Also, a bill (H. R. 6446) for the relief of Willie G. Chapman; to the Committee on Military Affairs.

Also, a bill (H. R. 6447) granting an increase of pension to Malinda J. Jacobs (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 6448) granting a pension to Nancy Gillespie (with accompanying papers); to the Committee on Invalid Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 6449) for the relief of Lettie Leverett; to the Committee on Claims.

By Mrs. KAHN: A bill (H. R. 6450) for the relief of Thaddeus C. Knight; to the Committee on Military Affairs.

By Mr. KETCHAM: A bill (H. R. 6451) granting the consent of Congress to the State of Michigan and Berrien County, or either of them, to construct, maintain, and operate a bridge across the St. Joseph River; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 6452) granting an increase of pension to Mary J. Welch; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H. R. 6453) granting a pension to Trina H. Anderson; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 6454) for the relief of Ribble Johnson; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 6455) for the relief of Charles W. Peppers; to the Committee on Claims.

By Mr. LAMBETH: A bill (H. R. 6456) to release the city of Rockingham, N. C., from the obligation of providing at its own expense a place for holding United States district court; to the Committee on the Judiciary.

By Mr. LEWIS: A bill (H. R. 6457) to give status of an enlisted man in the Navy of the United States and an honorable discharge therefrom to John Peter Jens Duhn, an operative in naval intelligence of the Navy Department from December 1, 1916, to March 1, 1919, and for hospitalization and medical treatment and to place him on the emergency officers' retired list; to the Committee on Naval Affairs.

By Mr. LONERGAN: A bill (H. R. 6458) to pay certain claims heretofore reported to Congress by the Secretary of War arising from the explosions and fire at the plant of the T. A. Gillespie Loading Co., at Morgan, N. J., October 4 and 5, 1918; to the Committee on War Claims.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 6459) granting an increase of pension to Hannah Johnston; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 6460) for the relief of Claude Cyril Langley; to the Committee on Military Affairs.

Also, a bill (H. R. 6461) for the relief of Frank D. Whitfield; to the Committee on Military Affairs.

By Mr. MAJOR: A bill (H. R. 6462) for the relief of Martin Wolf; to the Committee on Claims.

Also, a bill (H. R. 6463) granting an increase of pension to Mary A. Graham; to the Committee on Invalid Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 6464) granting a pension to Frederick Boller; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 6465) granting an increase of pension to Dora Nosler; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 6466) to authorize the appointment and retirement of Evelyn Briggs Baldwin in the grade of captain in the Navy in recognition of his patriotic and scientific services, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 6467) granting a pension to Kate C. Fore; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 6468) for the relief of the Union Shipping & Trading Co. (Ltd.); to the Committee on War Claims.

By Mr. SUMNERS of Texas: A bill (H. R. 6469) for the relief of W. M. Winn; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 6470) for the relief of John Gustav Baisch; to the Committee on Naval Affairs.

By Mr. WHITE: A bill (H. R. 6471) granting an increase of pension to Margaret Welsh; to the Committee on Invalid Pensions.

By Mr. WHITLEY: A bill (H. R. 6472) granting a pension to Emma Grannis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6473) granting an increase of pension to Fannie H. Hadley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6474) granting an increase of pension to Rosalia M. Burroughs; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Missouri: A bill (H. R. 6475) to correct the military record of Alexander Surrell; to the Committee on Military Affairs.

By Mr. WYANT: A bill (H. R. 6476) granting an increase of pension to Sibbie McClarran; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: Resolution (H. Res. 77) providing for an additional assistant clerk and two expert stenographers to the Committee on Invalid Pensions; to the Committee on Accounts.

By Mr. POLK: Resolution (H. Res. 78) to pay Mrs. David L. Thomas, widow of David L. Thomas, late an employee of the House, a sum equal to six months' salary and an additional sum of $250 for funeral expenses; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

179. By Mr. GREENWOOD: Petition of Charles F. Pectol and 101 other citizens of Owen County, Ind., for the passage of a bill that the Federal Government guarantee all funds, private, State, or funds of any kind that are on deposit in any Federal bank, trust company, or any Federal banking institution against any loss in any way to the individual, company, State, or anyone else having funds on deposit in any of the said institutions under Federal control; to the Committee on Banking and Currency.

