers are not treating the Washington people fairly when they are continually hounding Congress by intimating that we are unjust to Washingtonians. It creates a false idea in the minds of the taxpayers here, when we are just and fair.

You take these 20,000 people here who have not paid their taxes. I heard some time ago that there was an undercurrent here, "Do not pay your taxes. We are going to get Congress to grant a moratorium, and after the moratorium we will have Congress pay them; so do not let us pay our taxes."

I am going to put in the RECORD in a few days a statement from your tax assessor here showing the big corporate interests that have refused to pay their taxes under this hope of a moratorium. I am going to show how much they owe and the exact situation. The tax assessor is against it. He says it would be ruinous to the tax system in this District to grant such a moratorium. Yet these newspapers have insisted on that being done.

Do you know how much that would mean to Mr. Theodore Noyes and his Star? Do you know how much that would mean to Mr. William Randolph Hearst and his Times and Herald? Do you know what that would mean to Mr. Ed McLean and his Washington Post? It would mean a tremendous saving.

Take automobiles. You pay $1 here to register a Rolls-Royce, $1 only; yet that would cost you $25 back in any one of the 48 States. Yet $1 is all you pay here. All of the vehicles and trucks which the Washington Star operates every day to deliver its papers cost Mr. Noyes $1 apiece.

Mr. COLE of Iowa. But automobiles are taxed as property, are they not?

Mr. BLANTON. Oh, yes; but I am talking about the $1 which it costs to register an automobile in the District, when back home you pay for registration $12.50 on a Ford and on up on the higher-priced cars.

Congress has been the best friend on earth to Washington. The great trouble is that there are too many of us who own homes here, too many distinguished gentlemen in the other end of the Capitol who own palatial homes here.

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BLANTON. A bill was once introduced by a distinguished gentleman at the other end of the Capitol to appropriate $94,000 to buy a parking system. I went out and investigated it. I took a photographer out there with me.

I found a little cut-over park, with all of the timber cut off it. It was land that belonged to Harry Wardman. I did not blame Harry for wanting to sell it, and I did not blame him for wanting to get a good price for it. I saw a magnificent residence just opposite it. There were a lot of improvements going on there and they were putting on sale some town lots around the residence. I called a cop over and I said, "Officer, who owns that fine residence," and he said, "Senator So-and-so," and it was this same Senator who had introduced that bill, the same one. He was not a Democrat, either, and he is not here any longer. [Laughter.] Of course, our committee did not approve of that bill. They killed it. Why, if you will go out here and look at all of this underbrush and all of this bog that is under this Tiger Bridge you will find it is almost worthless, yet do you know that they once tried to sell that bog to this Government for over $100,000? The members of the District Committee, a few of us, got into our cars and went out there and investigated it. We found out what it was and we stopped that bill. You have got to keep your eyes open, gentlemen of the Congress, when the District is concerned.

You have got to keep your eyes open, gentlemen of the Congress, when District bills come before us. You have got to keep your eyes open when Theodore Noyes and McLean and William Randolph Hearst are fighting for something in Washington. You can just bet your head it is something you ought not to vote for. [Laughter and applause.]

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I yield 10 minutes to myself.

Mr. Chairman and members of the committee, the moratorium and controversies on the other side of the aisle have been discussed, and you have heard considerable discussion of the fiscal relations between the Government and the District of Columbia of a general nature and discussion of the work of the committee. I think it is only fair to the membership of the House that you have a brief explanation of the particular bill under consideration.

The bill which we are considering is H. R. 5821, providing for taxation of incomes for the District of Columbia, and is one of four bills which have been introduced in accordance with the report of the special committee appointed during the last term of Congress to investigate and study and make recommendations with respect to fiscal relations between the District of Columbia and the United States.

At the present time there is an intangible property tax in force in the District of Columbia. As you are aware, these taxes are rarely ever very workable or fully enforced. The trend is toward an income tax, and this committee has undertaken to prepare, and the chairman has introduced, a bill which we think is in conformity with the modern provisions of income tax laws.

In arriving at a proper course with respect to all of these features of taxation the committee has studied the laws in force in other States and in other cities of comparable size with Washington, and we have undertaken, to the best of our ability, to adopt the most modern and most satisfactory provisions that are in force, and have undertaken to arrive at about an average of all the different jurisdictions.

Of course, there is a variation in the rates and in the terms of these bills in the different States, and yet, as you will see from an examination of the rates in other States, which are given on the back of the report on this bill, there is pretty close conformity with respect to rates in the different States which have adopted income tax laws.

The bill under consideration, in the first place, fixes an exemption of $1,000 in the case of a single person and $2,500 in the case of a married person living with his or her spouse, and $300 exemption for each dependent child under the age of 18 or other person dependent. These exemptions are somewhat lower than those embraced in the Federal income tax law but are more in keeping with the exemptions of other States with respect to State income tax.

The rates embraced in this bill are 1 per cent upon the first $2,000 of net income.

One and a half per cent on incomes in excess of $2,000 but not in excess of $5,000.

Two per cent of the amount of net income in excess of $5,000, but not in excess of $10,000.

Two and a half per cent of the amount of net income in excess of $10,000, but not in excess of $15,000.

Three per cent of the amount of net income in excess of $15,000, but not in excess of $20,000.

Three and a half per cent of the amount of net income in excess of $20,000, but not in excess of $30,000.

Four per cent of the amount of net income in excess of $30,000, but not in excess of $50,000.

Five per cent of the amount of net income in excess of $50,000.

Mr. BLANTON. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. BLANTON. I just want to call the gentleman's attention to the fact that with so important a bill as the gentleman now has under consideration we have only 20 Republican Members on the floor. Of course, the country is in safe hands as long as that condition prevails.

Mr. DAVIS. Well, do you not suppose the Republicans recognize that fate?

We do not think the taxpayers of the District of Columbia have any just right to complain of the enactment of the pending bill. We think from their viewpoint it is fairer and can be more easily and more economically and more effectively administered than their present law, and we think it will result in parties paying tax who are now escaping the payment of tax, because of the fact that they do not report their intangible property; and so far as the District of Columbia is concerned, and so far as the people of the United States are concerned, it is conservatively estimated that the substitution of this income tax law for the present intangible property tax law of the District will increase the revenues of the District of Columbia at least $750,000 per annum.

This, briefly, explains the bill. We are all more or less familiar with just what an income tax is, and the provisions are all the same in principle.

Now, just a word with respect to some matters that have been advanced by the gentleman from Texas [Mr. BLANTON] and the gentleman from Wisconsin [Mr. FREAR] with respect to the liberality which has heretofore been shown the District of Columbia. There is no question about that in my mind and, I think, in the minds of the members of the committee.

Some Members of the House seem to be of the opinion that, perhaps even with the enactment of the legislation we propose and the contribution that we suggest, we, representing both the District of Columbia and the people of the United States, are perhaps still too liberal.

In the first place, I call attention to the fact that the enactment of the measures we propose does not in any sense of the word preclude enactment of any additional measure. Any Member of the House is at full liberty to examine the report of the committee, the large mass of facts and data which are furnished in the report and appendices, and such other information which he may obtain, and prepare such additional bill as he may prefer with reference to a real property tax, or anything else, and present it for the consideration of the Congress.

Personally, the members of the committee feel that a great deal will have been accomplished, and a great deal of progress made if we enact the bills which members of the committee have introduced, and adopt the contribution not to exceed $6,500,000 suggested by the committee.

In that connection I want to state that, in the final analysis, whatever contribution shall be appropriated from the Treasury of the Federal Government for the support of the District of Columbia must be reported by the Committee on Appropriations, enacted by both the House and the Senate, and, of course, signed by the President of the United States.

Upon the subcommittee of the Committee on Appropriations which will handle the District of Columbia appropriation bill are such men as the gentleman from Texas [Mr. BLANTON], the gentleman from Nebraska [Mr. SIMMONS], the gentleman from Illinois [Mr. HOLADAY], and the gentleman from Missouri [Mr. CANNON], who is chairman of the subcommittee. There are no men in the House more familiar with the history of the affairs of the District of Columbia and the relation between the District of Columbia and the Federal Government than those gentlemen. These gentlemen have for years been studying these problems, and they may be relied upon to handle the situation intelligently and patriotically. If, in their own good judgment, they think $6,500,000 is too much, it is within their power and is their privilege to fix such other amount as they see proper.

In our report we feel that, under the direction given us by Congress, it was not proper to deal with the situation as it existed only for one year, but we undertook to deal with the situation generally for a number of years in order that there might be some stabilization of these relations and in order that we might not have a continual controversy in Congress year after year as to the size of the contribution, particularly between the two branches of Congress. We devoutly hope that the laborious efforts of the committee, with their report and the bills introduced, may to some extent, at least, solve that very troublesome and important question. [Applause.]

Mr. MAPES. Mr. Chairman, the gentleman from Tennessee has explained the provisions of the bill before the committee in a way that makes it unnecessary to explain them much further than he has already done.

I take it from my reading of the local papers during the last few days that there is some criticism of the action of the committee as to the recommendation of the committee of the contribution to be made by the Federal Government to the expenses of the District, but I have not heard any serious criticism of the bills which were reported by the committee.

The truth is that the home owners in the District of Columbia ought to welcome this income tax bill now before the committee. If people do not have an income, they do not have to pay an income tax, but the home owner who owns a house and lot has to pay the general property tax whether he has the money to pay it with or not, or whether he has any income or not. If he can not pay it, he loses his home. One of the purposes of the committee in reporting this bill is to relieve to some extent the general property tax. The committee believes in the principles of an income tax. It believes that it is one of the fairest and most equitable taxes that can be levied and it believes that it should be adopted for the District of Columbia.

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

Mr. MAPES. Yes.

Mr. KETCHAM. My understanding of the discussion yesterday under general debate is to the effect that the committee expects to raise about four and a half million dollars of additional revenue by the proposed changes.

Mr. MAPES. Yes.

Mr. KETCHAM. Then, I also recall that a recommendation was made that the lump sum we appropriate every year should be reduced from $9,500,000 to $6,500,000. That is a reduction of $3,000,000. Taking that from the four and a half million dollars of increased taxes, we have one million and a half dollars which is to be taken off the levy now made against the real estate in the District of Columbia. That means that the homes of which the gentleman has just spoken will be relieved to the extent of that amount, if the present set-up remains the same, and that people who have not been paying taxes on other classes of property will make that contribution.

Mr. MAPES. What my colleague says is true, with this exception, that the law now provides that the tax rate on real estate and tangible personal property shall be not less than $1.70 per hundred. That is as high as it has been during the last few years. Unless that law is changed that rate will continue, or will not be lower, but the passage of

this bill and the others reported by the committee will help to keep the rate down as the cost of government increases.

Mr. KETCHAM. Then my colleague's idea is that the passage of this bill as it is establishes the principle that if additional taxes are to be paid they are to come out of other sources rather than increasing the tax rate on homes.

Mr. MAPES. That is correct.

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

Mr. MAPES. Yes.

Mr. GRIFFIN. I received in the mail this morning a printed report from the committee of which the gentleman has the honor to be the chairman, entitled "Fiscal Relations in the District of Columbia," and it is labeled Report No. 1. I have had no opportunity to go through this report. I am anxious to know how many other reports will follow this.

Mr. MAPES. As was explained on the floor yesterday, the main report of the committee requires no action by the House.

Mr. GRIFFIN. Is this to be the main report?

Mr. MAPES. Report No. 1.

Mr. GRIFFIN. Reducing the contribution of the Government from $9,500,000 to $6,500,000?

Mr. MAPES. That is correct.

Mr. GRIFFIN. That is the main report?

Mr. MAPES. In addition to that report the committee reported four bills, and accompanied each bill with a separate report. The first bill called up by the committee is the bill calling for an income tax within the District of Columbia, and a separate report accompanies that bill.

Mr. GRIFFIN. That is the bill now under consideration?

Mr. MAPES. Yes.

Mr. GRIFFIN. Does the gentleman contemplate that the bill will be brought to a vote to-day?

Mr. MAPES. That is the hope of the committee.

Mr. GRIFFIN. Is there any argument or any report in favor of this income tax indicating the reasons for the income tax?

Mr. MAPES. Yes. I shall call the gentleman's attention to some in a moment.

Mr. GRIFFIN. Is that printed?

Mr. MAPES. The hearings are printed. I have just said that each one of these bills is accompanied by a separate report.

Mr. GRIFFIN. I see a report here entitled "Report No. 2," consisting of a page and a half. It simply expresses the opinion of the committee without giving any argument or advancing any reasons in favor of the bill?

Mr. MAPES. Of course, the gentleman can reach that conclusion if he chooses to do so. There is no argument that would convince some people and make them favor an income tax. The committee accepts that condition or attitude of mine, but it does not agree with it.

Mr. GRIFFIN. May I ask the gentleman another question?

Mr. MAPES. I have only a few minutes' time. I ask the gentleman to make his question brief.

Mr. GRIFFIN. Oh, the gentleman can get loads of time.

Mr. MAPES. My time has almost expired.

Mr. GRIFFIN. The bill providing for an income tax is supported by this report which I have mentioned, No. 2. Would it not be well to have a decision reached by the House on the main proposition, the reduction of the lump sum, before we pass on this question of an income tax?

Mr. MAPES. Mr. Chairman, as far as the committee is concerned, it will be glad to have an expression of the House on the main proposition, as the gentleman has called it; that is, on the report which the committee has made with reference to the contribution of the Federal Government to the expenses of the District government; but regardless of that, whatever the attitude of the House may be on the main report, the committee feels that an income tax law should be enacted for the District of Columbia in place of the present intangible personal-property tax, and I am sure the gentleman from New York can express his convictions and his thoughts upon this particular piece of legislation without any reference to the main report of the committee.

The committee thinks that the income tax should be substituted for the present intangible personal-property tax, and that it is the most equitable, the fairest, and altogether the simplest tax, as far as intangible personal property is concerned, that can be levied. The committee expressed its judgment about the desirability of such a tax by reporting this bill.

The committee feels that it is as important perhaps to adopt the policy of the income tax in the District of Columbia as it is to adopt any particular feature of the bill. For that reason it has been particularly temperate in the rates which have been suggested in the bill.

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I yield five additional minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. The House and the District should keep in mind that this bill not only establishes an income tax, but it repeals the present intangible personal-property tax. In the different States criticism is sometimes made of a proposed income tax law that it simply raises so much more revenue without relieving the tax burden at some other point and is to that extent an invitation to the authorities to increase their budget. This bill can not be subjected to this criticism, because it repeals the present intangible personal-property tax. Notwithstanding the low rates in the bill, it is estimated by the District assessor's office and by the tax expert of the committee, that it will raise in revenue something between $750,000 and $1,000,000 more than is now raised from the intangible personal property tax.

The gentleman from New York [Mr. GRIFFIN] asked if there was anyone appearing before the committee who suggested a tax of this kind for the District. I call his attention to the statement of Mr. Thomas Walker Page, at present a member of the United States Tariff Commission, and as he says, for 30 years a professor of taxation in different universities, such as the University of Chicago, the University of California, the University of Texas, the University of Virginia, and others. Mr. Page says on page 261 of the hearings:

> My suggestion of an income tax is based upon the experience that several States have had with it as a substitute for the tax on intangible property. Your own State—

Addressing himself to Mr. FREAR, of Wisconsin—

> was the leader in that movement. The State of Wisconsin was the first State that substituted the income tax for the tax on intangible property. Other States have followed. Some have substituted it completely for the tax on intangible property; others only partially; and some States have both an income tax and a tax on intangible property, and that is quite obviously unfair.
>
> Mr. FREAR. It results in double taxation?
>
> Mr. PAGE. Yes. My belief has been for many years that of all our taxes, that on intangible property works more injustice than any other. It is too easy to conceal intangible property, so easy that most people evade it.

It is in pursuance of the best thought on taxation, as the committee thinks, that it reports this bill.

On page 265 of the hearings Mr. Page said:

> There was one capitalist of national fame, one of our greatest men, who was a citizen of one of the adjoining States—I will not mention his name—who, when his estate was assessed for income-tax purposes, moved his residence at least nominally to the District of Columbia.

Now, as the committee says in its main report, this tax is paid in different States, and unless the District of Columbia has a similar tax, the tendency is bound to be on the part of those who do not want to pay an income tax, who want to dodge such a tax, to move to the District of Columbia. It is to prevent that and to relieve the general property tax that the committee reports this particular bill.

Mr. Chairman, if there is no further debate on the bill, I ask that the Clerk read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc.—

DEFINITIONS

SECTION 1. The following terms in this act are for the purpose hereof defined as follows:

(a) The term "person" shall mean and include every individual, trust or estate, corporation, joint-stock company, partnership, or association organized for profit, unless otherwise expressly stated.

(b) The term "fiduciary" shall mean a guardian, trustee, executor, administrator, receiver, conservator, or any person, whether individual or corporate, acting in any fiduciary capacity for any person, trust, or estate.

(c) The term "District" shall mean the District of Columbia.

(d) The term "dividend" shall mean any distribution made by a corporation out of its earnings or profits to its shareholders, whether in cash or in other property, or in stock of the corporation other than stock dividends, as herein defined.

(e) The term "stock dividends" shall mean new stock issued for surplus or profits, capitalized to shareholders in proportion to their previous holdings.

(f) The term "gross income," wherever it appears in this act, shall mean and include gains, profits, and income derived from business of whatever kind and in whatever form paid, including gains or profits or income derived through estates or trusts by the beneficiaries thereof, either as distributed or as distributable shares; gains, profits, or income from dealings in real or personal property; gains, profits, or income received as compensation for services, as interest, rents, commissions, brokerage, or other fees, or otherwise received in carrying on any business, profession, or occupation; all interest received from Federal, State, municipal, or other bonds and all dividends received on stocks: *Provided*, That if the gross income is derived from the transaction of business in part within and part without the District of Columbia, gross income shall mean that portion of the income derived from business transacted within the District of Columbia, to be ascertained and allocated in such manner as will fairly determine the gross income of business transacted within the District. The assessor of the District shall have power to prescribe such rules and regulations as will properly carry out the direction and detail of this provision.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the select committee, appointed to study fiscal relations with the District of Columbia, has devoted a great deal of time and study to this very important question, but it seems to me we are putting the cart before the horse. I feel it would have been more constructive had we appointed a committee to study and submit plans for the reorganization of the municipal government of the city of Washington. The present arrangement is cumbersome, unwieldy, and unsatisfactory. Congress can not, in the very nature of things, devote the time and attention which the details of a municipal government require. Just think of it. The paving and repaving of streets, the opening of streets, lamp-posts, pushcart peddlers, and many, many petty details that a municipal government must attend to, come before the House of Representatives and the Senate, with no one particularly interested in the subject matter.

Mr. BLANTON. Will the gentleman yield right on that point?

Mr. LAGUARDIA. I yield.

Mr. BLANTON. The distinguished gentleman from New York, among the many valuable fights he has made here, made one of extreme value to the people when he stopped the city administration and commissioners from running a street through the Walter Reed Hospital grounds.

Mr. LAGUARDIA. I remember that fight.

Mr. BLANTON. Suppose we had had the kind of legislation which the gentleman now wants, giving them all the power and not having to come to Congress, they would have opened a public street through the Walter Reed Hospital grounds to the detriment of every single soldier there.

Mr. LAGUARDIA. No.

Mr. BLANTON. The gentleman rendered signal service in stopping it.

Mr. LAGUARDIA. They could not have done that, because in order to run a street through Government property they necessarily would have had to obtain the consent of Congress, and we would have stopped it.

The present government of the District of Columbia is unsatisfactory.

Now, there are some gentlemen who have devoted a great deal of time and effort to the management of the District.

When the gentleman from Texas [Mr. BLANTON] was on the District Committee, he devoted all of his time and his energies, to the detriment of his health, to an active and intelligent interest in the affairs of the District of Columbia. For that he was abused and ridiculed, and word was sent to his district that he was devoting all of his time to those matters. That is the fate of every Member who goes on that committee and assumes responsibilities as a member of the District Committee. It is simply impossible to resolve this body into a board of aldermen to properly attend to District matters.

I believe the city of Washington ought to be a model city in every way. It ought to have the best schools of the country, the best police and fire departments, the best street-cleaning department, an up-to-date health department, and proper supervision of housing. It ought to be the model municipal government of the whole country. Therefore I believe we should give the matter of the government of the District of Columbia some study. I believe we should provide a managerial form of government, with proper control and supervision by Congress, but limiting the powers of Congress to the supervisory end of it, instead of trying to do the work of a board of aldermen.

We boast of the building program that is now going on in the city of Washington. Without doubt the city of Washington will be the most beautiful city in the world within five years, when that building program is completed. But, gentlemen, within a few blocks of these monumental Government buildings we still have people living in hovels and in such insanitary homes and under such conditions as would shame any first-class city.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BOYLAN. As a matter of fact, they are really dumps.

Mr. LAGUARDIA. Yes. As my colleague from New York [Mr. BOYLAN] points out, they are dumps, and I believe on several previous occasions he has called the attention of the House to them. Think of spending hundreds of millions of dollars in a great building program and neglecting housing. The housing of the District of Columbia has been absolutely neglected. We should provide in the Capital City model apartment houses and model homes. Oh, some one will say: What are you suggesting—that the city go into the housing proposition? Yes; if necessary. I am not afraid to suggest it if that is necessary in order to give all the inhabitants of the District of Columbia sanitary and cheerful American homes. The greedy landlords of the city will not do that, so the District should put up model apartments and houses for wage earners of moderate means.

Mr. PATTERSON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. PATTERSON. Would it not be well to set some kind of an example like that and see about the outrageous rents which are charged here?

Mr. LAGUARDIA. I am coming to that. A great deal has been said about lifting the burden of taxation on real estate and, of course, the home is always brought up. Well, I am for that. I would like to lift from the home owner all the burden possible, but we have in Washington the greediest lot of profiteering landlords than there are in any city of the country. I have no sympathy for them. They will take care of themselves, as they always do. We should provide a municipal government, and municipal housing should be one of its important functions.

I submit that some reorganization of the District government ought to be brought about in order to relieve the Congress of the details of a board of aldermen. A city manager should be provided; the people of the District should have a voice in the election of the commissioners; the Government should be properly represented in the commission-managerial form of city government. The budget should be submitted to the Congress for approval and determination as to its contribution which comes out of the Federal Treasury. The conditions of the city of Washington and the tax-rate conditions here are not comparable to any other city in the country. We have no industries here, and properly so. We have more space taken up by public buildings than is usual in any other American city. We have more boulevards and avenues and parks, necessary to provide

proper landscaping for our monumental public buildings. Therefore we can not compare conditions in the city of Washington with those of any industrial or commercial city in the country.

Mr. BOYLAN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BOYLAN. Does not the gentleman think that under the efficient chairmanship of the distinguished lady from New Jersey the District Committee is liable to be rejuvenated?

Mr. LAGUARDIA. Yes.

Mr. BOYLAN. And perhaps we will have better and more beneficial results than we have had heretofore.

Mr. LAGUARDIA. The gentlewoman from New Jersey is well qualified. She will no doubt take up her tasks as chairman of the District Committee full of ideas and ideals, and she will no doubt bring to the attention of the House the social legislation necessary for the protection of the people of the District. I fear that she, too, will be blocked on every side, and perhaps unjustly abused as many others who endeavored to be of real service to the District.

Mr. BOYLAN. We will not permit it, will we?

Mr. LAGUARDIA. We will not. The lady from New Jersey [Mrs. NORTON] is a very useful legislator and well able to assume the difficult task of chairman of the District Committee.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. In advocating that the Government build homes for the people of Washington—

Mr. LAGUARDIA. Certain types of homes.

Mr. BLANTON. And renting them to the people of Washington, is the gentleman speaking the policy of the Hoover-Mills-Mellon-Snell Republican administration?

Mr. LAGUARDIA. I am speaking the policy of progressive, up-to-date city government.

Mr. BLANTON. The gentleman spoke of no industries here. The gentleman forgets that there is a Government pay roll here for nearly 100,000 people under which money is paid to them every two weeks, new money that has never been spent before. The people on that pay roll enjoy the greatest benefits of any people in the world, because they get their money regularly. There are no bank failures and there is no depression in the District.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the gentleman from New York may proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BLANTON. With a Government pay roll for nearly 100,000 people you do not need industries.