180. By Mr. HOGG of West Virginia: Petition of the Business Men's Club of Rainelle and Meadow Bluff district, recommending the plan for forming a system of mortgage-discount banks; to the Committee on Banking and Currency.

SENATE

MONDAY, DECEMBER 21, 1931

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who at sundry times and in divers manners didst speak unto the fathers by the prophets and who in the fullness of time hath spoken unto us through Thine own Son, reveal to our weakness and distress the power and grace of life betokened by His coming to a weary, waiting world.

Renew in us the purity and innocence of childhood, the flaming zeal of youth, the patient temper of life's riper years, that we, rejoicing in the light that shines about our pathway from the cradle to the grave, may brighten sadness, cheer the faint, raise the fallen, and make happiness abound. Enable us to carry hence the inward peace and strength that now are ours, that by walking in Thy presence here a while we may learn to walk more patiently with man. We ask it in the name of Him who hath walked this way before, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Saturday last, 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. Haltigan, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6172. An act to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes; and

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H. R. 6285. An act relating to the contributions of the United States toward defraying the expenses of the District of Columbia.

The message also announced that the House had agreed to the amendment of the Senate to the 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, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTIONS SIGNED

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

S. J. Res. 39. Joint resolution extending the time within which the War Policies Commission is required to submit its final report; and

H. J. Res. 141. Joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932.

CLAUDE G. BOWERS ON THE MORATORIUM

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial by Claude G. Bowers, which appeared in the Washington Times of December 19, entitled "A Piece of Outrageous Effrontery."

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

The editorial is as follows:

[From the Washington Times of December 19, 1931]

A PIECE OF OUTRAGEOUS EFFRONTERY

By Claude G. Bowers

That was a remarkable scene in the House at Washington when the erstwhile Republican chairman of the Committee on Banking, Mr. MCFADDEN, of Pennsylvania, made a slashing attack upon the President. The purport of his attack was that the President had betrayed or "sold" his country in the interest of the international bankers, and that the price of the betrayal was the support of these bankers in the campaign of 1928.

Of course, the speaker was right in insisting that the international bankers, having made bad loans in Europe, want the billions in debts transferred from the backs of the Europeans to the backs of the American taxpayers to make easier the collection of the private loans. But the charge that this was part of a bargain entered into in 1928 implies the most appalling corruption and should not have been made without positive proof. For, if true, there is a clear case for impeachment.

The excitement during the incident must have turned on this specific charge, for certainly no Member of the House doubts that the pressure of the bankers is responsible for the thoroughly organized propaganda in favor of making the American taxpayers pay the war debts of the world. That is common knowledge and has been said a million times.

The extreme charge of MCFADDEN does not alter the fact that this is precisely the fight that is being waged to-day.

SENATOR REED'S STATEMENT

Mr. MCFADDEN is a traditional foe of Mr. Mellon, but Senator REED, of Pennsylvania, is his traditional friend and a warm supporter of the administration in the past. He is a corporation lawyer of distinction and can not be accused either of making loose statements or of playing to "the mob."

And on the day MCFADDEN was making his speech in the House REED was saying in the Senate:

"There is the other kind of propaganda coming from our own citizens who are interested chiefly in their own pocketbooks and in profits they will get from cancellation of debts due our Government. I refer principally to those bankers and bond houses who since the armistice and debt settlement have put out so-called private loans to European nations, which they now would like to see paid by means of cancellation."

Thus far Senator REED takes precisely the same position that MCFADDEN took. There is no occasion for excitement or "indignation" about the statement, for everyone knows it to be true.

And then Senator REED continues:

"They [the loans] were made by American bankers with eyes wide open to the situation of the debtor countries, with full knowledge of the prior existence of this Government's claim and the difficulty that the debtors would have in meeting both public and private debts. Now, to ask that those private claims of some American citizens should be given priority over the intergovernmental claims, which are the claims of all American citizens, seems to me to be a piece of outrageous effrontery."