Mr. LAGUARDIA. Of course not. I am not advocating industries here. I would even make the zoning laws stricter in order to prevent any encroachment on the residential districts. I would not have any industries here at all.

As to the 100,000 employees and what they get, I for one will take the stand that they earn every cent they get, and let the word go out right now that there is going to be the greatest and bitterest fight that ever happened on the floor of this House if any attempt is made to reduce the salaries of Government employees. [Applause.] I think the United States Government ought to set an example as to what is a fair, American wage to permit working men and women to live up to the American standard. But let us not get off the subject now. We will take care of that fight when it comes.

I do believe, however, after you are through establishing your fiscal arrangements, after you have fixed the taxes, we should get right down to the fundamentals of what is in the best interest of the people living here in the District and of the country in general, and should appoint a committee to study any necessary reorganization of the municipal government of the city of Washington.

Mr. BLANTON. If the gentleman will permit, on the question of reducing salaries, the only proposal that has thus far been made in this Congress has come from the gentleman's Republican side and in a Republican bill.

Mr. LAGUARDIA. Good. Now, will the gentleman from Texas stand by me in opposing salary reduction?

Mr. BLANTON. Yes, I will; on every legitimate salary now drawn by an honest employee of the Government.

Mr. LAGUARDIA. Fine; shake on that. [Laughter and applause.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, ladies, and gentlemen, I have not had time to study all the provisions of this bill, but I have read some of the first sections, and as I was reading the first section the query mounted in my mind as to whether the committee has described the word "person" with sufficient definiteness. I would like to inquire of the chairman of the special committee whether the word "person" includes Members of Congress. I may call the attention of the Members of the House to the fact that the word "person" as described in this first section does not say those domiciled or residing in the District of Columbia, but simply says that the term "person" shall mean and include every individual, trust or estate, corporation, and so forth. I think the bill is wanting in definiteness in not singling out just what the word "person" includes. Perhaps it is the intention of the committee reporting this bill that Members of Congress shall be subject to its provisions with respect to the payment of income taxes. Certainly, as the bill is drawn, with this vague definition of the word "person," I think it could with consistency be claimed that Members of Congress are subject to the payment of the income tax. Is it the purpose of the gentleman's committee to include Members of Congress in the payment of the income tax as provided in this bill?

Mr. MAPES. If any of them live in the District of Columbia; but, of course, none of them do.

Mr. STAFFORD. Do we not all live in the District of Columbia during the sessions of Congress?

Mr. BLANTON. If the gentleman will permit, certainly it would not apply to a Member of Congress, because he lives in his home district and is taxed in his own State.

Mr. STAFFORD. I am serious in my presentation of this question.

Mr. MAPES. I will answer the gentleman's question. Section 10, on page 12, says that a tax is "hereby imposed upon every person as herein defined resident of the District of Columbia."

Mr. STAFFORD. I must confess that I had not read that far in the bill. I was trying to scan some descriptive definition of the word "person."

Mr. MAPES. As the gentleman knows, you can not put all of a bill in the first section.

Mr. STAFFORD. That is true; but the bill defines in the first section what a "person" is. I thought that was the proper place to look for a delimitation of the description of "person."

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BLANTON. And we Members of the Congress who have to stay here to attend to our business, whether we stay in a rented house or in an owned house, are not residents of the District of Columbia; we are residents of our respective districts in our own States.

Mr. STAFFORD. The chairman of the special committee has called attention to the fact that it is limited to residents of the District. My attention had not previously been called to that section.

The pro forma amendment was withdrawn.

The Clerk read as follows:

DEDUCTIONS FROM INCOME OF INDIVIDUALS

SEC. 2. The term "net income," as herein used, shall mean the gross income less the following deductions:

(a) All interest paid during the taxable year on indebtedness: *Provided*, That no interest shall be allowed as a deduction if paid on an indebtedness created for the purchase, maintenance, or improvement of property, or for the conduct of a business, unless

the income from such property or business would be taxable under the provisions of this act.

(b) Taxes paid during the taxable year (except inheritance taxes, taxes paid under the provisions of this act, and taxes on income and profits imposed by authority of the United States): *Provided*, That special taxes imposed for betterments, and which betterments tend to increase the value of the abutting property, shall not be deducted.

(c) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on business, or a profession or occupation, including a reasonable allowance for salaries or personal service actually rendered; also rentals or other payments required to be made as a condition to the continued use or possession for business purposes of property to which the taxpayer has not taken or is not taking title, or in which the taxpayer has no equity: *Provided*, That the provisions of this subdivision shall not be construed to include payment as a premium to an occupant to vacate such property for the benefit of the person or firm wishing possession of such premises.

(d) Losses sustained during the taxable year and not compensated for by insurance or otherwise: *Provided*, That no loss resulting from the operation of business conducted without the District may be allowed as a deduction unless the income derived from the operation of business without the District is subject to taxation: *And provided further*, That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or to the destruction of property by fire, flood, or other casualty.

(e) All worthless debts charged off within the taxable year.

(f) A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the transaction of business may be deducted from gross income, provided such depreciation is actually charged off.

(g) Contributions or gifts made within the year to corporations or associations operating within the District of Columbia and organized and operated exclusively for religious, charitable, scientific, benevolent, or educational purposes; or to societies conducted exclusively for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual. The assessor of the District shall prescribe such rules and regulations for the carrying out of the provisions of this subdivision as he may determine are necessary in order to prevent any abuse of this exemption privilege.

(h) Dividends or incomes received by any persons from stocks or interest in any corporation, joint-stock company, or association, the income of which shall have been assessed under the provisions of this act: *Provided*, That when only part of the income of any corporation, joint-stock company, or association shall have been assessed under this act only a corresponding part of the dividends or income received therefrom shall be deducted.

(i) Dividends received on shares of corporations doing business in the District of Columbia and which corporations are required by law to pay a tax on their gross earnings or gross receipts.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I wish to inquire of the chairman of the committee wherein the provision under subtitle (i) differs from the provision under subtitle (h). Under subtitle (h) there are exempted dividends or incomes received by any person through stocks or interest in any corporation, and so forth, and then in subtitle (i) you, seemingly, provide for the same character of dividends. Will the chairman of the committee explain the reasons for the need of subtitle (i)?

Mr. MAPES. It seems to me that one applies to the companies that are assessed on their incomes under this bill, and the other applies to companies that are assessed under the present law which assesses them on their gross receipts and gross incomes.

Mr. STAFFORD. Though the phraseology is slightly different, still it pertains to the same subject matter, as I read it.

Mr. MAPES. I think if the gentleman reads it closely, he will find that section (h) relates to corporations which are required under this act to pay the income tax, and subdivision (i) relates to those corporations that are assessed under existing law on their gross receipts and gross incomes.

Mr. STAFFORD. Subdivision (h) refers to dividends received by individuals and is a customary provision in income-tax legislation, that there shall not be double taxation; that if a person receives a dividend from a corporation, as the gentleman well knows, he shall be exempted from including that dividend in the reporting of his gross income.

Mr. MAPES. But subdivision (h) says that the individual who receives dividends from a corporation that has had to pay an income tax shall not be required to pay further income tax on those dividends. Subdivision (i) says that that same rule shall apply to those that receive dividends from corporations that are assessed on their gross receipts or gross incomes.

Mr. STAFFORD. May I inquire further, if the gentleman has not previously stated to the House, whether the committee followed any income tax law of any State as its model?

Mr. MAPES. The committee endeavored to make a model income tax law, taking the best provisions of different States.

Mr. STAFFORD. But the committee did not adopt the provisions of any one State, but used the statutes of some States as a working basis?

Mr. MAPES. No; the committee did not adopt the provisions of any State in toto.

Mr. STAFFORD. Mr. Chairman, I withdraw the pro forma amendment.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Mr. Chairman, it took me several years to find out the unwisdom of the suggestion made by our friend from New York [Mr. LAGUARDIA] that Congress should release its control of this District and turn it over to local authorities in Washington. The few miles square that constitute the District of Columbia are specially set aside by the United States Government for the transaction of its business. It is not constituted for the benefit of the hotels of Washington. They are put up for the private profit and benefit of business combinations which coin money out of our people by reason of the Government's plant in Washington. The District of Columbia is not here for the benefit of the newspaper publishers, Ed McLean, William Randolph Hearst, or Theodore Noyes. Those newspapers are merely incidents; they have come here to make money off the Government plant by selling their papers to the people who live here, and so of all the business organizations of the city of Washington. They do not have to live in Washington if they do not like it. If they do not like the way Congress runs Washington—these few miles square set aside for the Government business—they can move out.

If the city of Chicago will pay $150,000 for the Republican convention, how much do you suppose Chicago would pay for this Federal Government? How many million dollars? How many million dollars would Philadelphia pay if the Capital were moved there? These people are here to make money off the Government plant and the Government employees, and those who live here should consider themselves especially fortunate.

Their property has grown from lots worth $100 to lots now worth $500,000, some of them, and every time the Government wants to buy a piece of property for its own use it is charged four times as much as they would have asked for it before the Government needed it.

I say to my friend from New York that when I first came here I could not see any necessity for a separate park police; I could see no necessity for a separate police force for the Capitol; I could see no need for a separate police for the Senate and the House Office Building, or for a separate police for the White House, or for a separate police for the Agricultural Department. I could not see any sense in it. I sought for five years to consolidate them all within the Metropolitan police force.

Then I waked up, and I found I was all wrong. I realized that there is a necessity for it. It is for the interest of the Government and the people of the United States that we keep absolute control of the District of Columbia, that we keep control of its streets, that we keep control of the Government plant here, in spite of the criticism of these newspapers. They are not running the Government.

Mr. Hearst invited me to go on his Canadian junket. I appreciated his invitation, but I wired Mr. Hearst that while I thanked him, I preferred to be wholly untrammeled in passing upon the proposition he had under way—the sales tax.

Do you know that there has been an attempt by the big financial interests for years to put on the shoulders of the poor people an added burden of a sales tax?

Here is one Member of Congress that is not going to be hog-tied on that proposition. They are not going to saddle onto the backs of the poor people of this country by my vote the burden of a sales tax. While I appreciated the invitation of our splendid entertainer in New York, Mr. Hearst, to go on his junket, where they had a good time and plenty to eat, and other good things [laughter], I respectfully declined.

Now, I want to say of my friend from New York [Mr. LAGUARDIA], that he is a very valuable man, and always has been. He saved Muscle Shoals for the people of the United States. When there was a proposition to turn it over 10 years ago, the gentleman from New York [Mr. LAGUARDIA] stood here and led the fight to hold it for the people of this country. But I want to say that when he advocates taking away the Government control of property and all business here in Washington, it is not for the best interest of the United States Government. [Applause.]

The Clerk read as follows:

SEC. 5. For the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition of property, real, personal, or mixed, acquired on or after January 1, 1931, the basis shall be the cost thereof and, in case of property acquired prior to that date and disposed of thereafter, the basis shall be the fair market value thereof as of said date.

Mr. BURTNESS. Mr. Chairman, I move to strike out the last word in order to ask a question about another section. On page 7, line 16, subsection (e), there is a reference to contributions or gifts made within the year to corporations or associations "operating within the District."

Assume, for instance, that in a year like last year when public contributions were solicited for the Red Cross to take care of the drought situation in other States; collections are made and received here by the Red Cross for such a general purpose. Under the language of this paragraph I am wondering whether contributions so made could be deducted. As I construe it, simply as a curbstone proposition, it would appear not.

Am I right, or is it to be construed otherwise? What do the words "operating within the District" mean? Operating is a general term. At first I thought it meant any corporation with its headquarters or principal place of business in the District. I assume that such can not be so, because more exact language would have been used in that case. There are many charitable organizations of various kinds that operate all over the United States, but because of the situation which exists here in the National Capital, economic and otherwise, they do not operate within the District under the general meaning of that term. There are certain organizations whose work of necessity takes them into rural communities—public-health work of various kinds—that might not operate at all within the District.

Mr. MAPES. Mr. Chairman, this is a provision which is usual in the State income tax laws. The gentleman from Wisconsin [Mr. FREAR] suggests that if we attempt to go any further than that we would find ourselves without jurisdiction. We have no jurisdiction outside of the District. Further, this is a very liberal provision as it stands. As the gentleman knows, the Federal law gives exemption only for a limited amount.

Mr. BURTNESS. Fifteen per cent, if I remember correctly.

Mr. MAPES. So that the committee thought on the whole this was a very liberal provision.

Mr. BURTNESS. I agree that the provision seems liberal in a general way, but what I am asking is the committee's construction of the words. Of course, on the question of jurisdiction which the gentleman from Wisconsin raises, that is a question that is not involved at all. All you are doing here is to provide for an exemption from taxation of a certain amount contributed by a corporation doing business within the District of Columbia. I take it that you have a legal right to exempt any contribution, if you so desire, made for charitable purposes, wherever it may be made. You are not in any way attempting to control the business of the corporation in that regard, but may extend or limit exemptions in your discretion, as far as your legal right to do so is concerned.

Mr. MAPES. My construction of the language would make it include the Red Cross. As you say, that is operating within the District.

Mr. BURTNESS. Would it include contributions made to the National Red Cross for national work, or would it include only contributions that may be made to the local Red Cross Association for local work within the District?

Mr. MAPES. The gentleman's guess is as good as mine. My own guess is that it would include the Red Cross generally.

Mr. BURTNESS. It would include contributions made to the National Red Cross?

Mr. MAPES. Yes.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

The Clerk read as follows:

EXEMPTIONS

SEC. 9. The following items shall be exempt from taxation under this act:

(a) The income of a single person, or a married person not living with husband or wife, up to but not in excess of $1,000.

(b) The income of a married person living with husband or wife up to but not in excess of $2,500: *Provided*, That if a husband and wife make separate returns or have separate incomes the exemption for each shall be $1,000.

(c) Three hundred dollars for each dependent child under 18 years of age, and for each additional person who is actually supported by and entirely dependent upon the taxpayer for his support.

(d) Dividends received from national banks and mutual savings banks.

(e) Pensions received from the United States.

(f) All inheritances, devises, bequests, and gifts received during the year.

(g) All insurance received by any person in payment of a death claim by any insurance company, fraternal-benefit society, or other insurer, except insurance paid to a corporation or to a partnership upon policies on the lives of its officers, partners, or employees: *Provided*, That interest on premiums paid to the insured or accumulated for him before the maturity of any insurance policy shall not be exempt from taxation.

(h) Income of national banks, mutual savings banks, trust companies, building and loan associations, and of all religious, scientific, benevolent, or educational organizations not organized or conducted for pecuniary profit.

(i) Interest upon the obligations of the United States or its possessions; or interest upon the obligations of any State government or of any political subdivision thereof.

Mr. BURTNESS. Mr. Chairman, I move to strike out the last word to direct the attention of the committee in charge of the legislation to paragraph (b) of this section 9.

Paragraph (a) provides that the exemption for a single person shall be $1,000. Paragraph (b) provides that the exemption of a married person living with the husband or wife shall be $2,500. Then there is a provision that if the husband and the wife make separate returns or have separate incomes, the exemption for each shall be $1,000. I never did think there is exact justice in our Federal law which does not permit a single man or a single woman an exemption amounting to as much as 50 per cent of that granted a married person, but I shall leave it to the bachelors of the House to argue that feature of it. The gentleman from Wisconsin [Mr. STAFFORD] says that he will take care of that.

I can not now see why if a wife has had a little legacy left her by some member of her family, and may have an income of $100 a year from it and would therefore be obligated to file a return, the family as such in that case should have the exemption cut down $500. If I construe the language correctly, that is what it amounts to. It would create an incentive possibly for fraud and deception, or at least for failure to file returns. There does not seem to be a provision authorizing one member of the family to file a return for himself and spouse. Such is the case under the Federal law, and the exemption can be claimed in the general way. What, therefore, is the reason for this deduction of the exemption for husband and wife jointly under this law if they have to file separate returns? Why are they not at least entitled to an amendment which would make the exemption for each $1,250 instead of $1,000, so that between the two of them they would have the same exemption as that granted the husband if he alone files the return.

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

Mr. BURTNESS. Yes.

Mr. STAFFORD. I assume that the committee determined that for a single person $1,000 should be the maximum amount of the exemption, and the next provision that the maximum exemption for a family should be $2,500. The following provision, I take it, is where perhaps a man and a wife make a living separately, and if they are living separately, without the responsibility of a home, maybe the committee thought they should be placed on the same plane as a single person.

Mr. BURTNESS. But the bill does not say so. It does not refer to the husband and wife living separately but is general in application.

Mr. STAFFORD. Oh, no.

Mr. BURTNESS. There are many husbands and wives who have separate incomes. In many cases the income of the wife may be only a nominal income, and yet I assume she would have to file a return.

Mr. STAFFORD. Assuming the wife has a separate income and the husband has a separate income and they are living together and have children, the man would be entitled not only to the $1,000 exemption but he would also be entitled to the exemption that is accorded for children up to 18 years of age. Not so with the wife. The husband would be getting the exemption that properly falls to a married man as far as having children is concerned. He would get his $1,000 exemption and also $300 exemption for each child under 18 years of age. This is predicated upon the idea that both the man and the woman have large separate incomes of their own. If they have large separate incomes of their own, why should the wife be entitled to any greater exemption than a single person who is not maintaining a family?

Mr. BURTNESS. I do not think she should be entitled to any exemption under those circumstances, but I do think that the husband should be entitled to deduct his exemption of $2,500 as a married man, and thus do away with the discrepancy that is plainly involved in this bill under the terms thereof.

Mr. STAFFORD. The gentleman referred to me in connection with the question of celibacy. I think if a gentleman was living with a woman with a separate income he would find some trouble in the family if she was not granted a deduction.

Mr. BURTNESS. None of them is granted a deduction under the Federal law unless the husband fails to claim it.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words.

While the income tax is being discussed and the matter of exemption being considered, I notice in the last paragraph of the bill in respect to the tax on intangible property, the words that "for the period between July 1, 1932, and July 1, 1933, it shall be credited to the income tax payable in 1933." Although I have not noticed it in the bill, yet I presume it is there, that intangible property is not hereafter to be subjected to a millage tax. It has been so written in most of the State income tax laws, and the assessors of municipalities, after an income tax is imposed, can not further reach intangible property. Thereafter those people who have hidden their intangibles during all these years, and who have been unwilling to subject themselves to a millage tax of perhaps $17.50 per $1,000, can draw a long breath now and say, "We can now be honest. We can now tell what we have, and have such a light income-tax rate that we will pay less than we would have had to pay before."

This is an unconditional surrender to owners of intangibles, as it usually is in all of the States. My own State has an income tax of 6 per cent, but the assessors can not impose a further tax on intangible personal property in any municipality. So that the burden is imposed on those who own real estate, the homes of people who have to pay twenty-five or thirty dollars per thousand on that class of wealth. For instance, if they have a thousand dollars of intangible property, a bond that pays 6 per cent or yields $60 a year, they pay 6 per cent on that $60. Therefore they pay $3.60 a year on that bond, which may be easily sold. They pay on that $3.60 as against the home owner who pays twenty-five or thirty dollars per thousand.

Mr. MAPES. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAPES. The estimates are that the receipts from the income tax will be more than the receipts from the intangible personal property tax.

Mr. GIFFORD. I read that; but I would say that in my State we estimated that $5,000,000,000 was in hiding, and it was, but when our tax was imposed we got about the same amount from the income tax as we got from the old tax on intangibles. Is it any victory that you may after all these years get that class of people to acknowledge that they have had these intangibles for years and years? Is it any answer to say that you get a little more revenue by this form of tax and grant this difference to these two classes of wealth?

Mr. MAPES. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAPES. If under your intangible-tax system you were unable to find all of this amount that was in hiding, certainly it would be more equitable to have the tax applied to the income of all alike than it is to let some evade the millage or intangible tax.

Mr. GIFFORD. I have heard that argument many times before. We yield to the practical conditions. Rhode Island and Connecticut impose, as I understand it, a tax of 3 or 4 mills, or perhaps $4 per thousand, but they do not dare demand that their citizens make a return, because if they were forced to they would move to New York, where the rate is only 1 per cent on the first ten thousand, 2 per cent on the second ten thousand, and only 3 per cent on incomes of $50,000 or more, and the intangibles bear no other State or municipal taxes. Therefore, the race to attract money from one State to another is so great that our adjoining States do not dare tax property as they should.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GIFFORD. My idea in proceeding a little longer is to quote you, when we come to these rates of 1 per cent and 2 per cent and as high as 5 per cent, that New Hampshire, on account of the situation regarding Massachusetts and the other States, imposes a very light income tax. It would make it amount to perhaps $1 per thousand on this class of wealth, as against $25 or $30 per $1,000.

I can remember not long ago the very best citizens of our communities being approached by outside salesmen who would say, "You may well buy these intangibles; your assessors will never know you have them," although they knew it was their duty to pay a tax on their intangibles like other people for the support of their institutions. They would invest money in those intangibles and would escape the tax.

What I want to impress upon you in these few remarks is this: To-day you are untaxing the intangible wealth of the District of Columbia. You are saying you are going to make men honest, but only honest because they have such a low rate, the rate being so low that you will hardly get any increase even in the returns that may be made. I want to remind you that has been the situation in all the States. Illinois, I think, sticks to the millage tax. They have not been willing to come to an income tax. I do not know why; but I remember that one of their citizens came into one of my towns one day and said, "They are dooming me too much; they are guessing at me too much; I will bring $16,000,000 into your State if you will not ask me for any more." And they cut the tax rate more than one-half by that one action, so that people were moving these intangibles from place to place. But sometime the home owners are going to wake up. They are going to understand this plan and they are going to say, "How long, how long will intangibles, bonds and stocks, and things of that kind, which

can readily be sold on the market, be taxed only when they pay a dividend, and then at a rate of only $2 or $3 a thousand, when the home owner is compelled to pay 25 per cent or 40 per cent on his home?"

[Here the gavel fell.]

Mr. BOYLAN. Mr. Chairman, I offer some amendments to the section.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read, as follows:

Amendment offered by Mr. BOYLAN: On page 10, in line 19, after the word "of," strike out the sign and figures "$1,000" and insert in lieu thereof the sign and figures "$1,500."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

Mr. BOYLAN. Mr. Chairman, I would like to have all of the amendments read, because they pertain to this same section.

The CHAIRMAN. The amendments will have to be considered separately.

Mr. BOYLAN. I have offered four amendments. They all pertain to this same section, and I think if they were all read, I would be willing to discuss the four at one time, in order to save the time of the committee. Mr. Chairman, I ask unanimous consent that they be read for information.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the amendments he proposes to offer be considered en bloc. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

On page 10, line 19, after the word "of," strike out the sign and figures "$1,000" and insert in lieu thereof the sign and figures "$1,500."

On page 10, line 21, after the word "of," strike out the sign and figures "$2,500" and insert in lieu thereof the sign and figures "$3,500."

In line 24, page 10, strike out "$1,000" and insert "$1,500."

On page 11, in line 1, strike out the words "three hundred" and insert in lieu thereof the words "five hundred."

On page 11, line 24, insert a new section, subsection (j): "All moneys expended for medical and hospital services."

Mr. BOYLAN. Mr. Chairman, ladies and gentlemen of the committee, the first amendment, on page 10, increases the exemption from $1,000 to $1,500. This is in conformity with the Federal income tax law and in those States having an income tax the Federal rates are usually followed. The second amendment, on page 10, line 21, increases the exemption for married persons to $3,500, which is also in conformity with the Federal law. The amendment on page 10, line 24, creates an exemption of $1,500 each for a husband and wife making a separate return. That has already been gone into by the gentleman from North Dakota [Mr. BURTNESS]. I think that married persons should at least have the same exemption as single persons. The amendment on page 11, line 1, provides an exemption for each dependent child of $500 instead of $300. All of us who pay an income tax know that the idea of trying to say you can support a child on $300 a year is a myth. So I have made that exemption $500. The new section, following line 24, on page 11, subsection (j), provides an exemption for all moneys paid for medical and hospital services during the year.