"Outrageous effrontery." That is language almost as strong as MCFADDEN used.

AND WHO ASKS THE REVIVAL?

True it is that Senator REED does not accuse the President of "outrageous effrontery" in words; but he does by implication. For when he was asked if he favors the revival of the War Debts Commission he replied:

"I do not. It can have but one result, and that is a further reduction of the amounts due the United States. Nobody suggests that we shall review those debts with a view to finding an increased capacity to pay on the part of any debtor."

Thus he says that the manifest purpose in reviving the War Debts Commission is to scale down the debts and transfer the amount "forgiven" to the backs of the taxpayers of the United States.

And who asks the revival? President Hoover.

Thus by indirection, but none the less clearly, he says that the President's proposal about the revival of the commission is a "piece of outrageous effrontery."

MUCH MORE INVOLVED

To old-fashioned Americans there is much more involved in the manifest plan of the administration than the loss of billions to the American people to be made up by the taxation of the American people by billions to pay the debts of other nations. This is wicked enough in view of our condition, with our economic collapse, with our enormous deficit in the Treasury, with the appalling increases in taxation to meet this deficit. But there is a more serious theory of Government involved. Are private interests, in a hole, to be permitted to use the instrumentalities of Government to save their investments without the loss of a penny to themselves by going into the pockets of all the American people by law? Is the American Government a subordinate agency of high finance, or its property?

Through no fault of their own there are almost 7,000,000 breadwinners out of work and in need, but the Government can do nothing for them. There are many millions of women and children without enough to eat or wear, but the Government can not go into the Treasury for them.

To take money from the pockets of all the people by way of the Treasury for these victims of an economic collapse for which they are not responsible is denounced with deep feeling as a "vicious dole."

Many are wondering by what sophistry it becomes a beneficent dole to go into the pockets of the people to the tune of billions to make good the investments for handsome profit of the international bankers.

A MOST GLARING ILLUSTRATION

And unlike the millions who are victims of the stupidities of economic policies, for which they are not responsible, these international bankers knew precisely what they were about. As Senator REED well says, these bankers went into these loans they want made good through the transfer of the war debts of the world to the American taxpayers, with eyes wide open to the conditions.

They gambled with their money on the possibilities of repayment; and the public generally is wondering if in their calculation on the possibilities they counted confidently on their capacity to use the Government of the United States to guarantee their profits; the very Government which makes a virtue of its refusal to guarantee bread to hungry women and children.

For 50 years and more private interests have used Government in America to increase profits by law out of the pockets of the people; but here is a most glaring illustration, and the effect on the public or mass mind is doing no good to the international bankers.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

APPROPRIATION FOR EMPLOYMENT SERVICE, DEPARTMENT OF LABOR

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on House Joint Resolution 142, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
December 19, 1931.

Resolved, That the House agree to the amendment of the Senate to the 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, with an amendment as follows:

In lieu of the matter stricken out by such Senate amendment insert the following:

" : *Provided further,* That no salary shall be paid under this appropriation at a rate in excess of $2,000 per annum."

Mr. JONES. Mr. President, as I stated on the floor the other day, the Secretary of Labor assured the members of the House committee and also the Senate committee that he would not pay any salary of more than $2,000 under the $120,000 appropriation. The House committee in reporting its bill apparently acted on that theory, because it made no limit. The House did add a limitation. We struck it out. The House now inserts a limitation applying only to the money carried by this bill. This might be considered a doubt on the part of the House of the word of the Secretary of Labor. I can hardly think the House intended it as such. However, as the amendment simply carries out what the Secretary of Labor assured us would be done, and as it is urgent that we get action on this bill and as the Secretary is anxious for prompt action, I move that the Senate concur in the amendment of the House to the Senate amendment.

The amendment of the House to the amendment of the Senate was concurred in.

CELEBRATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF GEORGE WASHINGTON

The VICE PRESIDENT. In accordance with the provisions of House Concurrent Resolution No. 4, the Chair appoints the Senator from Ohio [Mr. FESS], the Senator from Kansas [Mr. CAPPER], and the Senator from Virginia [Mr. GLASS] as the members on the part of the Senate of the joint committee to make arrangements for a celebration in the House of Representatives on February 22, 1932, of the two hundredth anniversary of the birth of George Washington.

PETITION

Mr. DAVIS presented a petition of sundry citizens, being ex-service men, of Philadelphia County, Pa., praying for the full cash payment of adjusted-compensation certificates (bonus), which was referred to the Committee on Finance and ordered to be printed in the RECORD in full, as follows:

PHILADELPHIA VETERANS

Hon. JAMES J. DAVIS AND MEMBERS OF THE SEVENTY-SECOND CONGRESS:

Resolved, We, the undersigned citizens of Philadelphia County, Pa., and veterans of the World War, do hereby petition the United States Senate of the Seventy-second Congress. Due to the widespread unemployment conditions among the ex-service men, we do hereby request the immediate passage of bill H. R. No. 1, for full cash payment of the adjusted-compensation certificates.

William O'Brien, Howard W. Raines, Paul M. Schell, Martin Rettig, David Morris, Joseph Collins, Harland H. Humphrey, Jacob Ludwig, Morris L. Ehrlich, Salvatore Forni, Oscar Reiser, Sam B. Fivel, Tony Lanatto, William C. Hayes, Nicola Pellicciotti, John Orris, Paul M. Myers, Tony Lapinski, Rodny S. Jones, Gerald E. Connelly, George Welch, Oliver W. Milson, Stanley Knowles, Sam Weiss.

REPORT OF SELECT COMMITTEE ON SENATORIAL CAMPAIGN EXPENDITURES

Mr. NYE. Mr. President, from the Select Committee on Senatorial Campaign Expenditures, pursuant to Senate Resolution 215 of the last Congress, I submit a report (No. 20), which I send to the desk. I ask that it may be printed and placed upon the desk of each Senator to-morrow morning, and also that it may be printed in the RECORD.

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

The report is as follows:

[Senate Report No. 20, Seventy-second Congress, first session]

SENATORIAL CAMPAIGN EXPENDITURES, 1930

Mr. NYE, from the Select Committee on Senatorial Campaign Expenditures, submitted the following final report (pursuant to S. Res. 215):

The Select Committee on Senatorial Campaign Expenditures has previously submitted reports covering certain of the specific investigations which it has conducted in accordance with the provisions of Senate Resolution 215. In this report it is dealing only with the findings of the committee as a result of its more complete investigation and without regard to specific contests.

It is recognized that the primary purpose of the resolutions which authorized these investigations was that of affording possible legislative remedies for the evils which may have developed by reason of the use of money in elections. The purpose of the present report is, therefore, primarily to submit our recommendations for constructive legislation.

The committee finds, as a result of its investigations and examination of the incomplete returns filed under existing law, that there was expended in connection with the election of United States Senators in 1930 a total of $5,505,712.

The excessive character of these expenditures will be evident when it is understood that the annual salaries of all the Senators elected in this campaign would amount to only $350,000. The expenditures were thus more than fifteen times the amount of the annual salaries of the offices sought.

A considerable part of these expenditures, it is true, were made in behalf of tickets upon which other candidates were running, both in the primary and in the general election. Nevertheless, as many witnesses testified, it is doubtful if the total expenditures would have been greatly reduced if the senatorial candidates had been running alone.

This is more than offset by the fact that in 15 States, in which 17 Senators were elected, the expenditures, as reported, were small or moderate in size. The bulk of the expenditures, aggregating $4,898,121, was therefore concentrated in 18 States, in which the amounts expended ranged from $63,375 to $2,005,033.

Without going further into detail as regards either the amount or the character of these campaign expenditures, it would appear that in a majority of the States they were excessive, when measured by any reasonable standard. The use of such large sums is incompatible with a free and uncontrolled expression of the will of the people and with the maintenance of even a semblance of that equality of opportunity for citizens to seek public office, which is the very foundation of genuine democracy.