I think every one of these amendments is a fair amendment. Why should we mulct the people of the District of Columbia? The exemption made in the Federal tax law is $1,500 for a single person, so why should we only allow $1,000 in this bill? If the exemption for the head of a family is $3,500 under the Federal act, why should we only allow $2,500?

Mr. MAPES. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. MAPES. The gentleman's State of New York is one of the States that has an income tax law. I would like to ask the gentleman what the exemption is in his State law.

Mr. BOYLAN. In New York State we follow the Federal exemption, as I stated in my remarks.

Mr. MAPES. Is there provision made in the New York law for the exemption of medical and hospital services?

Mr. BOYLAN. There is not; but I am going to introduce an amendment to the Federal revenue act to include it, because I think it is very unfair to the taxpayer that it is not included.

I have had experience in the last year or two with personal friends of mine where as much as eight-tenths of their entire income during one year was paid for hospital and medical expenses and not one dollar of that was permitted to be exempt under the law.

I think if we are going to tax the people of the District we ought not to go any farther, at least, than the Federal law goes. I think these amendments are fair.

Mr. FREAR. Will the gentleman yield?

Mr. BOYLAN. Certainly.

Mr. FREAR. The question occurs to me, if you offer this amendment and it should be adopted, whether you would not invite a number of other amendments, because you are granting an exemption here of something that is not granted in any law so far as I have ever heard. Possibly the gentleman is familiar with some law that has such an exemption.

Mr. BOYLAN. What the gentleman says is true, but we should not be bound by mere precedent. We should establish precedents.

Mr. FREAR. But if you establish a precedent of this kind, are you not inviting precedents with respect to many other expenditures that may be made? That is the difficulty of the situation.

Mr. BOYLAN. I do not think there could be any other exemption of such a personal nature as this, where the preservation of health is involved.

I think every one of these amendments is a fair amendment.

Mr. FREAR. Suppose you have a lawsuit, and you have a very expensive attorney you are hiring just as you would a doctor, there may be hospital or perhaps other expenses required for necessary purposes.

Mr. BOYLAN. Well, the expenses of an attorney would not come under the same category as medical expenses.

Mr. FREAR. I understand; but does not the gentleman invite such amendments by establishing such an exemption? That is the only danger I see about it.

Mr. BOYLAN. I think this is the place to start these things. We should blaze the trail, and we should not wait for some State to suggest things for us to do. We should show the States what to do.

Will the gentleman accept the amendments? I trust he will.

Mr. MAPES. No; I can not accept the amendments. I want to ask for recognition when the gentleman has concluded.

Mr. BOYLAN. I have explained the amendments, and I ask their support and adoption by the committee. They are fair and just and reasonable.

Mr. MAPES. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, of course, how much exemption should be allowed to the taxpayer is a matter of judgment. It does not seem to the committee that it will be any hardship to a single man who is making $2,000 to pay a tax of 1 per cent upon his income over and above his exemption of $1,000. A single man would then pay on a $2,000 income 1 per cent on the excess above $1,000, or $10. It did not seem to the committee that this would be any hardship. The committee feels that the rates in this bill are low and reasonable. They conform pretty generally to the rates in the States.

I do not want to take the time of the committee unnecessarily. I imagine every member here has some conviction on this subject. It is not exactly parallel with the Federal law, but we are trying to adopt a law which we think will be fair and reasonable, patterned after the State income tax laws, to be applied here in the District of Columbia, after abolishing the present intangible personal-property tax.

There is this further thought in connection with the matter. The revenue to be derived from the rates proposed

in this bill has been pretty carefully figured, and just what effect the gentleman's amendment would have on the total revenue to be raised I would not be prepared to say at this time.

Mr. BOYLAN. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. BOYLAN. I would say to the gentleman that my amendments do not go to the rates fixed by the committee. They go to the matter of exemptions, and the mere fact that by mathematical computation you have figured out the yield under these exemptions is no reason why an injustice should be perpetrated upon the people of the District. In making these exemptions you do not follow the Federal act, and you do not follow any State law so far as I know. Certainly the State acts are generally predicated on the Federal act, the exemptions being the same.

Mr. MAPES. The committee does not think any injustice is being done to anybody under the rates here. Of course, the gentleman's amendments do not go to the rates but go to the equity of the whole matter as to how much should be exempt.

Of course, there are people who do not want to pay any income tax. They want the entire income, no matter how much it may be, to be free of taxation. The committee thought it would be fair and would not be burdensome to the people with an income of over $1,000 to pay at least 1 per cent on all income in excess of $1,000.

The gentleman's amendment in regard to hospital bills and doctors' bills, it seems to me, is a very dangerous amendment. There are other bills that men have to pay that are just as necessary as hospital and doctors' bills, and if we start putting in exemptions and saying to men, "No matter what your income is, if you have spent your money in this particular way, you will not have to pay an income tax," it will throw the doors wide open. A man with a quack doctor or something of that kind might be exempted from a great deal of tax.

Mr. BOYLAN. I do not think the argument of the gentleman applies, inasmuch as no man seeks medical or hospital treatment unless he is actually compelled to do so. A man may enter into a lawsuit or contract other expenses under entirely different circumstances.

[Here the gavel fell.]

Mr. BOYLAN. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

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

There was no objection.

Mr. BOYLAN. If a man were allowed to claim exemption for other things, of course, I assume that would open the door wide, but no one he wants to be sick if he can keep well.

He does not want to employ doctors or incur hospital expenses unless it is absolutely necessary. If he did I should think there was something the matter with his mental make-up.

Mr. FREAR. Suppose a case like this: An individual would like to go to a sanatorium, which is a hospital, and he stays there six months or a year. What would be the effect, and what would be the construction under the gentleman's proposed amendment?

Mr. BOYLAN. He would have to show that he was ill and required medical attention.

Mr. FREAR. And that would have to be passed upon by the assessor.

Mr. BOYLAN. He would have to have proper evidence submitted to him.

Mr. STAFFORD. Following the suggestion of my colleague, I know that there are persons who go to Battle Creek Sanitarium regularly for treatment for a month or two as a sort of rest. They are in fairly good health, but they are taking this vegetarian treatment, and under the wording of the gentleman's amendment, that person would be entitled to an exemption.

Mr. BOYLAN. In answer to the gentleman, I would say that many Members of Congress go to Battle Creek. They need to go after the strenuous sessions we have here. The benefit of that rest inures to the good of the country, for they come back rejuvenated and full of vigor, like the gentleman from Wisconsin, and able to stand on the floor and labor for the best interests of the country.

Mr. STAFFORD. Under the logic of the gentleman's amendment, why should I not be entitled to expenses in going to the woods of Wisconsin to recuperate from the labors of the session?

Mr. BOYLAN. If the gentleman required medical care and took his physician with him, he should be entitled to an exemption.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York.

The question was taken, and the amendments were rejected.

Mr. DALLINGER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 11, line 2, strike out the word "eighteen" and insert in lieu thereof the word "twenty-one."

Mr. DALLINGER. Mr. Chairman, the most expensive age in the life of boys and girls, so far as parents are concerned, is between the ages of 18 and 21, when they are going to college, because at that time the parent not only has to support the child but also to pay tuition, or at least a part of it, even in those cases where the boy or girl may be halping to secure his education by working a part of the time. It is a most expensive time for the parent.

Where the father is earning a comparatively small salary and has a boy or a girl in college, or perhaps more than one, it is a very critical time, and is the time above all others when he should be entitled to an exemption. It seems to me that if you make the maximum age 21 you give the parent the exemption when he most needs it. If the boy and girl are at work, of course, they are not dependent and the exemption does not apply.

Some time ago I appeared before the Committee on Ways and Means in behalf of a similar amendment to the Federal income tax law, and the point that I made in this regard was well received by members of the committee, and at one time it looked as if the Committee on Ways and Means might report an amendment to this effect.

I am satisfied that a majority of the members of the committee believed in it, but they did not think it was wise at that time to report it because other more important matters were before them, and so nothing was done.

I appeal to the membership of this House to give serious consideration to this amendment. I know that many Members of the House have put their children through college, and they will know what it costs. Where a man on a comparatively small salary is trying to educate his children he will appreciate the importance of this amendment. The paragraph as amended will read:

Three hundred dollars for each dependent child under 21 years of age, and for each additional person who is actually supported by and entirely dependent on the taxpayer for his support.

It is carefully guarded. The amendment can do no harm, and it will be a positive blessing to countless parents in the District of Columbia. I trust the amendment will be adopted. [Applause.]

Mr. MAPES. Mr. Chairman, I think we all have a great deal of sympathy with the sentiment expressed by the gentleman from Massachusetts [Mr. DALLINGER]; but the truth is that in the average home the child of 18 years is usually working and has an income. This is the age in the Federal statute, and I would hate to see a different age adopted here for the District of Columbia. I know that men with limited incomes who are sending their children through college have some hardships in meeting expenses, but the average child does not go through college. As I say, this is the age that is in the Federal law, and I would hate to see the District bill jump the age three years higher than the age fixed in the Federal law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

IMPOSITION OF TAX

SEC. 10. A tax is hereby imposed upon every person, as herein defined, resident of the District of Columbia, which tax shall be levied, collected, and paid annually upon and with respect to his entire net income, as herein defined, at rates as follows:

(a) One per cent of the amount of net income not exceeding $2,000.

(b) One and one-half per cent of the amount of net income in excess of $2,000 but not in excess of $5,000.

(c) Two per cent of the amount of net income in excess of $5,000 but not in excess of $10,000.

(d) Two and one-half per cent of the amount of net income in excess of $10,000 but not in excess of $15,000.

(e) Three per cent of the amount of net income in excess of $15,000 and not in excess of $20,000.

(f) Three and one-half per cent of the amount of net income in excess of $20,000 but not in excess of $30,000.

(g) Four per cent of the amount of net income in excess of $30,000 but not in excess of $50,000.

(h) Five per cent of the amount of net income in excess of $50,000.

A like tax is hereby imposed and shall be levied, collected, and paid annually at the rate specified in this section upon and with respect to the entire net income as herein defined, except as otherwise herein provided, from all property owned and from every business, trade, profession, or occupation carried on in the District of Columbia by persons not residents of the District.

The tax herein provided shall be first levied, collected, and paid in the year 1933 upon and with respect to the taxable income for the calendar year 1932, or for any fiscal year ending during the year 1932.

Mr. BURTNESS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: Page 13, line 7, after the figures "1932," strike out the comma and the balance of the line up to the period.

Mr. BURTNESS. Mr. Chairman, I think the bill as presented by the committee is a very fine piece of legislation, and any suggestion that I have made here to-day has been for the purpose of perfecting it and not otherwise. In a bill of this magnitude it is evident that we may have different viewpoints on various matters such as exact amount of exemptions and things of that sort, which do not go to the question of principle involved in the bill. The amendment that I have now offered is an amendment which I think would correct a very serious discrepancy in the bill, if I can read English language correctly. Surely it must be true that if we are going to start the imposition of an income tax on incomes of individuals and corporations, we should start it on all of them as of the same day, and we should not continue to tax intangibles, for instance, for the year 1931 against certain corporations and then compel some but not all of such corporations to start paying taxes upon the income earned in 1931 also or a part of such income.

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

Mr. BURTNESS. Yes.

Mr. MAPES. As far as I am concerned, and the other members of the committee with whom I have consulted, we are willing to accept the gentleman's amendment.

Mr. BURTNESS. So that the purpose may appear in the RECORD, may I state that if a corporation ended its fiscal year on March 1, 1932, it would have to pay an income tax from March 1, 1931 to 1932, or if their fiscal year ended on July 1, it would have to pay a tax for six months prior to the time when the rest of the corporations or individuals started to pay the income tax. The starting date for all should be January 1, 1932.

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

Mr. BURTNESS. Yes.

Mr. BLANTON. If the gentleman will investigate the matter, he will find that on intangibles the tax they paid is infinitesimal. Very few of them paid any intangible tax at all.

Mr. BURTNESS. I agree with the gentleman, and I commend the action of the committee in proposing this bill. The point is that beginning with January 1, 1932, all of them ought to pay the income tax on business done for that year and not before.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. In view of the amendment just adopted, I rise to inquire of the chairman of the committee whether there must not be some provision made authorizing the assessor of incomes to have some other year for the assessment of incomes for those corporations who have a fiscal year different from the calendar year. Under the wording of the bill as reported a corporation would have been obliged to pay for the fiscal year as adopted by the corporation which ended during the year 1931. I do not find any provision whereby the corporation whose fiscal year ends differently from the calendar year, and there are many of them, to pay on the basis of that arrangement.

Mr. MAPES. Mr. Chairman, the administration of the act is left with the assessor of the District under such regulations as he may see fit to promulgate. Personally, I have always felt that these income taxes ought to go along with the calendar year. It is simply a matter of bookkeeping.

Mr. STAFFORD. I strongly disagree with the gentleman's position as to having business corporations adjust their fiscal year to the calendar year. In the Federal income tax law and in the income tax law of Wisconsin, which was one of the pioneer States in the establishment of an income tax in place of a tax on incorporeal property, we recognize the need of having a provision whereby we permit corporations to pay their income taxes based on their fiscal year.

There are many large corporations which find it absolutely impracticable to have their fiscal year coterminus with the calendar year, and necessarily we must recognize that business arrangement. I think the gentleman should recognize that, and if the bill in its present form does not provide for it, I would feel impelled to offer an amendment to make provision for that condition of affairs.

Mr. BURTNESS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BURTNESS. As the one proposing the amendment, I, of course, agree with the gentleman that the bill should, either by implication or otherwise, make it possible for the fiscal year to end at some time other than January 1, and I take it for granted that the powers of administration given under section 17 are sufficient for that purpose. Surely, with the statement made by the chairman who is in charge of the legislation, that the language does make it possible to provide rules and regulations so as to bring that about, it would seem that would give the assessor and the courts a legislative construction that would probably be binding. Nevertheless, I think it might be well to have the safeguard in, but does the gentleman not think it is a minor amendment that could be taken care of in the Senate?

Mr. STAFFORD. I think perhaps my purpose has been accomplished by calling attention to it in the House, and if the Senate feels it is necessary, they can embody it in the proper language.

Mr. BURTNESS. In any event, I think the legislative intent is that such provision can be made by regulation.

Mr. STAFFORD. That is why I took issue with the chairman of the committee when he said that all returns should be based upon the calendar year.

Mr. BURTNESS. Of course, some businesses could not make returns on the basis of the calendar year.

[Here the gavel fell.]

The Clerk read as follows:

PENALTIES

SEC. 19. Any person as herein defined whose duty it is to file the income-tax return required hereby and who shall refuse or neglect to file such income-tax return shall be liable to a penalty of $500, to be recovered in an action to be brought by the legal department of the District government in the name of the people of the District.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking some member

of the committee or some of the other representatives from States where a State income tax law is in operation, to give us a word of explanation concerning the enforcement of the collection provisions of the State income tax or District income tax. I do this because in our State and in other States where the question is now under discussion, one of the favorite arguments made in opposition is that the State income tax law is not enforceable and the tax is not collectible. It seemed to me that in this discussion, particularly in connection with this section and also section 15, it might be well to have a word with reference to the experience of States on that particular point. If the committee has any information, I would be glad to receive it, and if other gentlemen have any information I would be glad to receive that also at this point.

Mr. MAPES. I have had no experience as far as the State laws are concerned. I may say, however, that we do not anticipate any particular trouble in the administration of the laws in that respect in the District of Columbia on account of the Federal income tax law. I started to say, a provision was considered by the committee which would require the heads of the different departments in the Government to submit a list of the names of employees, the amount of their salaries, and so forth, to the District assessor. However, the committee did not look with favor upon that. It reached the conclusion that the assessor could get the information he needed without putting any such provision in the law. The office of the assessor and the office of the collector of customs of the District of Columbia do not feel that there will be any particular difficulty in enforcing the provisions of this bill as it stands.

Mr. STAFFORD. If I might trespass for a moment upon the House to reply to the gentleman's query——

Mr. KETCHAM. I yield to the gentleman.

Mr. STAFFORD. As far as the administration of the income tax law on personal property in the State of Wisconsin is concerned, I am not surprised that the opponents of State income tax legislation are raising all kinds of scarecrows, trying to prevent its adoption. In the State of Wisconsin, when this measure was adopted years ago, from securing only very minor returns from personal property, particularly on incorporeal property, intangible property, we have succeeded in having the salaried man and all other classes pay as faithfully as they pay under the national income tax law. It is true there are a few instances where persons have defaulted, and those instances are called to the attention of the district attorney by the assessor of taxes, and the district attorney begins suit; and if the man has property he must pay the tax, with the added interest imposed under the act as a penalty. Otherwise, execution will issue against his property.

I can not subscribe to the position taken by the gentleman from Massachusetts [Mr. GIFFORD] that the establishment of an income tax law by a State does not bring in additional revenue. I remember upon my entrance to the floor of this House 29 years ago Mr. Burleson, of Texas, later Postmaster General, called attention to the fact that Washington had become a Mecca for the tax dodgers of the country. They were coming here in large numbers for the sole purpose of evading the payment of taxes on intangibles, and an effort was then made to try to reach the intangibles. We succeeded in a little way, but not nearly so efficaciously as if this income tax law is adopted. This income tax law will reach everybody. There is also the national income-tax return, which will be available to determine the taxpaying class.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. MAPES. Mr. Chairman, I offer a perfecting amendment to section 19.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 17, line 17, after the word "of," insert the words "not to exceed."

Mr. MAPES. Mr. Chairman, I think the purpose of that amendment is clear. It provides that the penalty shall not exceed $500. The amendment will give the court discretion to inflict any penalty it sees fit up to $500. As the bill now reads the penalty in every case would be $500.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

SEC. 20. If any corporation doing business in the District of Columbia refuses or neglects to comply with the requirements of this act or with the rules or regulations of the assessor of the District, relating to the administration of this act, or refuses or neglects to pay the tax herein provided, it shall not exercise any of its corporate powers or franchises or do any business whatsoever in the District of Columbia during the period it refuses or neglects to fully comply with all the requirements of this act.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of completing the statement I just made. The gentleman from Massachusetts cited the State of Illinois, where they have no income tax law. What is the condition in the city of Chicago so far as the assessment of personal property is concerned? It is known to every person who has had any personal acquaintance with taxation in the city of Chicago that favoritism and underassessment is the rule with personal property there. Need I bring to the attention of the gentleman from Massachusetts the fact that to-day Chicago is virtually bankrupt? It can not pay its teachers because of the methods followed in Illinois.

Mr. HOLADAY. Will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. HOLADAY. The condition which the gentleman outlines as existing in Illinois became so unsatisfactory that the governor called a special session of the legislature. The legislature is now in session and is to-day considering an income tax law for Illinois.

Mr. STAFFORD. The trouble with the governor and people of the State of Illinois is that they are 25 years behind the times. They are now forced to enact an income tax law. Why did not they take counsel from the State of Wisconsin 25 years ago? If they had done so, they would not have the condition which confronts them to-day.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SECRECY REQUIRED OF OFFICIALS AND EMPLOYEES

SEC. 21. It shall be unlawful for the assessor of the District of Columbia, his deputy, secretary, or clerk or other employee of his department, or any other person, to divulge or make known in any manner whatsoever not provided by law to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income-tax return filed with the said assessor by any person subject to taxation under this act, or to permit any such return, or copy thereof, or book containing any abstract or particulars thereof, to be seen or examined by any person, or to print or publish in any manner whatsoever any such return, or any part thereof, or source of income, profits, losses, or expenditures appearing in any such report. Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than $500, or he may be imprisoned for a period not exceeding 90 days, or by both such fine and imprisonment, in the discretion of the court: *Provided*, That this section shall not apply to any authorized representative of the United States Government or any authorized representative of any State government. Such representatives, upon written request, shall be permitted to examine such returns at such time as the assessor of the District may designate.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the section. This is not a pro forma amendment. It is a bona fide amendment, and I want to appeal to the membership here present to approve this amendment. It will be an entering wedge in restoring the wholesome provision in our tax laws making income-tax returns public records. The records of taxes on real estate are now matters of public record, and there is no reason why income-tax records should be clothed with secrecy.

We tried it one time and it worked very successfully, so successfully that they came in the next year, on the recommendation of Mr. Mellon, the Secretary of the Treasury, and repealed the publicity provision in our income tax law.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. BLANTON. Will the gentleman have the backing of the Mellon-Mills Republican administration on his proposal?

Mr. LAGUARDIA. No.

Mr. BLANTON. Why does not the gentleman go further and provide that all income-tax matters shall be public?

Mr. LAGUARDIA. We will soon have a tax bill, as the gentleman knows, and we will do it there.

Mr. BLANTON. When the gentleman says "We will," does he mean the Republicans or the Democrats?

Mr. LAGUARDIA. I mean the House of Representatives will have an amendment to the existing tax law before it, and at that time we should make a drive to restore the publicity provision.

Mr. BLANTON. Certainly we should.

Mr. LAGUARDIA. Fine. So we might as well strike out this provision in order that the country may be advised that we will insist upon the restoration of the publicity provision of the Federal tax law.

Mr. BLANTON. After we pass it and the present President vetoes it, will the gentleman provide enough Republican votes over there on his side of the aisle to help us Democrats override him?

Mr. LAGUARDIA. The gentleman can speak for one vote, that is his own, and he knows just how he is going to vote at all times.

Mr. DAVIS. Will the gentleman yield?

Mr. LAGUARDIA. I yield to the gentleman from Tennessee.

Mr. DAVIS. I wish to state that many of us have a good deal of sympathy with the principle stated by the gentleman from New York, but the members of the committee are particularly anxious to have these bills become law, and I think the gentleman from New York will agree that if we were to inject into this bill a highly controversial matter of that kind it will probably result in flagging the bill at the other end of the Capitol, or perhaps promote a veto by the President. This is in conformity with the existing law with respect to Federal income taxes.

Mr. LAGUARDIA. May I suggest to the gentleman from Tennessee that I can not approve of any method of legislation in anticipation of what the Executive will do to a bill. Let us legislate according to our best judgment, and if we are met with a veto the Constitution provides exactly our rights in the matter. I think, judging from past experiences, that we are not going to be confronted with many vetoes in the future. I am ready to face the situation. For one, I want to go on record now as saying that I shall do everything possible at any time to restore the publicity provisions in our income tax law. I think they are wholesome, I think they are sound, and I think they are necessary.

Mr. DAVIS. I want to say that I will vote with the gentleman on that proposition, but we are right now confronted with the question of enacting a law and not of amending one that is already on the statute books.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in addition to what the gentleman from Tennessee [Mr. DAVIS] has said let me suggest that, like the gentleman from Tennessee, I have a great deal of sympathy with the position taken by the gentleman from New York [Mr. LAGUARDIA] so far as the general proposition is concerned; but we are passing a bill here for the District of Columbia, and the gentleman from New York is well aware that the District does not take kindly to tax suggestions from the Congress. If we put in a provision of this kind applying to the District, that does not apply to the country generally. I am afraid we will be subject to just that much more criticism. I think it would be advisable, as the gentleman from Tennessee has suggested, for us to let this provision go along as written in the bill. I hope the amendment of the gentleman from New York will not be adopted.

Mr. FREAR. Mr. Chairman, I rise in opposition to the amendment.

I wish to say, however, I am thoroughly in favor of publicity, and was when the Federal law was originally passed. We worked as hard as we could to get such a proposition through Congress. However, I was amazed when I visited Mr. Philip Snowden at one time in London and was with him a couple of hours to learn his views on publicity. When I stated we were trying to get a provision with respect to publicity as we have in our own State of Wisconsin through Congress, he said that he was opposed to it, and he gave reasons which seemed to him to be of value, and they have not adopted such a provision in England.

I can see no objection to it and am heartily for it; but I would not want to bring it up at this stage of the proceedings for fear we may endanger the bill, as the chairman of the special committee and as the gentleman from Tennessee [Mr. DAVIS] have both well said. For that reason I am opposed to it at this time, but if such an amendment is offered afterwards I shall support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. MAPES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MAPES. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

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

On motion of Mr. MAPES, a motion to reconsider the vote by which the bill was passed was laid on the table.

ESTATE TAX FOR THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5822) to provide a tax on transfers of estates of decedents, and pending that, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1 hour, 30 minutes to be controlled by the gentleman from Tennessee [Mr. DAVIS] and 30 minutes by the gentleman from Wisconsin [Mr. FREAR].

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5822, and pending that motion asks unanimous consent that general debate be limited to 1 hour, 30 minutes to be controlled by the gentleman from Tennessee [Mr. DAVIS] and 30 minutes to be controlled by the gentleman from Wisconsin [Mr. FREAR]. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the committee whether it is his purpose to conclude the consideration of the bill this evening.

Mr. MAPES. The committee would like to go along as long as it can reasonably, but it has no desire to keep the House here unduly late, I will say to the gentleman.

Mr. STAFFORD. It is nearing 4 o'clock, and an hour of general debate would bring us to the usual time of adjournment. Is it the purpose of the gentleman to conclude general debate to-night and consider the bill under the 5-minute rule at some future session?

Mr. SNELL. I understood from the gentleman from Illinois [Mr. RAINEY], the majority leader, if the moratorium proposition is ready to-morrow, the gentleman would take it up; but if it is not ready, I do not know of anything to come up in preference to this measure, but I am not authorized to make such a statement.

Mr. BACHARACH. The committee is still holding hearings on the moratorium bill, and I do not see how the bill can possibly be ready to-morrow.

Mr. MAPES. As the minority leader has stated, the understanding I have had with the majority leader is that these bills will proceed except for consideration of the moratorium measure. When the Ways and Means Committee is ready with that bill, the House will proceed with its consideration, otherwise we are to proceed with these measures until they are passed.

Mr. STAFFORD. Would it be agreeable to the gentleman that we only have general debate on this measure this afternoon?

Mr. MAPES. That is all right.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MAPES]?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5822, with Mr. MCMILLAN in the chair.

The Clerk read the title of the bill, as follows:

H. R. 5822

A bill to provide a tax on the transfers of estates of decedents.

Mr. FREAR. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

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

There was no objection.

Mr. FREAR. Mr. Chairman and gentlemen, I shall only take a few moments of your time in the discussion of this particular bill. Estate taxes, as you may know, have been passed by 46 of the 48 States, so it is not a new question. We have it in the Federal law. It is practically no increased burden upon the District of Columbia in this case, because 80 per cent under the present law—which I think is more than it should be—is returned to the State or municipality under the law—in this case, the District.

The bill we have is a general bill prepared along the lines of the report of the National District Tax Association. There is no particular difference in the rates, so far as I know.

There is an exemption of $20,000 for the widow of a deceased, where there is one, and an exemption of $10,000 for the husband, where there is one. Then there are smaller amounts for brothers and sisters. It is a regular estate tax instead of an inheritance tax.

It begins with 1 per cent on the net income up to $50,000. From that on it is increased regularly, until over $2,000,000 and not to exceed $5,000,000, is taxed at the rate of 10 per cent, and over $5,000,000, the largest amount, is at 15 per cent. The other provisions are for administration and are general provisions that accompany laws of this kind, and are practically the same as in the States, and provisions by the national commission.

Mr. STAFFORD. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. STAFFORD. The gentleman has referred to the exemption for the husband, which is one-half of that allowed for the widow. Under the Wisconsin law the husband is granted the same exemption as a child. The widow is entitled to an exemption of $15,000. But I rise more to ask an explanation of what I regard as rather an unfavorable disparagement in the amount of exemption granted to the brother and sister, namely, $5,000, and to the child, $2,000. That seems to me a glaring inequality.

The committee will find that on page 7, paragraph 8.

Mr. FREAR. There is no reason I have to offer, except that is the rate suggested by the commission. Is my colleague familiar with the Wisconsin statute?

Mr. STAFFORD. I am. There is no such large exemption accorded to brother and sister.

Mr. FREAR. What is the exemption under our statute?

Mr. STAFFORD. It is $2,000 to children and, as I recall, $500 to brothers and sisters. Under the Wisconsin law the rate is graduated according to the degree of consanguinity and the amount of the estate that devolves.

Mr. FREAR. Yes.

Mr. STAFFORD. It seemed to me a rather striking difference, which could hardly be justified, to accord a child only $2,000, and in most instances they are minor children, and brothers and sisters $5,000.

Mr. BURTNESS. Is not the gentleman inclined to think that there may be a transposition of the figures, that at least $5,000 ought to be allowed a child, while a couple of thousand dollars might be afforded to the brother and sister?

Mr. STAFFORD. That was the purpose of my rising. I wanted to call attention to an obvious inconsistency.

Mr. FREAR. If the gentleman will withhold, I think that he will learn that that is the fact before the item is reached in the bill. It would seem to be a mistake in drawing the bill.

Mr. STAFFORD. And that was the purpose of my suggestion that this matter go over until to-morrow, so far as the reading of the bill is concerned under the 5-minute rule.

Mr. FREAR. That is the way to leave it now, and that is the only statement I care to make unless some other gentlemen desire to ask questions. I reserve the remainder of my time.

Mr. DAVIS. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, after listening to discussions of this body on the President's message, and especially after listening to the distinguished Member from New York, HAMILTON FISH, and the noted constitutionalist from Pennsylvania [Mr. BECK], I concluded, believing as I do that this Government is suffering, and has been for years, from an overindulgence of Hamiltonian doctrines that now is a most appropriate time for a Jeffersonian speech.

The gentleman from New York [Mr. FISH] said that he was for sustaining the President on the moratorium. And in effect he added that the international bankers had taken $2,000,000,000 of American money and built up European industries which were thereby put in competition with American industries. However, he said: "I want my day later to go after the international bankers."

To me it was not clear why the job should be put off to a later day. Why not act now?

The gentleman from Pennsylvania [Mr. BECK], who has gained an enviable reputation for his views on the Constitution, suddenly becomes the party hack and pleads, with tears in his voice, to sustain the President. He says the President, in his negotiations on the moratorium, was acting within his constitutional rights. He goes on to say that it is "the wise policy to give to him a very generous and broad discretion." This means a loose, liberal construction of the Executive's rights under the Constitution.

I feel mighty glad that the party of which I am a member has always stood for a strict construction of the Constitution, believing that to be the only way we could perpetuate it as well as preserve the liberties of the people.

It is unfortunate that one so able and with a reputation to sustain, as Mr. BECK has, would not think that there is something of far greater importance to consider in this matter than a mere political party, or even a mere administration. The very Government itself is involved. Shall it last, or shall it go the way of all republics of the past?

If I remember correctly, the gentleman from Pennsylvania says the crash will come if the administration is not sustained. He adds in the course of his speech that the international bankers and the people of America are so thoroughly interlinked that it would be a great disaster if relief is not furnished. I could not help but think, when the gentleman said this: To what extent was the interlinking between the mass of the people and the international bankers? Was it only on the debit side that they interlinked, to share in the losses? For I am sure that nobody in the part of the country that I come from has shared in any of the tremendous commissions paid to the international bankers for the money borrowed through them to rebuild the industries of Europe.

Many Members are sitting in this House to-day who feel their position on this question was complicated somewhat by the message sent to them by the President and the answer they gave thereto. It is to be regretted that the Members were so hasty in replying. As for myself, when I received the message I read it and reread it and then read it again. However, I had previously received numerous questionnaires asking me how I stood on certain questions and how I would vote on them. I always read these communications carefully and then filed them for future reference. So that when I received the President's message I concluded I would just place it along with the other questionnaires and wait until I could see what the propositions were that I would be called to vote upon before giving an expression. I have so often found that questionnaires are not sent to put you on record but merely to put you in a hole.

I feel the Members are not bound by anything that has taken place in this connection, because I find—while I am not a constitutional lawyer, great or near great—that the Constitution provides the only way a yea-and-nay vote can be taken on any proposition is by the request of one-fifth of the Members, unless that provision be liberally construed and the President be deemed to have a right to call for a private vote. So I feel that the Members were imposed upon, and I assure them, if they see fit to change their vote from that which was given in the private poll, their constituents will not call them to account for it. Let your conscience be your guide in this matter. I, for one, stand open and free on the question. I am neither for nor against it, and my vote will be recorded yea or nay, according to the merits of the case.

If I believed I would be serving humanity, or that I would be serving the German people or the German Republic, it would influence me very much. But if I am to be used as a mere cat's-paw to take care of the loans of a lot of money changers, and thereby add further to the American depression, I will not vote for it.

The gentleman from Massachusetts [Mr. LUCE], in discussing the question of the Executive's sidestepping the Constitution, said that that was "not a matter that ought to be introduced into this solemn discussion of what should be done to save the world." This was most magnanimous on the part of the benevolent gentleman from Massachusetts, but if we are to save the world, why not begin by protecting and saving America?

I purpose to try to make clear the importance of one thing, that when Jefferson found it necessary to establish a political party, he did so with this in mind: That it would be truly a national party.

Senator George F. Hoar, a great Republican Senator from Massachusetts, said on one occasion that—

> Every American political sect finds its political doctrine in Jefferson, almost as every religious sect finds its doctrine in the Savior of mankind.

In the great campaign between Stephen A. Douglas and Abraham Lincoln in the State of Illinois invariably, when Mr. Lincoln was pushed to the wall in debate, he would reply to Mr. Douglas by saying:

> I stand squarely where Thomas Jefferson stood. I am fighting in the Jeffersonian, Washingtonian, Madisonian way.

In the campaign preceding the 1861 conflict Mr. Jefferson Davis, of Mississippi, afterwards President of the Southern Confederacy, went into the State of Massachusetts, as well as all the other New England States, and appealed to the Democrats to stand as one. He said in a speech at Faneuil Hall, Boston:

> There is grave danger ahead if the party [meaning that of Jefferson] disintegrates. Remember always that the pulse of a Democrat beats the same whether it is in Massachusetts or Mississippi.

Almost at that very moment Mr. Lincoln took his pen in hand—to be exact as to the time, it was on April 6, 1859—and wrote a letter addressed to H. L. Pierce and others, in the city of Boston, replying to their invitation to address the Republicans in a Thomas Jefferson birthday celebration, and in it he said:

> My engagements are such that I can not come.

But then he went on to say in this letter that something unusual had happened, that the Republicans of that time were the real Jeffersonians, and that the party of the opposition had ceased to be the representative party of Jefferson. Then he added this tribute to Jefferson:

> All honor to Jefferson—to the man, who, in the concrete pressure of a struggle for national independence by a single people, had the coolness, forecast, and sagacity to introduce into a merely revolutionary document an abstract truth applicable to all men and all times, and so embalm it there that to-day and in all coming days it shall be a rebuke and a stumbling block to the very harbingers of reappearing tyranny and oppression.

In this letter he also said:

> The Republican Party is for both property and man; in case of conflict, for man first.

How far the modern Republican organization has drifted from this in its efforts to serve the privileged few is evidenced by the economic developments of the present era of industrial aggrandizement.

MISSOURI IN JEFFERSONIAN LEADERSHIP

My own State of Missouri, in the great struggle between the States, furnished ample evidence that the political mantle of Jefferson was intended to cover all. We have it in the history of the outstanding public men of our great city of St. Louis, patriotically exemplified in that splendid soldier and statesman, Frank P. Blair, who espoused the cause of the North, organizing the first company of Union men in the South. He was a Jeffersonian. We have it in the life of that great military commander, Gen. D. M. Frost, who, as patriotically devoted to his own ideals, espoused the cause of the Southern States. Both were Jeffersonians. Let me bring it more closely down to a later day in Missouri's affairs. I shall pick four men famous in public life. Boone, Pettis, Johnson, and Saline Counties furnished them. However, all Missouri remembers and honors them. Their names are Crittenden, Cockrell, Vest, and Philips.

Thomas Theodore Crittenden, who had served in the Congress of the United States prior to the war, was a brave soldier of the North, a Kentuckian by birth, a Jeffersonian in politics. After the war he was Governor of Missouri and Minister to Mexico.

Francis Marion Cockrell was a soldier of the Confederacy, and in Pollard's great Southern History of the War Between the States he gives special praise to Cockrell and his legion as having conducted themselves in a brave and gallant way. In after years he was a famous Missouri statesman, and all his life he was a Jeffersonian.

Then let us look upon Missouri's two great scholars, also of that period: First, John F. Philips, who was a Member of Congress several times after the conflict between the States, and who had performed heroic service as a soldier in the army of Lincoln and afterwards achieved honor and distinction as a distinguished jurist in the Federal courts of this Nation. He likewise was a Jeffersonian.

Last, but not least of the four by any means, let us recall George Graham Vest, that great statesman who served his State as both Congressman and Senator in the Confederacy. We find him closing his career politically in the Congress of the reunited States wherein he served 24 years as a Sen-

ator. From the beginning to the end of his splendid career he was a Jeffersonian and an eloquent and outspoken one.

The mere difference of section, or the intensity of conflict between the sections, in no way separated these men from their beliefs in the teachings of Jefferson.

JEFFERSON STILL IGNORED

President Lincoln once said: "It is now no child's play to save the principles of Jefferson from total overthrow in this Nation." This is as applicable to-day as it was when Abraham Lincoln said it in 1859. Those who are interested in the suppression of the teachings of Jefferson are constantly at work. I have in my hand a clipping which contains a statement issued by an organization of to-day known as the Constitutional Education Association. It was sent throughout the Nation as a copyrighted newspaper article. It names, in a peremptory way, as the six greatest American statesmen, Franklin, Washington, Hamilton, Marshall, Webster, and Lincoln. It characterizes them as the men who were most effective in establishing the Constitution and carrying forward its sequence. It undertakes to specify their contribution to that document in this way:

Benjamin Franklin is most intimately associated with the preparation of the Constitution, George Washington with its creation, Alexander Hamilton with its ratification, John Marshall with its interpretation, Daniel Webster with its exposition, and Abraham Lincoln with its preservation.

Not one word is said of Jefferson's connection therewith, nor of what the Jeffersonians, headed by Madison, Mason, Monroe, and others, contributed. Mr. Jefferson was minister to France at the time. He took his pen in hand after seeing the proposed Constitution and wrote to his friend James Madison and others:

There is a great mass of good in it, in a very desirable form, but there is also to me a bitter pill or two. I will now add what I do not like: First, the omission of a bill of rights providing clearly and without the aid of sophism freedom of religion, freedom of the press, protection against standing armies, restrictions against monopolies, the eternal and unremitting force of habeas corpus laws and trials by jury in all matters of fact triable by the laws of the land and not by the laws of the Nation. A bill of rights is what the people are entitled to against every government on earth.

WHAT JEFFERSON GAVE TO THE CONSTITUTION

Then the Jeffersonians commenced to patch this document in accordance with Jefferson's ideas. Patch No. 1, which is amendment No. 1 to the Constitution as framed by the fathers—

Religious liberty, freedom of speech, right of petition: Congress shall make no law respecting an establishment of religious belief, or preventing the free exercise thereof or abridging the freedom of speech or of the press or of the right of the people peacefully to assemble and to petition the Government for a redress of grievance.

Patch No. 2. The right to bear arms. This was intended as a State right and as a people's right to bear arms for their own protection.

Patch No. 3. Soldiers shall not be quartered in private houses.

Patch No. 4. Search and seizure. The right of the people to be secure in their persons, homes, papers, and effects against unreasonable search and seizures.

Patch No. 5. Rights of persons accused of crime. (This carries with it the necessity of a presentment or indictment of a grand jury, which prohibits the use of a defendant to be made a witness against himself or to be deprived of life, liberty, or property without due process of law.)

Patch No. 6. In criminal prosecution the accused shall be entitled to a speedy trial.

Patch No. 7. Trial by juries guaranteed.

Patch No. 8. Excessive bail prohibited.

Patches 9 and 10 have to do with the preservation of the rights of the States.

All of the foregoing provisions, now the constitutional law of the Nation, were put into the Constitution by amendments inspired by Thomas Jefferson and sponsored by his political followers. They were not in the original draft of the Constitution.

The Constitutional Education Society was both prejudicially blind and deaf to what Jefferson and Jefferson's followers did. Let me make up their oversight. All that Jefferson and his followers did was to humanize the Constitution. These Jeffersonian patches are America's bill of rights.

I feel free to assert that the life of Jefferson has not been taught to the children of America as it should have been purely from an educational standpoint. Concerning holidays, many of the States have both a Washington and a Lincoln day. Rightfully so; but concerning the schools, George Washington had something to do with the early school system; Mr. Lincoln had nothing to do with it. His was a work of another kind. But on the part of Jefferson, Jefferson had everything to do, fundamentally, with the schools of America and the struggle for the education of the masses. Yet to-day there are but three States in the Union that have a Jefferson holiday: One is Alabama; Missouri now has one, only recently enacted by the general assembly; and Florida has followed Missouri with one also, which makes three—two being of most recent enactment.

THE SPONSOR OF FREE SCHOOLS AND UNIVERSITIES

Jefferson in his early life made a fight in the House of Burgesses of the Colony of Virginia to the end and purpose that the children of all should have the benefit of free schooling. In this he was opposed and four times suffered defeat at the hands of the aristocracy of his State for the reason that they did not purpose to be taxed to educate the children of the poor. This did not deter Jefferson. He continued the struggle until finally, after many, many years, the Colony and later the State of Virginia gave to the children what they were rightfully entitled to, educational facilities at public expense.

Jefferson held many places of high and of modest honors. He was not only a President of the United States, he was also a Vice President; he was a Secretary of State; he was a minister to France; he was a Member of the Continental Congress; he was a member of the House of Burgesses of the Colony of Virginia; he was a justice of the peace; he was a vestryman of the Episcopal Church. When he came to write the things he wished to be remembered by, he forgot all of these honors and plainly indicated that he wished to have engraved upon his tombstone only three achievements:

Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and founder of the University of Virginia.

He founded the University of Virginia, of which he was rector until his death. Over its doors he caused to be inscribed a motto. I have always felt that the child going to school should have something to connect its school days with the hereafter, something that would be lastingly impressed upon the mind of the child. "God is here. God is everywhere. God is just." Just something so that the child would make a connection between its worldly education and the life to come. I felt often that maybe it could not be. Always I had the dread that in things religious an interpretation by an unwise school-teacher might be injurious to the child. I never realized I was sensing a sound Jeffersonian doctrine until I stood at this great Virginia institution of learning, founded by Jefferson, and learned that the motto he had written for that university was, "Ye shall know the truth and the truth shall make ye free." This was taken fresh from the lips of the Savior, and every child, boy or girl, who goes to the University of Virginia will always remember that the motto of that great institution, selected by Thomas Jefferson, was one connecting the Savior of Mankind with its education.

Again let me add that practically all of the great ideas of aim, administration, and curriculum which dominated the nineteenth century American universities were anticipated by Jefferson. I am not saying this. That is what the Encyclopedia Britannica says of Jefferson's university ideals, and still this great champion of education is practically unknown to the American child, still deliberately ignored by the educators and molders of public opinion in our country.

JEFFERSON'S PRACTICAL EDUCATIONAL PLAN

Prof. James C. Carter, in 1898, at the University of Virginia, recalled an occasion when there had been a meeting in 1818 in Virginia at which there was present the then Presi-

dent of the United States, James Monroe, and two ex-Presidents, Thomas Jefferson and James Madison.

At that meeting there was read the celebrated report prepared by Jefferson for the commission appointed by the governor, which contained in effect his definitions of the objects of primary education. It was as follows:

1. To give to every citizen the information he needs for the transaction of his own business.
2. To enable him to calculate for himself and to express and preserve his ideas, his contracts, and accounts in writing.
3. To improve, by reading, his morals and faculties.
4. To understand his duties to his neighbors and country and to discharge with competence the functions confided to him by either.
5. To know his rights; to exercise with order and justice those he retains; to choose with discretion the fiduciary of those he delegates; and to notice their conduct with diligence, with candor, and judgment.
6. And, in general, to observe with intelligence and faithfulness all the social relations under which he shall be placed.

This statement of the objects of primary education—

Said Professor Carter—

will never be improved. It ought to be written in letters of gold and hung in every primary school throughout the land and be known by heart to every teacher and child therein. It is, indeed, more than a statement of the elements of rudimentary education. It is an enumeration of the duties of every good citizen under a popular government.

Let me add how sadly I have found that Professor Carter's admonition in this respect has been ignored. I have frequently met school-teachers who were puzzled as to which was which, Thomas Jefferson or Jefferson Davis, so little had they been taught about Jefferson and the things he stood for. I purpose to give before I am through the real reasons why the teachings of Jefferson have been suppressed and why a persistent campaign of belittlement and abuse has been conducted against his teachings from his own day to the present time, when we find a presumptive "educational" society has gone so far as to omit his name from the great contributors to the letter and spirit of our Constitution.

A GENIUS AS WELL AS A STATESMAN

Jefferson was the father of so many things. He was the father of fast mails. When he was Secretary of State he was the father of the patent system. All the early patents were issued by him as Secretary of State.

He was a great inventor, but patented nothing himself. His contention was that when one was blessed with genius he should devote its use to the benefit of mankind. Invariably upon Jefferson's inventing anything he immediately gave it to the public. The models of his inventions are on exhibition at Monticello.

Jefferson was the father of the almighty dollar. He was responsible, or, rather, he was the author of the coinage act of the United States, and whenever you have a 10-cent piece in your hand or a dollar or a $10 gold piece, you have in hand an evidence of one of the acts of Jefferson, wherein he fixed the unit of value. But he never made the dollar the standard of citizenship.

The children of the United States have been fed up by the press on George Graham Vest's famous speech on the dog, in which he said the dog was the best friend man ever had. But why not give to the child something that Vest had to say on Thomas Jefferson as a friend of man? It is a most beautiful tribute. It would thrill not only a child but any man or woman who will read it. Let me quote from George Graham Vest's great utterance on Jefferson, delivered in the city of St. Louis before the Jefferson Club on October 31, 1895:

On June 21, 1775, Jefferson took his seat as a Member of the Continental Congress, and in June, 1776, wrote, with his own hand, the Declaration of American Independence, the most sublime enunciation, save one, ever made to the human race. That "All governments derive their just powers from the consent of the governed" is but a corrollary of the divine injunction "All things whatsoever ye would that men should do to you, do ye even so to them." Together these two great truths embrace all the rights and duties of mankind.

To Jefferson we owe eternal gratitude for his sublime confidence in popular government and his unfaltering courage in defending at all times and in all places the great truth, that "All governments derive their just powers from the consent of the governed."

The love of liberty is found not in palaces, but with the poor and oppressed. It flutters in the heart of the caged bird, and sighs with the worn and wasted prisoner in his dungeon. It has gone with martyrs to the stake, and kissed their burning lips as the tortured spirit winged its flight to God!

In the temple of this deity Jefferson was high priest! For myself, I worship no mortal man living or dead; but if I could kneel at such a shrine, it would be with uncovered head and loving heart at the grave of Thomas Jefferson.

THE FRIEND OF EQUALITY AND FREEDOM

Jefferson fought the ancient English laws of entails and primogeniture so that there should be no distinction between the rights of children and that all American children should stand on an equality in the sharing of property. When he was making this fight, to abolish the odious custom that had resulted in the building up of a vast landed aristocracy, he was confronted with great opposition. This opposition finally had to give way, and when he was about to complete this great change in the passing of property, he was appealed to, to be at least as fair as was the custom under the ancient Jewish laws, whereby the oldest boy received a double portion. Jefferson's reply was:

Yes, I think that on proper showing the oldest boy should have a double portion; however, he should be made to show that he does double the work, or eats double the amount of food, otherwise he should share equally with the youngest or the rest of the children.

I contend that Thomas Jefferson said things more terrific in their indictment of human slavery and things more beautiful in his praise of those who were trying to abolish human slavery from the world than Henry Ward Beecher, Harriet Beecher Stowe, Wendell Phillips, and Lloyd Garrison all put together, and still Jefferson as an enemy of slavery is almost unknown in the school histories. How few realize that as a young man, then a member of the House of Burgesses of Virginia, he fought to do away with the expulsion law which sent out of the colony the slave that had earned the good will of the master to such an extent that the master gave him his freedom. The property laws demanded that he leave instantly the colony lest he be a disturbing element.

Jefferson took the position that if the manumitted slave had earned the good will and the trust of those about him, he should be permitted to live and die among his people. Four times he was defeated in this contention. There are 49 utterances of Jefferson on the question of human slavery, any one of which would thrill the heart of every lover of human freedom. And this notwithstanding he was the man who taught all the States the correctness of the doctrine of State rights as one of the fundamental principles of interstate harmony and of national freedom.

How few to-day realize that when Jefferson wrote the immortal document of independence, he incorporated in his original draft of it a vigorous indictment of the King of England for having made war upon these unfortunate people of another race who had harmed him in no way, put them aboard his ships, many of them dying horrible deaths in transit to the Colonies. He indicted him further for having set up markets for their sale, and when the Continental Congress came to vote on these arraignments they were stricken from the Declaration of Independence. This was done mostly through the influence of New England shipowners, who said:

It wouldn't do to condemn England for the very thing that we shipowners are making profit out of.

Little Rhode Island alone had over 100 ships engaged in the slave traffic. Property influence prevailed even in the framing of that immortal document, and the indictment against England for encouraging slavery was stricken from the Declaration of Independence.

JEFFERSON AND THE THIRTEENTH AMENDMENT

While a Member of the Continental Congress, Jefferson was appointed one of the committee to draft the laws which were to govern the territory soon to be admitted as States to the Union. It comprised that portion of the country which is now Alabama, Mississippi, Tennessee, and Kentucky. He, on that occasion, reported an ordinance which reads as follows:

Slavery, abolition of: After the year 1800 of the Christian era, there shall be neither slavery nor involuntary servitude in any of

the said States otherwise than in punishment of crime, whereof the party shall have been duly convicted to have been personally guilty.

This ordinance was lost by a single vote of a single Member of Congress from one of the States. The vote was by States. Seven States were necessary; six States voted for it. Had there not been a Member from New Jersey ill at the time, it would have carried. That was 81 years before the thirteenth amendment was adopted.

Now, let me read to you the thirteenth amendment to our Constitution as introduced by John B. Henderson, a Missouri Senator, and passed by Congress in the year 1865, February 1:

SECTION 1. Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.

SEC. 2. Congress shall have power to enforce this article by appropriate legislation.

If you will compare the Jefferson ordinance and the thirteenth amendment, you will find not only the thought but the wording almost exactly the same, so that when Senator Henderson came to write the thirteenth amendment he simply went to the defeated ordinance of Thomas Jefferson and adopted it word for word and put it into the Constitution.

Jefferson said, concerning the failure of his ordinance:

There were 10 States present; 6 voted unanimously for it, 3 against it, and 1 was divided; and 7 votes being requisite to decide the proposition affirmatively, it was lost. The voice of a single individual of the State which was divided, or of one of those which were of the negative, would have prevented this abominable crime from spreading itself over the new country. Thus we see the fate of millions unborn hanging on the tongue of one man, and Heaven was silent in that awful moment! But it is to be hoped it will not always be silent, and that the friends to the right of human nature will in the end prevail.

Had Jefferson's ordinance prevailed, the War between the States would have been averted; the sufferings which grew out of that war would never have taken place. Jefferson's last thoughts on this question were these. As his life was drawing to a close he said, "I am too old to make this fight. This will have to pass to the shoulders of others. All I can offer now are the weapons of an old man, my prayers." He had said, "Remember, it is written in the book of fate that these people shall be free."

I have frequently referred to this and been confronted fronted later by men of the Negro race who said, "But Jefferson taught that the races shouldn't live side by side, that there should be a separation and that the white man should assume responsibility, should educate and train the Negro and find a habitation for him." They said, "Do you think he was fair in that?" "Well," I replied, "in the light of what happened later, I would think that the Jefferson of his time was eminently fair, for we find seventy-odd years afterwards Abraham Lincoln, the Emancipator, saying the same thing."

On August 14, 1862, addressing a deputation of colored men, President Lincoln expressed clearly his belief that the colonization of that race would be the wisest solution of the difficulties which he foresaw would grow out of the emancipation of the race. In the course of that address he said:

We have between us a broader difference than exists between almost any other two races. Whether it is right or wrong I need not discuss, but this physical difference is a great disadvantage to us both, as I think. Your race suffers very greatly, many of them, by living among us, while ours suffers from your presence. In a word, we suffer on each side. If this is admitted, it affords a reason, at least, why we should be separated. * * * It is better for us, therefore, to be separated.

JEFFERSON ON RELIGIOUS FREEDOM

It was no easy fight for Jefferson and his followers to dislodge the clergy selected and appointed from England by the Church of England, and paid by tithes in the colony of Virginia. When Jefferson undertook this great fight, which took years and years to win, and when victory was about to be attained and he was about to achieve the complete divorcement of church and state, he was confronted by two great men, who said to him: "Jefferson, you are right in divorcing the church and state, but you are going too far. Let the taxes for church purposes be collected from each person and then permit him to designate to what particular church he wishes the taxes diverted." And then Jefferson gave utterance to this characteristic declaration: "I have sworn, upon the altar of God, eternal hostility against every form of tyranny over the mind of man." And he pushed forward with his work. How few remember in these days that the two men he had to defeat in the final struggle were none other than Patrick Henry and George Washington, the Father of his Country. Why wouldn't this be interesting reading, not only for school children but for grownups as well?

The responsibility for this failure on the part of America to understand its greatest statesman, or rather to know something of him beyond the fact that he wrote the Declaration of Independence is due to the doctrines he taught, which had to do with the menace of wealth—the encroachments of the "big rich." He taught that if there ever was a chosen people of God it was those who tilled the soil. In this he was right, even as it is handed down to us by history and tradition, because the ancient Jewish people were tillers of the soil. He taught that if happiness was to be ours it had to come primarily from those who tilled the soil. He taught that there should be no centralization of government; likewise, that there should be no centralization of wealth. His teachings warn us that every device of legislation should be used to keep down the building of great fortunes, lest it lead in the end to tyranny.

All his writings bring us to the conviction that he believed in a multiplicity of well-to-do people scattered over the land and not a few very, very great rich centered in a corner of the land. He taught a doctrine which would be of grave danger to the captains of these great fortunes were the children of this land to know that Jefferson believed in the right of revolt under oppression either of tyranny or wealth. He said he would not give a fig for a people who did not have the spirit of revolt in their blood, lest those who are their agents might forget whose Government this is; that to keep this fact in mind an occasional uprising of the people in protection of their rights was a wholesome thing. Surely these great captains of wealth would not want the children to become acquainted with such dangerous doctrines or to come out of school and find that the vast fortunes piled up in the hands of a few had abridged their opportunities, leaving nothing in sight for the boy or the girl facing the world in the country of Jefferson but the meager chance of securing employment at Sears-Roebuck or Montgomery Ward's or at some other centralized institution.

This, and this alone, is responsible for the motives of the "big rich" in keeping dark the things that Jefferson taught.

Many masquerade as Jeffersonians in one party who are not Jeffersonians at all, and some there are in other parties not bearing his name who are really Jeffersonians. The principles of Jefferson are in their mere infancy, so far as government application is concerned. The principles of Alexander Hamilton are to-day functioning 100 per cent in the national Government. The teachings of Jefferson were intended not merely for party purposes but to perpetuate the Republic; departure from the teachings of Jefferson means that this Republic will soon follow in the footsteps of those republics which fairly dotted the old world long before this one was ever thought of. The perpetuation of this Republic, if it is to be, must be through a return to the teachings of Jefferson.

THE OPPOSING IDEALS OF HAMILTON AND JEFFERSON

Alexander Hamilton believed and often asserted that the people is a beast and has to be led. He taught that the well-born and rich should have something more than the great mass of people. Jefferson taught this was a government of the people, and that the humblest had as great a voice in it as the richest. He had sublime confidence in the judgment of the people. Sometimes it looks as though he were mistaken. The people fail to grasp the importance of a people's government. Mr. Thomas Watson, of Georgia, a great historian and great statesman, wrote concerning Hamilton, that "Hamilton had hardly taken off his hat and settled in his office as Secretary of the Treasury before he

began to write laws to please the rich, to enlist the rich, to additionally enrich the rich."

Let me quote from an article in the La Follette newspaper, the Progressive, which states that in 1920, 33 people had an annual income of $1,000,000 or more; in 1928 this had grown to 504 people with such incomes. In 1920 four people had an annual income in excess of $5,000,000; in 1928, 36 people had such an income. In 1920, 3,167 people had an annual income in excess of $100,000, and at the later date the number had grown to 14,242. This all in the first eight years of the reign of Andrew Mellon, sitting in the key place of government, the place which Hamilton held. It has been frequently said that Andrew Mellon is the greatest Secretary the Nation has had since the days of Hamilton. He surely meets Tom Watson's description of what Hamilton stood for in the way of additionally enriching the rich.

There has been at times in this country a real effort on the part of many men to revive and to make effective the teachings of Jefferson. Jefferson said there was no proper regulation of monopoly proposed by the Constitution. In 1889 and 1890 the men who composed the Congress of the United States believed that monopoly would soon destroy the little fellow in trade everywhere. The Sherman antitrust law was the outgrowth of this feeling. In December, 1889, John Sherman introduced his famous measure to regulate combinations in restraint of trade, known as the Sherman antitrust law. In that body were many great men, among whom were George Edmunds, of Vermont; George F. Hoar, of Massachusetts, a great Senator; J. Z. George, of Mississippi; Senator John Reagan, of Texas; Cockrell and Vest, of Missouri; Plumb and Ingalls, of Kansas. This measure finally passed the Senate of the United States by an affirmative vote of 51 and a single negative vote. It reached the lower House of Congress and, under the leadership of Silver Dick Bland, passed with not a negative vote recorded. The measure was signed by the President of the United States and became a law in June, 1890.

For 21 years this measure weathered the courts. On two occasions the Supreme Court of the United States sustained it. In 1911, 21 years after its enactment, two struggling infant industries—namely, the American Tobacco Co. and the Standard Oil Co.—with their heads hardly above water, in great distress, through their hired agents made an appeal, saying: "We can not get justice from the people; we can not get justice from the Congress of the United States. We want justice. We are here appearing before the Supreme Court for a new interpretation of the Sherman antitrust law." And 21 years after its passage the Supreme Court, through its Chief Justice, White, wrote the infamous decision wherein it was declared that in the light of reason, the rule of reason is that Congress meant to say not all combinations in restraint of trade, but all combinations in "undue" restraint of trade.

A JUDGE-MADE LAW

The Supreme Court of the United States wrote the word "undue" into the Sherman Act and thereby took the teeth out of it, and there has not been a bad trust in the United States since that day. Justice Harlan, a member of the court, in a minority opinion said:

> If Congress meant to say that, why didn't it say it? And it has had 21 years to say it in and hasn't said it yet. You at this late day write that word into the act.

He further said:

> You are not interpreting the law, you are not rendering a decision based upon the act, you are writing the act. You are performing a function that was never intended you were to perform. This is judicial legislation, not judicial interpretation.

How the trusts must have trembled when President Hoover, a few months ago, named as a new Chief Justice a gentleman who was one of the affirming members of the court that voted to take the teeth out of the antitrust law, Charles E. Hughes. And now the trusts are crying for more privileges, and the President responds. In his message he says, concerning the antitrust laws, that there is wide conviction that some changes should be made, especially in the procedure under these laws. He adds: "* * * I do not favor their repeal * * *." Why, the truth of it is they have not had anything but privileges since the law was put upon the books. First, they had Executive permits by inaction, and then they have had judicial permits, and now they are clamoring for something more. If there is anything left for them to get in the way of Executive and judicial favors, I do not know what it is. Remember that the State courts sustained their trust laws; remember that the decision in this particular Standard Oil case, which originated in eastern Missouri, was unanimously sustained by the United States Circuit Court of Appeals, and the opinion of that court, which was set aside by the United States Supreme Court, should be known to everyone. The special concurring opinion of Judge Hook should be read by every citizen of the Nation to-day. It was sound, and should have become also the opinion of the Supreme Court.

SOME CRITICS OF THE COURTS

We are told not to criticize the courts, and we should not, unless we do it in the way it was done by such a dangerous man as Thomas Jefferson, who pointed his finger at John Marshall, the then presiding Chief Justice, and said:

> There sits the man who, by his twistifications of acts of Congress, is going to take away from the people their liberties.

And there were other dangerous men.

The next man who proved to be a critic of the Supreme Court was none other than "fighting" Andrew Jackson. He said of the same Marshall:

> He has written an opinion, but to enforce it, it takes the militia. I have charge of the militia. Let's see John Marshall get the militia to enforce his decision.

And then another dangerous man came along who had the hardihood to criticize the court. His name was Abraham Lincoln. He said:

> Better that we destroy that court—

Referring to its decision in the Dred Scott Case—

> than for that court to destroy this Republic.

And then a little later two more dangerous men arose to offer some criticism of the courts.

One of them was a very impulsive man who, in 1912, one year after the Supreme Court rendered its trust decision, went into the State of Ohio and made a speech, and on that occasion he criticized the tendency of the courts to interfere with the rights of the people. He said:

> There are certain decisions in which the people should have a voice even after the decision is rendered. There are private suits between litigants that the effect of decision therein is to interfere with rights of the people as a whole; therefore, the people should have some voice in approval or disapproval of such decision.

He also added on that occasion:

> Opportunity should be preserved to the American boy, just as his father and his grandfather had before him.

That was Teddy. Theodore Roosevelt was running for the Republican nomination for President, and up to the day he made that speech he looked like a winner but after he made it, big business saw to it that the nomination went to Mr. Taft. They preferred defeat with Taft rather than victory with Roosevelt with such doctrines as these in his mind.

A short time ago, in the city of Cleveland, there was a meeting. It was the World's Alliance of Young Men's Christian Associations, and at this meeting was voiced the protest of youth against conditions that were fast closing the doors of opportunity.

> In particular the World's Alliance urges that immediately further steps be taken by governments and leaders of commerce and industry to give youth opportunity to gain a livelihood until economic stability is restored.

That resolution was passed at that meeting. I wonder if these young Christian gentlemen who met over there and passed that resolution had any realization of what happened to Theodore Roosevelt when he got in the way of big business and demanded opportunity for the boy of his day, expressing the wish that he should have the same opportunity that his father and his grandfather had?

Dealing with this word "opportunity" at this moment, let me just say that there is no liberty unless there is opportunity. If we are, nominally, free but with no opportunity to make a living, then there is no liberty, and Roosevelt and the Young Men's Christian Association were both right in demanding that the youth of to-day have such equal opportunity as may accord them at least a chance to obtain a job or embark in a better business which will assure them a fair living and the right of a competency for their families.

BRYAN A GREAT JEFFERSONIAN

The next man who appeared in the limelight as indicting the courts was William J. Bryan. In the same year, 1912, a year after this Standard Oil decision of the Supreme Court was rendered, he said:

> There sits at the White House the man who has packed the courts in the interests of the trust—

meaning Mr. Taft. Mr. Taft said on that occasion that he would not dignify Mr. Bryan with an answer. Mr. Bryan was right. He did not believe Mr. Taft was personally dishonest; he did not believe that he would take money; but he did know that Taft was a Hamiltonian, that Taft was not a Jeffersonian, or a believer, like Jefferson, in the rights of the people.

Taft believed as a loyal Hamiltonian that it was the duty of government "to write laws to please the rich, to enlist the rich, and to additionally enrich the rich." Therefore the little fellow in trade met disaster from those statesmen who followed the theories of Alexander Hamilton.

William J. Bryan tried hard to revive the doctrines of Jefferson, and in his preachment of these doctrines he urged the things that would have resulted in good for the little fellow in trade. Bryan's greatest speech was not his "Cross of Gold" speech, but his speech on the trust question in 1900 in Chicago at a gathering of those for and against the trusts, in which he said this:

> I am opposed to any plan which places the dollar on a pedestal and man under the dollar. The dollar was made for the use of man, and not man for the use of the dollar. This is a debasement of mankind.

He then went on to describe the contest ahead of us as a contest between two men: The God-made man and the man-made man. The God-made man was a man who was brought into the world with a heart and a soul; he was only permitted to remain here a short time, 60 or 70 years, not long enough to do much harm; in the God-made man, the biggest was not much bigger than the smallest, the strongest not much stronger than the weakest. Then man made a man, and that man was given a life in perpetuity. This man-made man was not made of equal strength with the God-made-man; but given a strength, yes, one thousand or one million times greater. This man-made man had neither a heart nor a soul.

The God-made man, said Bryan, had a soul that he might be punished in the world to come for misdeeds; there was no punishment for the man-made man unless it was on this earth. The man-made man can be found in the form of a corporation that is at the back of every trust in the United States. Man was the creator of this man; he could regulate it. And, let me add, that if need be, he can put it out of existence if its continuance means the destruction of the happiness of the God-made man. This was Bryan's greatest speech.

He was preaching simply the doctrine of Jefferson when he gave this great utterance, but for some reason or other there was not an American response. The people preferred those who were preaching the Hamilton doctrine. They followed the Hamiltonian teachers of that day, and disaster has followed quickly in the wake of this Hamiltonian decision of the Supreme Court written by Hamiltonian judges appointed by a Hamiltonian President. The Standard Oil Co. and the American Tobacco Co. were taken care of, and the thousands of other trusts which have waxed fat on the nourishment of that decision are no small contributing factors to the depression in which this country is sunk to-day.

Let us not forget that the Hamilton believers are working all the while. I have here a copy of the Saturday Evening Post, in which the sage of Northampton, Mass., Calvin Coolidge, takes his pen in hand—I think he gets $3 a word for these effusions that appear from time to time. Being thrifty and diligent, like all New Englanders, he gives little for nothing. Mr. Coolidge, in his articles, proceeds to give real Hamiltonian doctrine to the Post readers—the plain, old-fashioned Vermont garden variety.

COOLIDGE ON LEADERSHIP

He says in this article:

> It is natural and inevitable that the people would wish to see their authority repose in some public officer and translated into positive action for their relief and protection. More and more they have come to look to the Executive Office for leadership.

That is typical Hamiltonian doctrine, "look to the Executive Office for leadership." The people's representatives in Congress do not count. Then he says:

> The ordinary voters can not give the time and attention necessary to solve the intricate and complicated problems of modern government. They have to be engaged in earning their livelihood; the natural rule of division of labor requires them to delegate governmental duties to expert officers.

"Delegated to expert officers." You know the ones he means.

First, I take issue with him when he says that the people have not time to give attention to the problems which concern them or that they are too busily engaged making a living to give thought to these complicated questions of government. When Mr. Hoover took his seat more than three-fourths of American employees and little merchants sat down with him, and they have not gotten up yet. They have had plenty of time to think of these complicated questions of government. The trouble with the American people is they have trusted too much to the Hamiltonians of the Coolidge-Hoover type, and the leadership has been a false leadership, a leadership of property and not of humanity.

I listened to Mr. Coolidge over the radio some time ago. He was crying out that he wanted the people to buy insurance, that he was a director in the New York Life Insurance Co. himself, and that he could recommend insurance as a good investment. I could not believe the evidence of my own ears, that an ex-President of the United States would lend his prestige to the selling of life insurance. I could not help but think that perhaps if he had lived in an earlier day, he would have been selling lightning rods or sewing machines, because many New Englanders engaged in those two occupations. But when I thought that this man, in this period of distress, was urging others to buy—he who was so thrifty, and who had received $75,000 a year as President of the United States and saved most of it—and when I remembered it was said that when he decided to move back to Northampton he used Government trucks to haul his household effects, I was no longer surprised that he had left the Presidency to peddle life insurance and tell the people, at $3 per word, the kind of leaders they ought to follow.

When the great War between the States closed and President Grant was installed, he met George Pickett, of the famous Pickett brigade of the Southern Army, and he said, "Pickett, I am going to make you marshal of Virginia." Pickett was, oh, so poor, and he said, "Why, Mr. President, you can't do that." "Yes; I can." "No, no; you can't. There are two reasons. First, you can't afford to do it; and, second, I can't afford to take it." And then the President, in his brusque way, demanded, "Who in the hell told you I couldn't afford to do it?" "Maybe you can, Mr. President, maybe so; but the second reason stands. I couldn't afford to take it at your hands." This in no way detracts from the magnanimity of Grant in tendering it. Grant saw it in the light that he wanted to help Pickett, but Pickett could not bring himself to accept anything at the hands of President Grant lest those whom he had led such a short time before, many of them to death, all of them to poverty, might disapprove of his accepting something at the hands of one who had led the forces of the opposition. That was Pickett's idea of prestige and honor.

The same State furnished a great leader, the commander of the armies of the South. After the war the New York

Life Insurance Co., later the employer of Calvin Coolidge, said to Gen. Robert E. Lee, "We want you as our president," and tendered him the magnificant salary of $50,000 a year. And then this great man said in reply: "I am not an insurance man. I know nothing about the insurance business. Therefore, if I accepted this place, it might be considered that I was bartering away my people or my name. This can't be done." Lee declined it. He accepted instead the presidency of the Washington and Lee University, of Lexington, Va., at a salary of $1,500 a year. No Vermonter of the Coolidge kind could understand this, but it was a great example of real leadership, without thought of the dollar.

JEFFERSON REFUSED GIFTS AND EMOLUMENTS

When Thomas Jefferson was President, he protested against the presentation of gifts to him while holding that office. First the question came up in the presentation of merely "a bust of the Emperor of Russia." When this presentation was made he had to accept it diplomatically, but a little later a cane was tendered him, and he declined it. In his declination he said that the President of the United States should receive a gift of no kind from any source, unless it be a pamphlet or a book, and he should receive no compensation or remuneration of any kind outside of his salary. He carried this principle out even on his retirement into private life, refusing employment of any kind that carried with it compensation, lest it be said of him that he was selling the prestige of that office. I would respectfully suggest to the sage of Northampton that he should substitute the Virginia ideals of leadership for the Vermont idea of getting while the getting is good.

Let me remark, as I am about to conclude, that I recently read in a newspaper of Hoover proclivities an article which expressed a concern for the Democratic Party often voiced by those who support the enemy. This paper was worried about whether the Democratic Party was a wet, a dry, or a moist democracy.

A PARTY OF FREEDOM OF OPINION

That we have wet Members, dry Members, and those who are merely moist, is evident. I know we are a national party, and as such we are bound to have supporters of all shades of belief on this question. The same is true of the other party.

But what is sinful in us is never sinful in the party of Hamilton. The downright truth of it is that the one party that is always held responsible for its shortcomings is the Democratic Party. The other party, with its high collar, its stovepipe hat, its Prince Albert coat, and its hands folded in prayerful attitude, is always above reproach. I guess that must be because it has the "grace" that "abounds for the chief of sinners."

But, my friends, let us not be misled by the things that are said by the Republican press or the Republican leaders. Be as big and as broad on this question as was John Sharp Williams, of Mississippi, when asked the question, "Are you for Al Smith for President?" "I certainly am." "But, Mr. Williams, you are dry." "Yes, I am dry; but the principles of Thomas Jefferson are greater than any sumptuary or church question that may arise."

Now, a word about Jefferson and the liquor question. He would not use hard liquor even as a prescribed remedy lest it would lead to evil habits. However, at every meal served on his table there was a bottle of wine. His practice on this question was one of both caution and tolerance.

I know that many Republicans are sincere in passing on questions of government. But they do not let their sincerity go far enough. I think they should go as far, when they are being misled, as did the old gentleman a short time ago in a church gathering just outside of Osceola, Mo. On that occasion—it was during the presidential election—the preacher, just before the close of the service, said to his congregation, "I intend to talk to you plainly to-night. I am going to give you a good talk on politics. I am going to talk concerning Alcohol Smith." Just then an elderly gentleman—a seasoned-in-the-wood Democrat—stood up in the back of the church and said, "Hold on, Brother; hold on. Now, if you are going to make a political speech, I want to make one, and I want to make mine first. When the revivalists came into this section and held their meetings, they told me if I would give up liquor, give up swearing, give up gambling, I might be saved; and now if you are going to impose a new condition, that I have to vote the Republican ticket, I'll be damned first."

In conclusion, I say to the gentlemen on the other side of the House, if you are to have a leadership, let it not be that of the big rich. And if you will not tolerate as liberal a one as that furnished by your party in Nebraska and Wisconsin, then let it be as conservative as that of George Hoar or John Sherman, who fought that the little fellow in trade might be saved against the encroachment of big combinations of wealth.

Mr. SCHAFER. And Tammany, too?

Mr. SHANNON. Is this the gentleman who deserted La Follette?

SEVERAL MEMBERS. Yes.

Mr. SHANNON. Then he deserted one of the greatest democrats that ever lived. My only regret is that La Follette was in the Republican Party, because he did not belong there with such fellows as that in it. [Applause.]

If this can not be, then you should go as far as did the old gentleman who broke up the church meeting, and let the Republican Party be damned first. [Applause.]

[Here the gavel fell.]

Mr. FREAR. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MOORE].

Mr. MOORE of Ohio. Mr. Chairman and members of the committee, it is my purpose to make some comments concerning the remarks of the gentleman from Ohio [Mr. SWEENEY] which he made last Friday. Since my colleague was just recently elected I had not had the opportunity and pleasure of meeting him until last Monday when I went to his office to invite him to become a member of the Ohio Society, and in conversation I advised him I would probably make some observations concerning his address. I found him courteous, and well he might be, for he succeeded one of the most friendly and affable gentlemen who has served in this House, the late Hon. Charles A. Mooney, who, unlike his successor, always spoke a good word for his colleagues and the House. My new colleague from Ohio comes from the metropolis of my State, from the great city of Cleveland, which has had a marvelous growth and development in the last several years.

I hasten to advise my colleague that he did not offend me personally in what I regard as unfair and unwarranted statements, but I am only offended when I think he offends against the truth.

We have become somewhat accustomed to these attacks from the outside, but rarely do we have exhibitions of this kind from our membership and especially from one who has had such limited opportunity to observe.

Of course, it is the pastime of some to try to play on what is a popular chord in the public mind and criticize everything and everybody.

It seems to me unfortunate that the gentleman from Ohio should begin his service in the Congress by making this attack on Congress and the President at a time when government is difficult. Those of us who have had some experience here have frequently observed that when a class or group in this country does not get from the Congress what it wants or is required to do something it does not want to do it attempts to discredit Congress. Evidently the gentleman from Ohio is trying to follow this policy—being a bitter foe of prohibition himself he is trying to discredit prohibition by discrediting the Congress, through which the eighteenth amendment was submitted to the various States. [Applause.] The gentleman appears to be so much more interested in this one subject than in his colleagues and the Congress that after only five days' service he will assume to pass judgment upon the conduct of the Congress and his colleagues.

Frankly, it seems to me we have a right to expect more consideration and a somewhat judicial temperament from

one who has been honored as a municipal judge by the great city of Cleveland.

Our new friend said:

My friend from Ohio [Mr. COOPER], who preceded me, is an ardent dry, a sincere dry. I pay tribute to his sincerity. He is not that type of a dry who goes to the wash room, takes a drink of liquor, and then comes back on the floor and votes dry. He is honest. There are a few of that type left. He said that prohibition was one of the important questions before the American public.

The tribute he pays to my colleague from Ohio as to his character and sincerity is amply deserved, but the charges, insinuations, and innuendoes as to the membership of the House are unwarranted and untrue. Our new colleague plays the rôle of a modern Diogenes looking for an honest man and after only being a Member of this House for five days he makes these untrue inferences. As I said, I have been a Member of this House for 13 years, and during that time I have never seen a Member of the Congress or anyone else take a drink of liquor in the washroom, the cloakroom, or any place in this House. [Applause.] I have talked to employees of the House, and they have made the same observations that I made that this does not exist. The fact is, during my service of 13 years I could count on the fingers of one hand all the Members of Congress that I have ever seen under the influence of liquor.

Speaking in the large, the membership of this House observe the laws, support the laws, and try to assist those who are having a difficult time in administering them. Contrast that attitude with the untrue and unfortunate utterances of my colleague, who evidently is swayed by the propaganda that would discredit our membership and demoralize government itself.

But we forget, yet we should not forget. I would cast no reflection upon the Members of this House who served in other years. They served their day and generation well, like we are trying to do. However, I speak about a condition. It is a well-known fact, although some forget it, that in this Capitol there used to be a bar, where liquor was dispensed and which Members of the Congress patronized. I have talked with men who served in the Congress then and who have served now, and I have never found one who is in a position to observe but what said there is much less drinking now than there was then.

The gentleman from Ohio alleges that two Members of Congress were discussing the bad quality of Washington liquor. I really feared my friend was going to qualify as a "snooper," but he hastened to say that he was not a Smedley Butler, and yet he did something that I think is infinitely worse. "Oh," he hastens to say, "I will not tell you their names." He refuses to tell the names of two Members, thereby putting odium and a cloud upon the entire membership of the House. I think that is indefensible. If I talked recklessly and extravagantly like the gentleman from Ohio, I would say more.

And then the gentleman speaks of hypocrisy. I charge no one in this House with hypocrisy, not even the gentleman who has spoken these words. I leave each Member to his individual judgment and conscience when he votes. But, since the gentleman raises this question, I am wondering how, having been a municipal judge and how, having five days ago, with all of us, taken the oath to support and uphold the Constitution of the United States, he squares his attitude by attacking the Constitution in his first utterance in this House. He would attack the man and call him a hypocrite who happens to take a drink of liquor, a thing which I do not do or defend, but who supports the Constitution and does what he can to enforce the law. Our colleague appears to feel that his attitude or privilege is to take an oath to support and uphold the Constitution but thereafter he would not be hypocritical if he would drink, talk against the Constitution, embarrass those who are trying to enforce it, and put every obstacle in the way of its success. [Applause.]

Apparently, from his attitude, that would be what he thinks a Representative should or could do with propriety. The unwarranted statement of the gentleman is unfortunate, to say the least, and his attitude makes difficult the work of those who are honestly trying to enforce the laws.

Then, the gentleman says:

I hope there is courage here, and I hope there is no group that will control anybody.

Allow me to say I share that hope.

Now, keeping in mind the gentleman comes from a great city, he demonstrates his unusual courage by attacking the Anti-Saloon League and charging us with being subservient. I marveled at his ability to observe, but I have marveled more at his courage in this respect. Do you suppose it could be possible the gentleman is thinking about his own subserviency to some organization?

He not only lectures Congress but he criticizes the President. He states:

I am also concerned with the attitude of the President of the United States. I am surprised that he has made no mention of this question of prohibition.

My colleague criticizes the President for not saying anything, but I feel absolutely sure that he would have criticized what the President would say if he were speaking on this subject. The President's position on this matter is clear, and he does not have to keep continually talking about it to satisfy the gentleman from Ohio. But he says where is the statesmanship, where is the leadership, and then he wonders what Al Smith would have done. Many times I have wondered the same thing. My friend did not tell me what Al Smith would have done, and I can only leave you wondering and wondering. The American people decided between Herbert Hoover and Al Smith. Few of our Presidents have had to serve in more difficult times than President Hoover. I feel confident the thoughtful people of this country are behind President Hoover in his efforts to serve the country in his great office. Fortunately we have a world figure when we have world problems. The President has maintained our prestige abroad and carefully, honestly, and efficiently administered our affairs at home. We will do well to support him rather than be a party to destructive criticism like that in which my new colleague has indulged. [Applause.]

I have said these few words because I have tired of these unwarranted and gratuitous aspersions upon the membership of this House. In the words of my friend I have intended no personal offense. I want with you to maintain the dignity, decorum, and good name of this House and its membership.

Good name, in man and woman, dear my lord,
Is the immediate jewel of their souls,
Who steals my purse, steals trash,
'Tis something, nothing,
'Twas mine, 'tis his, and has been slave to thousands,
But he that filches from me my good name
Robs me of that which not enriches him,
And makes me poor indeed.

[Applause.]

Mr. DAVIS. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, ladies, and gentlemen, I did not hear all my colleague from Ohio told you with reference to the speech I made the other day. I want to say right now that I am making no apology for the statements I made in the House last Friday. I appreciate that it is no reflection on the sincere Members of Congress who are here trying to do their duty. But, if it fits those who are hypocrites, I am making no apology.

I did not base my remarks on observations made the last four or five days. I have been coming to this Capitol since prohibition became a part of the organic law of the Nation. I have heard discussions on both sides of this mighty question. I have been in the offices and I have made observations around the cloakrooms, and, as I said, I am not making any apology.

I saw the lash wielded by Wayne B. Wheeler in the Ohio Legislature. I saw men come into the legislature drunk, who had almost to be literally carried out to the cloakroom after registering their affirmative vote on dry legislation. The gentleman from Ohio [Mr. COOPER], who is honest, perhaps knows of the conditions of which I speak, for I was with him there in 1913 and 1914.

I am charged with being presumptious in getting up here and presenting my views after a service of only five days.

But I am trying to cure the condition brought about by prohibition; a condition that caused by Government agents the murder of a man like Mr. Hansen, secretary of the Elks, who was killed at Niagara Falls, N. Y., three years ago. I am trying to stop the shooting, in bootleg warfare, of United States Senators in the public streets of Washington. I am trying to cure a condition responsible for laws such as "a life for a pint law," which they had in the State of Michigan, and where they sentenced to prison the mother of small children for having in her possession a few ounces of spirits. I am trying to cure conditions existing in Ohio, where, for instance, a jurist gave a dry agent a fine of $5 and costs for shooting an innocent English girl, visiting relatives in our State, who was riding in an auto. The next case on the docket of this jurist, who, by the way, was a leader in the Anti-Saloon League forces, was, so I am informed, a poor foreigner, and he was fined $1,000 and costs for having a barrel of grape juice in his basement, which nature, through her operation, raised in alcoholic content to an excess of one-half of 1 per cent. These are the things I am thinking about.

I want to be fair with all of you Members, and especially with my colleagues from Ohio who disagree with me on this question, but I maintain that the political Anti-Saloon League and its allies have set the cause of temperance back a half century. Temperance, I believe, is a virtue. Prohibition, in my opinion, is a vice. The question of temperance and morals is one for the church and the school and the home, and has no place in the legislative halls of the Nation.

Mr. FREAR. Mr. Chairman, I yield to another gentleman from Ohio [Mr. MURPHY], who has been here longer than five days.

Mr. MURPHY. Mr. Chairman, ladies and gentlemen of the committee, I am from Ohio. I am proud of my State, and this is the first time that I have ever heard anyone who comes from my State accuse the legislators of that State of being drunkards. I resent it. I am ashamed of it, and I am ashamed of a 5-day Member who comes and misrepresents the men who have been elected by the people of my State to represent them in the halls where laws are made. I want him to name them. I do not know this gentleman; I have not met him as yet. I do not know that he will want to meet me, because his views and mine on this question are as far apart as the poles; but I do resent that kind of loose talk about the legislators of my State, regardless of their political faith. If I wanted to be in the same frame of mind that he assumes, I might call the gentleman's attention to the fact that it was on his side of the aisle that he heard the liquor question discussed by those——

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

Mr. MURPHY. No; I can not yield—discussed by those who complained about the kind of liquor that was being sold in Washington.

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

Mr. MURPHY. No; I can not yield now; I am sorry. I do not want to be discourteous. This is a time when such questions as the one discussed by the gentleman ought to be relegated to the rear, and we should be occupying our time in taking cognizance of the terrible economic conditions existing not only in our own country but throughout the entire world. We ought to be thankful to-day that we have in the White House the great courageous statesman who is there seeking to do the best he can with what he has, where he is, for the benefit of all of the people, Democrat and Republican alike. [Applause on the Republican side.] This is no time to bring forward the wet and dry issue. I do not want to talk on that question, but when a man from my State insults the legislators of my State, as he insulted this House each time he has spoken, it is time for me to become vocal. I hope that you boys up in the press gallery will send the story back to Ohio that we are not cowards here, that we are not afraid to speak out, that we stand for a clean Government, that we stand for clean legislators, and that we are clean men and clean women here. Nor are we drunkards, seeking a chance to sneak a drink. I resent it. [Applause on the Republican side.]

Mr. DAVIS. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I am sure that my colleagues will pardon me for taking this extra minute to-day. I rise to call attention to the fact that this body, during the debate on these important bills, is being presided over by our distinguished colleague from South Carolina [Mr. MCMILLAN]. It so happens that 15 years ago to-day our friend brought his bride here to Washington on their honeymoon. [Applause.] They sat in this gallery watching the proceedings, and he became so much impressed with the deliberations of this body, its dignity, and its honor that he wanted to associate with us. A few years later he came here to represent his State. He is peculiarly fitted to preside over this House. For four years he presided as speaker over the legislative body of his own State, with dignity and ability. It so happens now that in passing these bills under his guidance we are passing some of the best legislation that we have had before this House for many years. I congratulate my friends and the State of South Carolina on producing such a worthy presiding officer. [Applause.]

The CHAIRMAN. The Chair hopes the committee will pardon him for expressing his appreciation to Mr. BLANTON for his remarks.

Mr. FREAR. Mr. Chairman, this is one question on which the Republicans join with my friend from Texas. If there are no others who desire to speak, I ask that the bill be read under the 5-minute rule.

The Clerk read as follows:

Be it enacted, etc., That, subject to the exemptions, conditions, and limitations hereinafter prescribed, there is hereby imposed upon transfers of net estates of decedents a tax at the rate prescribed in section 8 of this act.

Mr. FREAR. 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. MCMILLAN, 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. 5822 and had come to no resolution thereon.

REGENTS, SMITHSONIAN INSTITUTION

The SPEAKER laid before the House the following, which the Clerk read:

Pursuant to the provisions of title 20, section 43, United States Code, the Chair appoints as Regents of the Smithsonian Institute the following Members of the House of Representatives: Mr. MONTAGUE, Mr. GOLDSBOROUGH, Mr. JOHNSON of Washington.

CONTESTED ELECTION CASE, BALL *v.* VESTAL

The SPEAKER laid before the House the following communication, which was read, and, with the accompanying papers, referred to the Committee on Elections No. 1 and ordered printed:

DECEMBER 7, 1931.

The SPEAKER HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.

SIR: The contest for the seat in the House of Representatives from the eighth district of Indiana was instituted by Claude C. Ball against the returned Member, A. H. Vestal, pursuant to the provisions of the act of March 2, 1887, as evidenced by the filing in the office of the Clerk of the House of Representatives of a notice of contest and of the reply thereto by the contestee.

It does not appear that testimony was adduced during the time prescribed by law, and apparently, therefore, the contest is abated. The papers filed in this office will be transmitted to that Committee on Elections to which the case shall be referred.

Very respectfully,

WM. TYLER PAGE,
Clerk of the House of Representatives.

CONTESTED-ELECTION CASE—O'CONNOR *v.* DISNEY

The SPEAKER laid before the House the following communication, which was read, and, with the accompanying papers, referred to the Committee on Elections No. 2, and ordered printed:

DECEMBER 7, 1931.

The SPEAKER HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.

SIR: I have the honor to lay before the House of Representatives the contest for the seat in the House of Representatives for the Seventy-second Congress of the United States for the first district of the State of Oklahoma, Charles O'Connor *v.* Wesley E. Disney, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases," and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed, together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee, which, together with an abstract thereof and copies of the briefs of the parties, will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

WM. TYLER PAGE,
Clerk of the House of Representatives.

CONTESTED ELECTION, EVERETT KENT *v.* WILLIAM R. COYLE

The SPEAKER laid before the House the following further communication, which was read, and, together with the accompanying papers, referred to the Committee on Elections No. 1 and ordered printed.

DECEMBER 7, 1931.

The SPEAKER HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.

SIR: I have the honor to lay before the House of Representatives the contest for a seat in the House of Representatives for the Seventy-second Congress of the United States for the thirtieth district of the State of Pennsylvania, Everett Kent *v.* William R. Coyle, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases," the Clerk has opened and printed the testimony in the above case, and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed, together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee, which, together with an abstract thereof and copies of the briefs of the parties, will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

WILLIAM TYLER PAGE,
Clerk of the House of Representatives.

CONTESTED-ELECTION CASE OF STANLEY H. KUNZ *v.* PETER C. GRANATA

The SPEAKER laid before the House the following further communication, which was read, and, together with the accompanying papers, referred to the Committee on Elections No. 3 and ordered printed.

DECEMBER 7, 1931.

The SPEAKER HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.

SIR: I have the honor to lay before the House of Representatives the contest for a seat in the House of Representatives for the Seventy-second Congress of the United States for the eighth district of the State of Illinois, Stanley H. Kunz *v.* Peter C. Granata, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases," and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed, together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee, which, together with an abstract thereof and copies of the briefs of the parties, will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

WILLIAM TYLER PAGE,
Clerk of the House of Representatives.

BALANCE OF TRADE BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES

Mr. ALDRICH. Mr. Speaker, I ask unanimous consent to address the House for one minute.

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

There was no objection.

Mr. ALDRICH. Mr. Speaker, I ask unanimous consent to revise and correct my remarks by incorporating in my remarks a table which I have prepared.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALDRICH. Ladies and gentlemen of the House, I ask permission to address the House for the purpose of inserting in the RECORD the table which I have compiled from information contained in Foreign Commerce and Navigation, a publication issued by the Department of Commerce, which shows the balance of trade between the United States and those countries which are named in the moratorium agreement, in so far as the balance of trade is indicated by the exports from the United States to those countries, and imports from those countries into the United States.

I call attention to the fact that with Poland I have included Danzig, and with Yugoslavia I have included Albania, because that is the way they are reported by the Department of Commerce.

I also want particularly to call the attention of the Members of the House to the enormous purchases made by those countries from the United States in the year 1930, after the depression started. In that year alone they purchased $1,418,745,000 worth of merchandise from the United States.

The table referred to is as follows:

[All figures in thousands of dollars; 000 omitted]

Country	1926		1927		1928		1929		1930	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Austria	2,891	9,419	4,364	10,611	5,978	12,121	5,331	12,235	4,751	7,780
Belgium	99,299	77,793	116,216	72,234	101,830	75,074	114,855	74,048	86,000	51,536
Czechoslovakia	2,968	28,302	7,442	31,726	5,341	36,783	6,133	46,129	5,061	29,584
Estonia	826	1,235	918	432	960	1,064	830	875	513	544
Finland	12,916	9,108	16,488	8,670	18,742	9,872	14,894	11,255	11,290	10,454
France	264,004	152,020	228,781	167,800	240,692	158,748	265,592	171,485	223,960	113,775
Germany	364,162	198,495	481,681	200,554	467,260	222,130	410,449	254,688	278,269	176,981
United Kingdom	972,606	383,198	840,059	357,931	847,326	348,540	848,000	329,755	678,105	209,994
Greece	10,353	16,908	15,028	29,646	13,853	14,610	16,741	17,757	12,522	11,793
Hungary	987	873	1,753	941	2,734	1,215	2,328	1,839	1,337	936
Italy	157,402	102,526	131,651	108,970	162,125	101,681	153,967	117,067	100,429	79,321
Latvia	727	5,982	1,029	4,469	1,070	3,836	2,320	4,050	805	1,772
Lithuania	88	947	218	520	335	410	184	533	274	226
Poland and Danzig	3,939	4,147	9,261	4,825	15,876	3,604	16,356	4,853	9,002	2,838
Rumania	3,111	1,098	4,925	649	9,431	677	9,795	559	4,920	314
Yugoslavia and Albania	789	1,155	996	985	1,783	1,766	1,303	2,311	1,507	1,592
Total	1,897,068	993,206	1,860,810	1,000,963	1,905,336	992,131	1,869,068	1,049,409	1,418,745	699,440

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I would like to ask the gentleman from Illinois [Mr. RAINEY] whether we will take up the moratorium resolution to-morrow.

Mr. RAINEY. The hearings on the resolution have not been completed, and I presume we will go ahead with the bills relating to the District of Columbia to-morrow.

Mr. SNELL. Does the gentleman presume we may get the moratorium resolution later in the afternoon, or will it go over until Friday?

Mr. RAINEY. I doubt whether we will be able to get it up to-morrow. I think it will likely go over until Friday.

Mr. SNELL. Then we will go along with the regular work in connection with the bills affecting the District of Columbia?

Mr. RAINEY. That is the intention.

Mr. ABERNETHY. May I ask the gentleman from Illinois a question?

Mr. RAINEY. Certainly.

Mr. ABERNETHY. Does the gentleman think we will vote on the moratorium resolution this week or not?

Mr. RAINEY. We hope to vote on the resolution before Saturday night.

Mr. ABERNETHY. There is no certainty about it, however?

Mr. RAINEY. There is no certainty about it.

LEGISLATION

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I am so anxious for this Congress to pass some real legislation during the next few months. We are passing through a depression such as we have never witnessed before. I am hoping for us to get through with as little real suffering as is humanly possible. I feel though, that if we are to again enjoy real prosperity, we must quit some of the things that we are now doing and bring about a new dawn of real freedom.

We must enact some real farm relief legislation, such as I have from time to time discussed. We must return to the people the right to determine their own affairs and save the independent farmer, laboring man, and individual citizen. Entirely too much of our legislation is for the interest of selfish groups, and not for the best interest of the common people and the Nation as a whole. There has been entirely too much concentration of political and financial power. Too often legislation intended for the best interest of the whole people is finally seized by a few and used to crush the very people whom it was intended to help.

Shrewd politicians and lawyers too often watch the passage of bills and finally succeed in getting the bills in such shape as to be easily captured by them and used by them to create enormous salaries and destroy the very people whom the act was originally intended to help.

I should not make this kind of a statement unless I am willing to name some pieces of legislation which I honestly believe is subject to this criticism. I am prepared to name some of such legislation, and would be very happy if I could be convinced that I am mistaken.

Generally, I may say that all bills which have created large bureaus and granted authority to a small group of men to dominate the rights and very liberties of the people are dangerous in the extreme.

The regional banking system is certainly in this very class. A few years ago we heard it said on every side that with the regional banking system our country was panic proof. Well, we are having the worst depression this country ever saw. All the small banks are disappearing and now chain banking and branch banking is being openly advocated with the purpose of bringing about a complete banking monopoly. There are those who advocate a system which will mean that there will be only one or two large banks in the country operating by branches wherever they may choose, without anyone else having the right to open up a bank in opposition to them. This can only mean a further concentration of political and financial power. With such a system one or two men in Wall Street can name the President of the United States, the Members of Congress and all other officials of the States and Nation.

All kind of gigantic trusts and mergers are now being openly advocated to the destruction of the liberties of the people. Are we soon to have chain farming, and chain banking, and every other kind of a monopoly that means the oppression of the people, the ultimate destruction of our liberties, and the final downfall of the Nation?

Let me mention another illustration of what I am saying. The Federal farm loan act was intended as an agent of mercy for the farmers of the country and has become an agent of torture and destruction. The farmers would have been in infinitely better shape if this act had never been passed. Communities that were intended to manage their own affairs are being ignored in everything except the burdens that have been placed upon them, and the management and salaries of the whole scheme are being enjoyed by those not in sympathy with the local communities, and who in most, if not all, instances have little or none of the burden to carry. I feel that Congress should repeal this act and turn these affairs over to some one to administer for the best interest of the farmers of the Nation.

I find that the officials in charge of this institution are cold-blooded in the extreme and seem to relish the opportunity to foreclose and sell the lands of the farmers of the country. The long-term loan companies and old-line life insurance companies are much more liberal than these people who should be the friends of the farmers. I shall do everything in my power to stop this high-handed oppression by these people holding office under an act passed in behalf of the farmers but used for selfish purposes.

In fairness to all concerned, let me say that much of the vicious practice under the farm loan act is brought about by the wording of the act itself, for which Congress is responsible. This is what I am complaining about. Congress should never pass an act under which a few men can distort the very purposes of the act and use it as an instrument of torture and death rather than a medium of service.

The Farm Board act was criticized by me before it was finally enacted into law and I then pointed out the very dangers which were in its every page and which has made it so unpopular. Many people administering these acts are anxious to be of real service to the people of the Nation, but are handicapped by the failure of Congress to pass proper basic law at the time the board or bureau is brought into existence.

Now, let me name at least one of the proposals that have been suggested to relieve the present financial depression that is filled with the very dangers that I have just been discussing. Take, for instance, the gigantic corporation that some say should be brought into existence in the name of the home owners of the Nation. If this corporation is to bring about as many foreclosures as the rural credit system has, then may God have mercy on the home owners who mortgage their homes to any concern that later transfers the lien to this powerful corporation.

Let us reason about this matter a little. This corporation is to be set up for the purpose of making salaries, commissions, fees, and other profits out of the home owners. It is true it is to be created in the name of the home owners, but the real purpose is to make money out of the home owners. Let us visualize a situation like the present, with this corporation owning thousands upon top of thousands of mortgages on homes where the larger part of the debt has been paid and the owner has a very large equity but yet because of a financial depression can not pay his interest and taxes. His obligation will have passed out of the hands of his neighbors from whom he originally borrowed the money. They can not help him if they want to. His paper is owned by a great corporation, with strangers to his interest, in charge. They see that as a money-grabbing scheme that can buy in a large amount of very valuable property

at about one-fourth of its value. They hold in the hollow of their hands the power to destroy thousands of home owners and grab their property for practically nothing. Does anyone doubt what will be done? Again I am pleading with the Members of Congress to stop passing bills creating the power to destroy thousands of our people by the decision of a few men.

The real cause of the present depression is very evident to my mind. A few money-mad men have the power in their hands to slaughter our people for the sole and only purpose of enriching themselves and are madly and selfishly exercising the power to the destruction of our very Nation.

I shall discuss this matter much more a little later. For the present I shall make a few more observations and conclude. I really want some matters to develop just a little more before I go more into detail.

Let us pass some real legislation for the common people. Let us pass some legislation for the home owners of the country and for the farmers of the Nation. I will tell you how to do it.

Help pass and bring into effect a Federal constitutional amendment which I have been advocating for years, giving the head of each family the constitutional right to own, for home purposes, free of all taxes, $5,000 worth of property. This would force the municipalities, counties, States, and Nation to raise all taxes from sources other than the homes of the small-home owners. This would help get the farmers back on the farms. It would do more to relieve the present distressed condition of the home owner than any other plan yet proposed. Nothing I have ever heard suggested would do so much to bring about a Nation of happy, contented, prosperous citizens.

I fear though that I shall not get very far with this proposal. There is not enough centralization of power and big salaries to make the bill popular. Too many can see that the plan would cost the big rich a little money, and no one would be able under the scheme to exploit the masses of the people.

I shall not only fight for this proposal, but I shall fight to secure for the original owners the return of the lands that are now being taken over by the Federal farm-loan concerns and other long-term loan companies.

I have introduced a bill for this purpose and am determined to pass it if humanly possible.

In conclusion, let me say the problems before this Congress are more serious and more numerous than ever before, and it is our solemn duty to not only relieve the present awful condition but return the liberties of the people to the masses and help this Nation of ours to again become and remain a "Government of the people for the people and by the people."

PHILIPPINE INDEPENDENCE

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Philippine independence.

The SPEAKER. The Delegate from the Philippine Islands asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, this is a brief presentation of the crux of the American-Philippine problem and there is no need of any preliminary or periphrasis. My thesis is clear. America must grant immediate Philippine independence.

I. GROUNDS FOR THE GRANT OF INDEPENDENCE

There are two fundamental reasons why the people and Government of the United States should grant independence to the Philippine Islands without delay.

In the first place this is the avowed Philippine policy of America. It is the mission she set out for herself at the inception of America's Philippine occupation. It is a sacred pledge made and oft reiterated by Presidents of the United States, by Governors General, by the major political parties, and in Congressional enactment.

In the second place, the early grant of independence is what the Philippine Legislature and the Filipino people most desire. Both political parties in the islands are committed to it. All live elements long for it. There is no people in the history of the world that has ever been as united for national independence as the Filipinos.

II. PROLONGED OCCUPATION DISADVANTAGEOUS

America must grant immediate Philippine independence because the prolonged occupation of the islands is disadvantageous to both the Americans and the Filipinos.

I will enumerate some of the most important disadvantages to the United States first:

First. The indefinite retention of the Philippine Islands is leading peoples, especially in the Orient, to wonder whether the United States, after all, is really different from colonizing countries of imperialistic designs. This is not surprising when anti-imperialism itself was an issue in American politics soon after America took possession of the islands. This is also not an unnatural feeling among peoples inhabiting countries that have been the victims of economic and political imperialism in the history of colonization.

Second. The continued occupation of the Philippines also tends to breed doubt and suspicion and misunderstanding. True, the Filipinos have, throughout the years of cooperation with the Americans, demonstrated faith, hope, and confidence in view of America's announced policy to make her administration of our country only temporary. It would be unfortunate for this country itself to permit a situation to develop which would mar the harmony that has heretofore prevailed.

Third. The failure to grant Philippine independence after repeated and categorical promises made is unjustly submitting America to charges of insincerity in her altruistic protestations, and of violation of certain fundamental principles upon which the American Government rests. Among these are the principle of a government based upon the consent of the governed, that of self-determination, that of the right of nations great and small to liberty and self-government, and that of democratic government founded upon a constitution.

Fourth. It is foreign to American political philosophy to permit the imposition of a civilization of a materialistic type which may prove destructive to Philippine social organization.

Fifth. The withholding of independence to the Philippines is unwholesome to the United States because it is apt to lead people to think that the point of view of the rulers or colonizers is the standard of right, and that the point of view of those living in a dependency must necessarily be wrong.

Sixth. The people of this country should realize also the danger of weakening our people's resistance to corroding influences from without. There is this constant menace arising from the pressure of the influence and the power of every ruling country. If the United States really took possession of the Philippines to help the people, then they should be freed without delay.

Seventh. The long retention of the Philippines may also lead to a situation whereby the good in American culture and American institutions may not be readily welcomed because of the fear that they may eventually prove instruments for our dependence rather than independence.

Eighth. The continued occupation of the Philippines, despite America's traditional devotion to the principle of liberty, is a breeder, real and potential, of misunderstanding. One example will suffice: The rank and file of the people of the Philippines believe sincerely in America's Christian altruism, and yet there is even now serious agitation from certain quarters which, if carried out, would prove adverse to our interests. This is true in the case of the proposal to tax Philippine goods coming to the United States while American goods going to the Philippines are admitted free of duty and without limit. This is further aggravated by the presentation of measures designed to exclude Filipinos from the United States.

Ninth. Another disadvantage is the disillusionment on the part of the Filipinos with respect to the selection of American officials not wholly in sympathy with America's fundamental policy and the aspirations of the Filipino people.

Tenth. Still another disadvantage of retention is found in a disregard of an important political tenet, namely, that

good government from without is never a proper substitute for self-government.

I shall now point out briefly some of the disadvantages of prolonged dependency to the Filipino people themselves:

First. The occupation of a country by a people of another race is always fraught with possibilities of fostering racial prejudice. The attitude of the ruler tends to develop among the people ruled a certain spirit of reserve, if not hostility.

Second. The occupation of a country on the part of another also is invariably accompanied by a constant conflict, real or potential, between the feeling of superiority complex on the one hand and inferiority complex on the other.

Third. Continued dependency tends to weaken a people's individuality.

Fourth. It is also apt to develop undesirable groups, such as hypocrites and others of their ilk, because of the temptation to ingratiate themselves among the rulers.

Fifth. Another evil is that dependency has a tendency to foster contentment at least on the part of some with their dependent lot.

Sixth. Another great disadvantage of a dependent state is the tendency to place a premium upon subserviency on the part of the colonized as a virtue.

Seventh. Prolonged dependency retards the development of originality and self-reliance.

Eighth. It also tends to weaken the national morale of a people.

Ninth. A dependent state prevents the proper development of the youth for a definite type of citizenship. This is true in the case of the Filipinos, since they can not be American citizens and have no free and self-governing country for whose citizenship they ought to be prepared.

Tenth. Prolonged dependency is iniquitous because it forces a people to be without a country.

Eleventh. Finally, prolonged dependency delays the ushering of a people into the stream of internationalism.

III. GRANT OF INDEPENDENCE MUTUALLY ADVANTAGEOUS

America must grant Philippine independence immediately, because it is advantageous to both the United States and the Philippines.

I shall present in summarized form the benefits that will accrue to the Filipino people by the grant of independence.

First. The immediate grant of Philippine independence would free the people of the islands from the benumbing effect of the present state of uncertainty.

Second. Philippine independence will bring about greater economic stability eventually. Now capital is timid because of the present indefinite political status of our country.

Third. An independent status would remove the constant dread in business circles from changes in tariff relations over which the Philippine people have no control.

Fourth. The grant of Philippine freedom will remove the constant danger of having taxes unexpectedly imposed directly or indirectly upon Philippine products. Now, it is possible for Philippine investors to suffer reverses overnight by a slight change in the tariff. Philippine industries, too, may be indirectly taxed, as illustrated by the measure amending the oleomargarine act.

Fifth. Independence will do away with the fear of having the American coastwise shipping laws extended to the Philippines, which may under the existing situation be accomplished by presidential proclamation. The Filipinos, not being eligible to American citizenship, would suffer greatly in their shipping and commerce should the coastwise shipping laws of the United States be made applicable to the Philippines.

Sixth. The establishment of an independent Philippine government will place in the hands of the Filipinos the instruments of their economic salvation. Now the Filipino people have no control over matters affecting our tariff relations, our mines, our forests, and our public domain.

Seventh. The early grant of freedom will hasten the development of greater economic-mindedness among our people. The continuation of the present uncertainty and anomaly will tend to arrest the economic development of the Philippines.

Eighth. The grant of independence will permit the Filipino people to adopt a constitution which will be better suited to their psychological and sociological nature.

Ninth. The establishment of an independent government with a constitution of our own creation will make it possible for our people to develop a more unified and scientific Philippine legal system and jurisprudence.

Tenth. With independence the Filipinos will develop greater responsibility in governmental matters. Full responsibility can be fostered only by our having complete authority.

Eleventh. From the standpoint of culture and education, independence is essential and necessary to enable the people of my country to shape an educational philosophy which is conducive to good, patriotic, and useful citizenship, because, dependent, we can not be citizens of the American Republic and can not train the Filipino youth for true Philippine citizenship, for we do not have a free self-governing country.

Twelfth. With independence we can redefine the aims and purposes of Philippine education, so as to train Filipino boys and girls to become free, efficient, and happy citizens of a country truly free and democratic.

Thirteenth. A free and independent existence will enable the Filipino people to achieve their highest development. It will furnish a new and permanent motive to our individual and social life.

Fourteenth. Independence will usher us into the modern current of internationalism. Nationalism, developed in the atmosphere of freedom, is an essential prerequisite to sound internationalism. We as a people will, when free, be in a better position to cultivate our own talent and genius and contribute in full measure to the common heritage of the world.

Fifteenth. Philippine independence will satisfy our individual desire and our national ambition and will be a powerful incentive to our putting forth our best so as to merit a place in the family of free nations.

Sixteenth. An independent Philippines will be a modern contribution to the new world order based upon the enduring foundations of peace. With freedom the Filipino people will be in a better position to exemplify the wisdom of peace and the criminality of war—peace as an attribute both human and divine and war as a grievous wrong and an enormous crime. We shall also be better qualified to occupy our allotted place in the interknit mosaic of mankind.

These, I think, are more or less self-explanatory.

I now present some of the advantages to America by granting Philippine independence at the earliest possible date.

First. America, by granting Philippine independence, would experience that joy and satisfaction which come from the fulfillment of a sacred promise.

Second. The early grant of Philippine independence will do away with the suspicion of America's high, noble, and humanitarian purposes in the Orient.

Third. It will enhance the faith of the peoples of the world in America's word.

Fourth. It will foster mutual understanding and good will.

Fifth. It will lessen distrust in American capital.

Sixth. Independence of the Philippines is considered by farmers and agricultural interests of the United States as a means of relief.

Seventh. The early grant of Philippine independence is the remedy to the growing labor unrest in the western States resulting from the influx of Filipino laborers, which can not be effectively checked or regulated as long as the Philippine Islands are under the American flag.

Eighth. It is an effective means of regulating immigration from the Philippines, for then we will be in the category of foreign countries and the islands can be placed upon a quota basis.

Ninth. Philippine independence is a means of solving one of America's growing social problems made more difficult by the factor of race differences.

Tenth. Freeing the Philippines is a way of lessening the burdens of the taxpayers of this country.

Eleventh. It will increase the confidence and friendship of the Filipinos and other orientals, and these will constitute a great moral and business asset to America in her dealings with the teeming millions in the Far East.

Twelfth. It will relieve America of the embarrassing position of recognizing ideals and principles of government at home, but which foreigners feel are not observed by the further continuation of her rule in the Philippines.

Thirteenth. Granting Philippine independence will obviate the inconsistency of America fighting in the American-Spanish War for Cuba's liberation and for the Filipinos' subjugation.

Fourteenth. It will be an effective method of enabling America to take the lead not only in the limitation but in actual reduction of armament.

Fifteenth. The early grant of Philippine independence will be a concrete contribution of America to the cause of world understanding and international peace.

Sixteenth. The establishment of a Philippine Republic will be a noble Christian act of a Christian Nation toward the only Christian people of the Orient. That, indeed, would be a most fitting climax to America's colonial experiment.

IV. PHILIPPINES READY FOR INDEPENDENCE

The Philippines are in every essential sense ready for complete independence.

First. The Filipinos are ready culturally: The people who are racially and religiously homogeneous are deeply devoted to education.

Our people had a civilization of their own before Magellan's arrival in 1521. Under Spain we received the influence of European culture. We have schools, colleges, and universities, some of which are older than the oldest in the United States. Under America we have had the benefit of her guidance and cooperation. About 30 per cent of our national budget annually is devoted to educational purposes.

The percentage of literacy in the Philippines is higher and better than that of Albania, Argentina, Bolivia, Brazil, Bulgaria, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Greece, Guatemala, Guiana, Haiti, Honduras, India, Korea, Lithuania, Malay States, Mexico, Nicaragua, Palestine, Panama, Paraguay, Persia, Peru, Porto Rico, Portugal, Russia, Salvador, Siam, Spain, Syria, Turkey, Uruguay, Venezuela, and various countries of Africa and Malaysia.

Second. The Philippines are economically prepared: Our government has been self-supporting since the establishment of civil government. Our finances are sound. Our resources are ample. Under both the Spanish régime and the American administration we achieved progress.

Whatever economic dislocation may occur upon the severance of political relations will hardly be any worse than the economic disturbance bordering upon paralysis resulting from the present uncertainty of the status of the islands. The agricultural, industrial, and labor organizations of the United States demand Philippine independence for their protection. We want it for the better and eventual stabilization of Philippine industry and commerce.

We are fully conscious of the bearing of independence upon our economic life. We know the consequences and are ready to accept them. Thirteen million Filipinos with an unbroken history of struggle for freedom for centuries prize freedom more than temporary material advantage.

Fourth. The Filipino people are financially prepared for independence: The wealth of the Philippines is practically unlimited. Developed under our direction, the country can comfortably be the home of fifty or sixty million. We have been taxing ourselves to finance our activities. We shall continue to tax ourselves and finance the needs of our national life more cheerfully after the grant of independence.

The per capita indebtedness of the Philippines is one of the lowest in the world, for in 1928 it was only $5.79. This is lower than that of Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Dutch East Indies, Ecuador, Estonia, Finland, France, Germany, Greece, Haiti, Hungary, India, Italy, Japan, Latvia, Mexico, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Poland, Rumania, Salvador, Spain, Sweden, Switzerland, United Kingdom, United States, Uruguay, and Yugoslavia.

Fifth. Governmentally and politically we are prepared: We have had ample political experience to insure stability of our government. Before the implantation of the American flag our social organization and our governmental units had already been developed. These served as bases for later political and social organizations.

We had our short-lived Philippine Republic as the result of the Philippine revolution of 1896. It had a constitution for its basis approved by representative Filipinos in convention assembled.

To-day, after 30 years under American administration, we have all the necessary machinery of government, local, provincial, and insular.

In the central government we have six well-coordinated executive departments.

We have a bicameral legislature consisting of the senate and the house of representatives.

There is a well-organized judiciary, impartial and independent. There are justice of the peace courts, courts of first instance, and a supreme court.

We have a civil service insuring the merit system in the government service.

We have the necessary machinery for public health, sanitation, and public welfare.

We have developed roads, bridges, port works, and other public improvements. To-day there is an adequate system of communication and transportation.

We have the municipal police and the constabulary to maintain peace and order among a naturally peaceful and law-abiding people.

The whole political development has been continuous from a government of Americans during the military régime, to a government of Americans assisted by Filipinos during the first part of the civil régime, then to a government of Filipinos assisted by a few Americans during the period after the approval of the Philippine autonomy act.

The next logical step is to inaugurate a government of and by Filipinos for all the inhabitants of the Philippines through the enactment of Philippine independence legislation. This will occasion no abrupt or radical change. It is the next proper step for the people and Government of the United States to take.

6. The early grant of Philippine independence would be internationally opportune: The spirit of the age is essentially one of peace. America best knows this, because at the Washington disarmament conference she became a signatory to the treaty then approved, binding herself to an agreement not to improve the fortifications or increase the defense of the Philippines.

The League of Nations, the World Court, the Kellogg pacts, the treaty resulting from the London conference—all have come into being because the nations of the world participating definitely committed themselves to the abandonment of war as an instrument of national policy.

The Japanese bugaboo used by some imperialists and opponents of independence is unseemly, for if the United States expects her word to be accepted in good faith she must accord equal sincerity of motives to other countries signatory to peace treaties.

At any rate, the question of invulnerability has never been invoked as a prerequisite to independence.

V. INDEPENDENCE THE ONLY HONORABLE COURSE

America must grant immediate Philippine independence because it is honorable.

We the Filipino people are too appreciative of the good that America has done to want to place America in the position of serving as a prop to a people who want to stand alone and can be independent. Likewise, it is not honorable for us as a people to be compelled to lean on another when we should rely on ourselves.

It is disgraceful for an individual upon reaching maturity to continue depending upon parental support. It is to the credit of both the parent and the offspring for the latter to be self-supporting upon attaining the age of maturity. In the case of a nation, it is disgraceful continually to be in a state of dependency, and whoso is a party to forcing the continuation of such a situation has a share in the ignominy. We should be permitted as a nation to stand alone. That is the only way to stand at all.

It will be a happy day for both when Americans and Filipinos jointly shall solve their present relations on the basis of the immediate establishment of a Philippine republic, self-directed and self-supporting, absolutely free, and completely independent.

SUMMARY

America must grant immediate Philippine independence:

First. Because she has pledged it solemnly and the Filipinos desire it honorably;

Second. Because prolonged occupation of the islands is disadvantageous to the Americans and Filipinos alike;

Third. Because the grant of independence is advantageous and beneficial to both the United States and the Philippines;

Fourth. Because the Filipinos are ready for independence with all the obligations and responsibilities that go with it; and

Fifth. Because the grant of Philippine independence is the only honorable course and the only just, permanent, and righteous solution of American-Filipino relations.

CAUSES AND PREVENTION OF CRIME

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to include a reproduction of an article prepared by me and published recently in a magazine on the subject of crime.

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

Mr. RAINEY. Reserving the right to object, how much space will that occupy in the RECORD?

Mr. THATCHER. It is not very long.

Mr. SNELL. It is the gentleman's own remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. THATCHER. Mr. Speaker and Members of the House, under leave granted me therefor, I extend in the RECORD an article on the subject of the causes and prevention of crime, prepared by me and published in editorial form in the July, 1931, issue of the "True Detective Mysteries" magazine of New York City.

PROTECT THE HOME

[NOTE.—Never was a more timely message given to the American people than that which here follows from Hon. MAURICE H. THATCHER, elected five times in succession to the United States Congress from Kentucky. Mr. THATCHER, former member of the Isthmian Canal Commission, served several years as Governor of the Panama Canal Zone under President Taft. With the appalling crime conditions that exist in this country, this ringing appeal to fight the forces of evil and the cancer of moral irresponsibility will be welcomed everywhere by all right-thinking citizens.—Editor.]

Any discussion touching the causes and prevention of crime is more or less trite, and is also unfailingly difficult of treatment. While the tremendous toll which crime everywhere exacts is appalling, formulas for its prevention and cure have been sought ever since human accountability began, and only partial success has resulted.

The evil propensities of the human heart are so manifold, and the opportunities and temptations for wrong-doing are so universal—especially in this modern age of a million contacts—that only men and women of the highest faith, courage, and moral leadership are competent to deal with the basic problems of crime. Evil, of course, is but perverted good. How may we, in wisdom, apply our energies? This is the question of the ages.

In the limited space at my disposal I can only make brief reference to certain phases of the subject. Speaking especially of conditions in our own country, permit me to suggest an underlying cause of crime, as I am able to judge the situation. I refer to the breaking down of the home. Never before in our American history has there been such a widespread wreckage of the home and the home circle as now obtains. The home is the cornerstone of civilization, and if that cornerstone is plucked up and ceases to be, then home life with all of its intrinsically noble and inspirational features shall cease to exist—and civilization will pass away. This fact must be obvious to all, and is amply attested by tragic examples.

Marriage, which is the foundation of the home and of family life and relations, is treated as lightly, as irreverently as the most trivial feature of society. Divorces flourish in an appalling degree. Men and women pass from one matrimonial adventure to another as rapidly and as heedlessly as if life's most sacred relationship were a matter of jest and harmless experiment. As vicious as this destruction of the marriage ideal may be, its chief and most tragic evil is the horrible effect it brings upon the unoffending children of these broken homes.

Those who are unwilling to accept the legitimate responsibilities of mating have no right to assume its condition. Therefore the breaking up of the home, with its inevitable corollary of confused, neglected, and undirected boys and girls, is an outstanding cause of the commission of crime in our country. Especially is this true as regards the perpetration of crime by juvenile offenders. In this respect conditions in our own United States of America are, perhaps, without parallel in the world's history. This is an appalling fact, but it must be met in some adequate way or the Nation can not endure. If the youth of the world shall become corrupted, the progress of the race will fail.

There are many contributing causes to the destruction of the home, to the overthrow of the family altars. Parents treat their sacred obligations to each other and to their offspring lightly because their ideals are wrong.

These statements, of course, are not intended as a universal indictment of the American home and the American father and mother, but unfortunately there are enough of our fathers and mothers at fault in these matters to justify what has been stated.

Among the causes for these conditions may be mentioned the salacious screen and stage; the sensational treatment, in the press, of sex problems and relationships and crime; nonobservance of the law; a degenerate literature; and the like. The screen, the stage, the press, and literature, to the extent of their wise use, are, of course, beneficial beyond computation. Again, there is no desire to frame a universal indictment. But in the operation of all these agencies there is enough of malignancy, enough of evil and indifference to consequences, enough of a base desire, for commercial considerations, to pander to the worst instincts and emotions of the race, to justify the strongest character of presentment.

We are living in an age of material progress unequaled in all the world's history. Numberless are the instrumentalities which man has devised for his comfort, for his convenience, for his entertainment, and for his betterment. In too many cases these instrumentalities are being transformed from blessings into evils. Our ancient enemy and alibi, the Devil, ever seems to walk with us, and we must be forever on our guard against his blandishments and seductions. Our marvelous agencies for good, if not wisely used, will become the Frankenstein monsters of our destruction.

Entertainment the world needs and must have. For the various evil forms which persist beneficient forms must be substituted. The good must crowd out the bad, or the bad will crowd out the good. Wholesome sports, God's out-of-doors, a salutary press, an inspiring body of literature, a clean stage and screen, and a wise policy in dealing with crime and criminals, must play their all-important part in the scheme of betterment. The school and the church are, of course, basic in the moral and spiritual line-up. Every agency which deals with or affects the plastic mind of youth must come to recognize its influence and responsibility.

If the boys and girls of the land can be kept fine and true until their characters are molded in strength and moral purpose, the crime problem, in the largest possible measure, will diminish; for the boys and girls of to-day will become the husbands and wives and the fathers and mothers of to-morrow, the home builders of the future.

Touching the practical aspects involved in dealing with crime and criminals, only a word or two may be uttered here. Treatment of criminals can not, of course, be standardized if beneficial results are to be attained. The immature or casual offender is certainly in a different category from that of the confirmed criminal. The highest types of men and women are needed as judges, as officers of parole and probation, and as keepers and managers of our penal institutions.

Lawyers must come more and more to recognize the fact that they are, indeed, officers of the court and charged with the most solemn responsibility by reason of that fact; and that if they employ their talents, abilities, and experience to turn loose upon society those known and believed by them to be criminals, and thus defeat the cause of justice, they are compounding crime, and merit every pain and penalty which the law would inflict upon those they defend.

The administration of justice needs to be speeded up. Punishment, to be effective, must be swift and sure. Each citizen must recognize his duty to society. He must realize that he can not live apart from society and apart from its responsibilities. Man was born into the world to serve as well as to be served.

In spite of the evils of the age which are so palpable, there is, and must ever be, a preponderance of good; else the race would cease to exist.

To keep the balance true, there should be stated, also, the fact that perhaps never before, in any land, at any time, has there been a larger body of splendid men and women, both adult and youthful, than that which now enriches our Nation and the world with their beneficent achievements. More is the pity, then, that with such examples before them, so many go astray.

In conclusion, let it be said what has so often been said before: There must be a high and noble destiny for man, else his creation would never have occurred.

That destiny is in his own hands. Aided by the fountains of experience, inspiration, and faith, from which he is ever able, at will, to draw, he must make his way forward to the goal of goals; and it is for him to determine whether his progress shall be swift or slow.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 72. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Third Olympic Winter Games and of the games of the Tenth Olympiad, to be held in the United States in 1932.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Thursday, December 17, 1931, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

278. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment under the Architect of the Capitol, for the fiscal year 1932, in the sum of $1,701,201.94 (H. Doc. No. 179); to the Committee on Appropriations and ordered to be printed.

279. A communication from the President of the United States, transmitting supplemental estimate of appropriation pertaining to the legislative establishment under the Architect of the Capitol, for the fiscal year 1933, in the sum of $137,000 (H. Doc. No. 180); to the Committee on Appropriations and ordered to be printed.

280. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination of Brazos River, Tex., with a view to the control of its floods (H. Doc. No. 181); to the Committee on Flood Control and ordered to be printed, with illustrations.

281. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on the Illinois River, covering navigation, flood control, power development, and irrigation (H. Doc. No. 182); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

282. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination and survey of Totuskey Creek, Richmond County, Va. (H. Doc. No. 183); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

283. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination of Black River, Wis.; to the Committee on Rivers and Harbors.

284. A letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of the shore near Cold Spring Inlet, N. J., with a view to preventing its erosion; to the Committee on Rivers and Harbors.

285. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination of Peace River, Fla.; to the Committee on Rivers and Harbors.

286. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination of inland waterway from Miami, Fla., to the Gulf of Mexico at or near Poinciana, by way of the Miami River, thence westerly along the Tamiami Trail, and thence southwesterly along the State highway; to the Committee on Rivers and Harbors.

287. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination of St. Croix River, Wis. and Minn., from Stillwater to its mouth (H. Doc. No. 184); to the Committee on Rivers and Harbors and ordered to be printed.

288. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination and survey of Parish Creek, Anne Arundel County, Md. (H. Doc. No. 185); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

289. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on the Sangamon River, Ill., covering navigation, flood control, power development, and irrigations (H. Doc. No. 186); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

290. A letter from the Secretary of War, transmitting report from the Chief of Engineers on Tar River, N. C., covering navigation, flood control, power development, and irrigation (H. Doc. No. 187); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

291. A letter from the Secretary of War, transmitting report from the Chief of Engineers on examination and survey of the Mississippi River below Cape Girardeau, Mo., covering existing levees, the construction of new levees, and with a view to determining the effects upon lands lying between the river and adjacent hills by reason of overflow (H. Doc. No. 188); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

292. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on Big and Little Sioux Rivers, Iowa and S. Dak., covering navigation, flood control, power development, and irrigation (H. Doc. No. 189); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

293. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on Cheyenne River, S. Dak. and Wyo., covering navigation, flood control, power development, and irrigation (H. Doc. No. 190); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

294. A letter from the Secretary of War, transmitting a report from the Chief of Engineers on Marias River, Mont., covering navigation, flood control, power development, and irrigation (H. Doc. No. 191); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

295. A letter from the Secretary of War, transmitting report from the Chief of Engineers, United States Army, on the Gasconade River, Mo., covering navigation, flood control, power development, and irrigation (H. Doc. No. 192); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

296. A letter from the Secretary of War, transmitting report from the Chief of Engineers on the Jefferson, Madison, and Gallatin Rivers, Mont. (Three Forks Basin), covering navigation, flood control, power development, and irrigation (H. Doc. No. 193); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1936) for the relief of Sidney Thayer, jr.; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 2181) granting a pension to William W. Holmes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS: A bill (H. R. 6005) to authorize the Secretary of the Treasury to accept donations of sites for public buildings; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6006) to punish the sending through the mails of certain threatening communications; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 6007) to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians; to the Committee on the Library.

By Mr. GREEN: A bill (H. R. 6008) to make provisions for extending the time for making payments under loans from Federal land banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAINES: A bill (H. R. 6009) to authorize, for the purposes of the internal revenue laws, packing of cigars in boxes containing 60 cigars; to the Committee on Ways and Means.

By Mr. KOPP: A bill (H. R. 6010) granting consent to construct, maintain, and operate a dam across the Des Moines River, in the State of Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. LEWIS: A bill (H. R. 6011) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. MAAS: A bill (H. R. 6012) to provide that first-class postmasters shall not continue in office more than one year after the expiration of their terms of office if not reappointed; to the Committee on the Post Office and Post Roads.

By Mr. OLIVER of New York: A bill (H. R. 6013) to regulate the assignments of letter carriers in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mrs. OWEN: A bill (H. R. 6014) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly; to the Committee on Agriculture.

By Mr. SUTPHIN: A bill (H. R. 6015) to establish a national park in the State of New Jersey to be known as the Hartshorne or Sandy Hook National Park; to the Committee on the Public Lands.

By Mr. SWING: A bill (H. R. 6016) granting pensions to certain soldiers who served in the wars and campaigns against the Moros and Pulajanes in the Philippine Islands from 1903 to 1913, and for other purposes; to the Committee on Pensions.

By Mr. CELLER: A bill (H. R. 6017) to amend section 24 of the trading with the enemy act, as amended; to the Committee on Ways and Means.

By Mr. HORR: A bill (H. R. 6018) to authorize the Secretary of the Navy to proceed with the construction of a machine-shop building at the United States navy yard, Puget Sound, Wash.; to the Committee on Naval Affairs.

By Mr. LEHLBACH: A bill (H. R. 6019) to regulate leaves of absence of employees of the navy yards, gun factories, naval stations, and arsenals of the United States Government; to the Committee on the Civil Service.

By Mr. FINLEY: A bill (H. R. 6020) to authorize an appropriation for flood control in and about the city of Middlesboro, in the State of Kentucky; to the Committee on Flood Control.

By Mr. HALL of Mississippi: A bill (H. R. 6021) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; to the Committee on Irrigation and Reclamation.

By Mr. HOLADAY: A bill (H. R. 6022) relating to the construction, maintenance, and regulation within and by the United States of America, of a nation-wide system of durable hard-surfaced post roads and their appurtenances and the provision of means for the payment of the cost thereof; to the Committee on Ways and Means.

By Mr. McLEOD: A bill (H. R. 6023) to amend sections 1 and 2, title 5, of the United States Code; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 6024) to amend title 5 of the United States Code by adding thereto, immediately after chapter 15, a new chapter creating the Department of Aeronautics; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 6025) declaring November 11 a legal public holiday, to be known as Armistice Day; to the Committee on the Judiciary.

Also, a bill (H. R. 6026) to amend the national prohibition act so as to prevent padlocking; to the Committee on the Judiciary.

Also, a bill (H. R. 6027) authorizing a national referendum on the repeal of the eighteenth amendment; to the Committee on the Judiciary.

Also, a bill (H. R. 6028) to regulate the interstate shipment of firearms; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 6029) to divest certain classes of firearms and ammunition of their character as subjects of interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. PURNELL: A bill (H. R. 6030) granting pensions to certain soldiers, sailors, and marines who served in organizations and campaigns in the Philippines from July 5, 1902, to August 5, 1913, inclusive, and for other purposes; to the Committee on Pensions.

By Mr. QUIN (by request of the War Department): A bill (H. R. 6031) to provide for the care and maintenance of the Guilford Courthouse National Military Park; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6032) to amend section 47c, national defense act, as amended, relating to military training required to entitle members of the Reserve Officers' Training Corps to receive commutation of subsistence; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6033) to authorize certain funds heretofore appropriated for certain construction at military posts to be made available for certain other construction at the same posts; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6034) to amend section 90 of the national defense act, as amended, relative to the employment of caretakers for National Guard organizations; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6035) to authorize the Secretary of War to exchange obsolete surplus, deteriorated, or unserviceable supplies or equipment for new supplies or equipment of the same general character; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6036) to provide for appropriate military records for persons who, pursuant to orders, reported for military duty but whose induction into the service was, through no fault of their own, not formally completed on or prior to November 30, 1918; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6037) to authorize the construction of a sea wall at Fort Randolph, Panama Canal; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 6038) to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes; to the Committee on Military Affairs.

By Mr. SIROVICH: A bill (H. R. 6039) transferring the functions of the Federal Radio Commission to the radio di-

vision of the Department of Commerce; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRUNNER: A bill (H. R. 6040) to provide for the establishment of light buoys at Rockaway Inlet and adjacent waters in the State of New York; to the Committee on Interstate and Foreign Commerce.

By Mr. GASQUE: A bill (H. R. 6041) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian Wars from 1817 to 1898, and for other purposes," approved March 3, 1927; to the Committee on Pensions.

By Mr. HOUSTON of Hawaii: A bill (H. R. 6042) to establish a branch home of the National Home for Disabled Volunteer Soldiers in the Territory of Hawaii; to the Committee on Military Affairs.

By Mr. MANSFIELD: A bill (H. R. 6043) authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River Harbor navigation district, of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex.; to the Committee on Rivers and Harbors.

By Mrs. NORTON of New Jersey: A bill (H. R. 6044) to amend an act to regulate the height, area, and use of buildings in the District of Columbia and to create a zoning commission, and for other purposes, approved March 1, 1920; to the Committee on the District of Columbia.

By Mr. SCHAFER: A bill (H. R. 6045) to repeal the national-origins provisions of the immigration act of 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 6046) to amend section 608 of the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

Also, a bill (H. R. 6047) to provide for the establishment of an 8-hour day for yardmasters of carriers; to the Committee on Labor.

Also, a bill (H. R. 6048) to disclose interest of and to regulate lobbyists who attempt to procure the passage or defeat of any measure before the Congress of the United States; to the Committee on the Judiciary.

By Mr. SHALLENBERGER: A bill (H. R. 6049) to provide for extending during the present emergency the time of payment of loans made by Federal land banks, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 6050) to reduce salaries, pay, and wages received from the United States during the calendar years 1932 and 1933; to the Committee on Expenditures in the Executive Departments.

By Mr. SWING: A bill (H. R. 6051) amending section 1 of an act entitled "An act granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes, which became a law June 2, 1930, by including male as well as female nurses within its provisions and benefits; to the Committee on Pensions.

By Mr. LEHLBACH: A bill (H. R. 6052) to amend sections 6, 9, and 12 of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved May 29, 1930; to the Committee on the Civil Service.

By Mr. MITTCHELL: A bill (H. R. 6053) providing for the purchase of a suitable site and the erection of a Federal court building at Winchester, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. MITCHELL: A bill (H. R. 6054) providing for the purchase of a suitable site and the erection of a public building at Livingston, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6055) providing for the purchase of a suitable site and the erection of a public building at Lewisburg, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6056) providing for the purchase of a suitable site and the erection of a public building at Dayton, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6057) providing for the purchase of a suitable site and the erection of a public building at Manchester, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6058) providing for the purchase of a suitable site and the erection of a public building at Smithville, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. LEAVITT: A bill (H. R. 6059) to continue the authorization for the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in, and approach roads to, the national parks and monuments under the jurisdiction of the Department of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. McLEOD: Resolution (H. Res. 64) electing a standing committee on aeronautics; to the Committee on Rules.

By Mr. SCHAFER: Resolution (H. Res. 65) to inquire into the activities of lobbying associations and lobbyists; to the Committee on Rules.

By Mr. QUIN (by request of War Department): Joint resolution (H. J. Res. 135) to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army; to the Committee on Military Affairs.

By Mr. BYRNS: Joint resolution (H. J. Res. 136) providing for a joint committee of the Senate and House of Representatives on reorganization of the administrative services of the Government; to the Committee on Rules.

By Mr. FISH: Joint resolution (H. J. Res. 137) to prohibit the exportation of arms, munitions, or implements of war to belligerent nations; to the Committee on Foreign Affairs.

By Mr. SMITH of Idaho: Joint resolution (H. J. Res. 138) for the relief of the State of Idaho; to the Committee on Military Affairs.

By Mr. McLEOD: Joint resolution (H. J. Res. 139) to call a constitutional convention according to the provisions of Article V of the Constitution; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 140) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BYRNS: Joint resolution (H. J. Res. 141) to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; to the Committee on Appropriations.

Also, joint resolution (H. J. Res. 142) making an additional appropriation for the employment service, Department of Labor, for the fiscal year ending June 30, 1932; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 6060) for the relief of Jimison Cox; to the Committee on Military Affairs.

Also, a bill (H. R. 6061) granting a pension to Catherine E. Burke; to the Committee on Pensions.

By Mr. AUF DER HEIDE: A bill (H. R. 6062) providing for the examination and survey of Hackensack River, N. J.; to the Committee on Rivers and Harbors.

By Mr. BARTON: A bill (H. R. 6063) granting a pension to Mary E. Jamison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6064) granting an increase of pension to Mary N. Stanley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6065) granting a pension to Eddie Morelock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6066) granting an increase of pension to Hester A. Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6067) granting an increase of pension to Elizabeth Dugan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6068) granting an increase of pension to Susan A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6069) granting a pension to Mary A. Lane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6070) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6071) granting a pension to George H. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6072) granting an increase of pension to Addie Blunt; to the Committee on Invalid Pensions.

By Mr. BEAM: A bill (H. R. 6073) for the relief of Robert McGee; to the Committee on Military Affairs.

By Mr. BLACK: A bill (H. R. 6074) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6075) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6076) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6077) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6078) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6079) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

Also, a bill (H. R. 6080) for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York and as liquidator of Equitable Casualty & Surety Co. in liquidation; to the Committee on Claims.

By Mr. BRAND of Ohio: A bill (H. R. 6081) for the relief of George Raymond McClary; to the Committee on Naval Affairs.

Also, a bill (H. R. 6082) granting an increase of pension to Mary E. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6083) granting a pension to John Ogan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6084) granting an increase of pension to Catherine March; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6085) granting an increase of pension to Murray R. Marshall; to the Committee on Pensions.

By Mr. BRITTEN: A bill (H. R. 6086) granting a pension to John N. Aull; to the Committee on Pensions.

By Mr. BULWINKLE: A bill (H. R. 6087) for the relief of Mrs. H. J. Dickson; to the Committee on Claims.

By Mr. BURDICK: A bill (H. R. 6088) granting an increase of pension to Sarah E. Bullock; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 6089) for the relief of Fred Herrick; to the Committee on Claims.

Also, a bill (H. R. 6090) granting a pension to Willie Murry Thomas; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 6091) granting a pension to Mariah H. Bowen; to the Committee on Pensions.

Also, a bill (H. R. 6092) for the relief of Myer Morris; to the Committee on Claims.

Also, a bill (H. R. 6093) for the relief of Emma Jenkins; to the Committee on Claims.

Also, a bill (H. R. 6094) granting an increase of pension to Johanna Mulvihill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6095) granting a pension to Minnie G. Oakley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6096) for the relief of U. S. Davis; to the Committee on Claims.

Also, a bill (H. R. 6097) for the relief of Mrs. W. I. Kline and Mrs. W. C. Greer; to the Committee on War Claims.

Also, a bill (H. R. 6098) granting a pension to Julia Wade; to the Committee on Pensions.

Also, a bill (H. R. 6099) granting a pension to James W. Johnson; to the Committee on Pensions.

Also, a bill (H. R. 6100) granting an increase of pension to Thomas H. Rogers; to the Committee on Pensions.

Also, a bill (H. R. 6101) for the relief of Davidson County, Tenn., and the city of Nashville, Tenn.; to the Committee on War Claims.

Also, a bill (H. R. 6102) granting a pension to Fred Allen; to the Committee on Pensions.

Also, a bill (H. R. 6103) to authorize the appointment of Joseph Coleman Timberlake as a second lieutenant of Coast Artillery Corps, Regular Army; to the Committee on Military Affairs.

By Mr. CABLE: A bill (H. R. 6104) granting a pension to Christena Nagle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6105) to grant a pension to Harry R. Meredith; to the Committee on Pensions.

By Mr. CLARK of North Carolina: A bill (H. R. 6106) for the relief of Rufus J. Davis; to the Committee on Claims.

By Mr. CROWE: A bill (H. R. 6107) granting a pension to Samuel M. Hatfield; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 6108) granting an increase of pension to Ida Bloss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6109) granting a pension to Cora B. Gardner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6110) for the relief of Charles E. Adams; to the Committee on Military Affairs.

By Mr. EATON of Colorado: A bill (H. R. 6111) granting a pension to Gertrude E. Ripley; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 6112) granting an increase of pension to Sadie F. Hamaker; to the Committee on Pensions.

Also, a bill (H. R. 6113) granting an increase of pension to Tolbert Smith; to the Committee on Pensions.

By Mr. EVANS of California: A bill (H. R. 6114) authorizing the Secretary of Commerce to lease San Clemente Island, Calif., and for other purposes; to the Committee on the Public Lands.

By Mr. EVANS of Montana: A bill (H. R. 6115) for the relief of Joseph Ford and Henry Ford, half-breed Piegan Indians, of the Blackfeet Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. FINLEY: A bill (H. R. 6116) for the relief of Hobart McKinley Griffin; to the Committee on Naval Affairs.

Also, a bill (H. R. 6117) to authorize a preliminary examination of Cumberland River above, below, and in the vicinity of Barbourville, Ky., with a view to control of its floods, and for other purposes; to the Committee on Flood Control.

By Mr. FREE: A bill (H. R. 6118) granting an increase of pension to Anna DeNio; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6119) granting an increase of pension to Emma F. Young; to the Committee on Invalid Pensions.

By Mr. HART: A bill (H. R. 6120) granting a pension to John Louis Nuendorf; to the Committee on Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 6121) granting an increase of pension to Matilda Stephens (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 6122) granting an increase of pension to Mary E. Pritchard (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 6123) granting an increase of pension to Eliza Britton (with accompanying papers); to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 6124) granting an increase of pension to Jacob Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6125) granting a pension to Sarah Stark Brown; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Hawaii: A bill (H. R. 6126) for the relief of Oscar P. Cox; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 6127) granting a pension to Harrison Rolfe Jennings; to the Committee on Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 6128) granting a pension to Hillis T. Brown; to the Committee on Pensions.

By Mr. LAMBERTSON: A bill (H. R. 6129) for the relief of Raymond A. Nichols; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 6130) granting an increase of pension to Caroline Collier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6131) for the relief of William R. White, major, United States Army; to the Committee on Military Affairs.

By Mr. LARSEN: A bill (H. R. 6132) granting a pension to Julian Cecil Stanley; to the Committee on Pensions.

By Mr. LEWIS: A bill (H. R. 6133) granting a pension to Frances M. Saxten; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6134) granting a pension to Anna Lichty; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 6135) providing for the examination and survey of the old channel of the River Rouge; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 6136) to provide for a survey and estimate of cost of construction of an all-American ship channel in the Detroit River from its mouth at Lake Erie to the head of Grosse Isle in said river; to the Committee on Rivers and Harbors.

By Mr. MAJOR: A bill (H. R. 6137) for the relief of Floyd Robert Jones; to the Committee on Naval Affairs.

Also, a bill (H. R. 6138) granting an increase of pension to Nancy L. Wandling; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 6139) granting an increase of pension to Mary J. Easley; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 6140) granting a pension to John B. Richards; to the Committee on Invalid Pensions.

By Mr. PARKER of Georgia: A bill (H. R. 6141) granting a pension to Vonnie D. Bright; to the Committee on Pensions.

Also, a bill (H. R. 6142) authorizing the payment of an indemnity to the Spanish Government on account of the death of Juan Neira, a Spanish subject killed at Savannah, Ga., by a United States truck; to the Committee on Foreign Affairs.

By Mr. PURNELL: A bill (H. R. 6143) for the relief of the Lower Vein Coal Co.; to the Committee on Claims.

By Mr. RAGON: A bill (H. R. 6144) for the relief of Henry Lee Billings; to the Committee on Military Affairs.

By Mr. RAMSEYER: A bill (H. R. 6145) granting a pension to Ivah D. Palmer; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 6146) for the relief of Stanley Jay Moore; to the Committee on Naval Affairs.

Also, a bill (H. R. 6147) for the relief of Louis J. Guiot; to the Committee on Naval Affairs.

Also, a bill (H. R. 6148) granting a pension to Olaf Moen; to the Committee on Pensions.

Also, a bill (H. R. 6149) for the relief of Louis Piccoli; to the Committee on Naval Affairs.

Also, a bill (H. R. 6150) for the relief of William Wichmann; to the Committee on Claims.

By Mr. SWANK: A bill (H. R. 6151) granting an increase of pension to Joseph A. Branstetter; to the Committee on Pensions.

Also, a bill (H. R. 6152) for the relief of George Tempy; to the Committee on Military Affairs.

By Mr. WELSH of Pennsylvania: A bill (H. R. 6153) for the relief of Mary Ellen Tiefenthaler; to the Committee on War Claims.

By Mr. WILLIAMS of Texas: A bill (H. R. 6154) for the relief of Porter Bros. & Biffle, and certain other citizens; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

160. By Mr. BOYLAN: Report of the committee on taxation and public revenue of the Merchants Association of New York on taxation and public revenue; to the Committee on Ways and Means.

161. By Mr. CELLER: Letter and pamphlet on the subject "Prohibition and Substitution Plan," by Joseph Battaglia, of New York City, containing a treatment of vital subjects requiring earnest attention of citizens for the protection of the Constitution, the rights of the people, and the welfare of the United States, which comprise the fundamental basis of our National Government; to the Committee on the Judiciary.

162. By Mr. DRANE: Petition of some 25,000 citizens of Florida, protesting against reduction in power for radio stations WFLA and WSUN of Clearwater and St. Petersburg, Fla.; to the Committee on the Merchant Marine and Fisheries.

163. By Mr. HALL of North Dakota: Petition of the county commissioners of Williams County, N. Dak., for a law whereby credit will be extended to the farmers in that section of North Dakota to enable them to purchase seed grain and a reasonable amount for feed and fuel to be used in planting the crops; to the Committee on Agriculture.

164. By Mr. JOHNSON of Texas: Resolution passed by National Defense Committee at the Texas State Conference of the Daughters of the American Revolution, opposing abandonment of military posts in Texas and favoring maintenance of adequate military and naval establishments; to the Committee on Military Affairs.

165. By Mr. RUDD: Petition of the Merchants Association of New York, vigorously opposed to any retroactive changes in the Federal tax system, etc.; to the Committee on Ways and Means.

166. By Mr. WOODRUM: Petition of C. K. Howe and Hon. R. J. Noell, in relation to the gold standard; to the Committee on Foreign Affairs.

SENATE

THURSDAY, DECEMBER 17, 1931

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou whose all-besetting care doth nourish every tender planting of Thy love; make of us high-minded men, who know our duties and our rights as well, that, knowing both, we may rend the chain of every mocking tyranny that hinders freedom's sway. Increase in us respect for Sovereign Law, the constituted will of states, that She alone may sit enthroned, now crowning good and now repressing wrong, until dissention at her bidding shrinks, and hiding his faint rays steals unperceived away. Give unto us those sweet rewards that decorate the brave who scorn inglorious strife, that looking back at day's departing hour on every conflict past we may meet life's peaceful evening with a smile and hear the Saviour's blessed words, "Well done!" Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 72) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the