EXTENT AND CHARACTER OF INVESTIGATIONS

The investigations of the Select Committee on Senatorial Campaign Expenditures indicate clearly that while this situation is due in part to the increasingly complex and expensive character of political campaigns in the United States, it is even more largely the result of the defective character of the existing law, which imposes substantially no limitation upon expenditures and does not even provide effective publicity as to the source of contributions or the amount and character of expenditures as now reported under existing law.

These investigations of the committee covered 18 States, in which 408 witnesses were publicly examined, while several hundred more were privately interviewed by the committee's representatives. They included almost every section of the country, and examined, with equal impartiality and freedom from partisan bias, all substantial charges preferred in accordance with the terms of Senate Resolutions 215 and 403, creating the committee and defining its purposes.

The committee, therefore, has had an adequate opportunity to examine the operation of the present law and ascertain its defects. In addition, in a special series of public hearings held after its field investigations had been concluded, the committee heard the testimony of a number of the leading authorities in American universities on political science and the law of elections and received their recommendations. Although they differed upon minor points, they were in harmony in declaring that the present law is defective and that the practically uncontrolled expenditures which it permits constitute a serious menace to representative government in the United States.

DEFECTS OF EXISTING LAW

Some of the principal defects in the existing law—the Federal corrupt practices act of 1925—as revealed by the committee's investigations are:

1. It makes no attempt to limit or to provide publicity for expenditures in primary elections.

In more than half the States and congressional districts the nomination is equivalent to election. In nearly every State, moreover, the contest for the nomination is likely to be as bitterly fought and to involve as large expenditures as the general election.

2. It fails to place any effective limitation upon campaign contributions and expenditures even in the general election.

3. It does not fix responsibility clearly either for improper expenditures or for failure to file reports, and thus makes effective enforcement extremely difficult.

4. Its provisions regarding the reporting of contributions and expenditures are confusing and provide many opportunities for evasion.

5. It fails to provide effective publicity even for the reports filed in accordance with its provisions.

6. It does not reach large numbers of national and local organizations, which, while not directly supporting particular candidates, frequently exercise a controlling influence over elections.

7. It is ineffective both in controlling and requiring adequate publicity of the expenditures made in presidential elections.

8. It provides no adequate means either of checking the reports that are made or of enforcing the penalties prescribed for its violation.

RECOMMENDATIONS OF THE COMMITTEE

In order to remedy these defects in the existing law and provide in future not only effective publicity for campaign contributions and expenditures but also a reasonable measure of control over their amount and character, the committee, in accordance with the provisions of Senate Resolution 215, submits herewith its recommendations in the form of a bill, together with a statement of the considerations underlying its principal provisions.

The bill submitted herewith is based upon a draft prepared at the request of the chairman by Prof. James K. Pollock, of the University of Michigan. It embodies, in its revised form, suggestions made by Prof. Charles E. Merriam, of the University of Chicago; Prof. Earl R. Sikes, of Dartmouth College; Prof. Charles E. Beard, formerly of Columbia University; Prof. Louise Overacker, of Wellesley College; and other leading authorities upon the law of elections, as well as many features based upon investigations conducted during the past year by the committee.

The work of digesting and analyzing the evidence before the committee and of preparing the bill in the form in which it is submitted has been directed by Mr. Basil Manly, former joint chairman, with Chief Justice William Howard Taft, of the National War Labor Board.

This draft includes the principal recommendations contained in the reports of former Senators William S. Kenyon and James A. Reed and Senators WILLIAM E. BORAH and FREDERICK STEIWER, as chairmen of the several select committees on campaign expenditures which have been authorized by the Senate during the past 10 years.

A thorough study has likewise been made of all the bills dealing with corrupt practices and campaign expenditures that have been introduced in the Senate and House of Representatives during the past quarter of a century and the results are incorporated in the present revised draft.

The purpose of the bill as drafted is primarily to fix responsibility for campaign expenditures and to require the filing of complete and accurate reports of the contributions received and expenditures made on behalf of every candidate for Federal office.

CONTROL OF NOMINATIONS AND ELECTIONS

The bill attempts, without conflicting directly with the decision of the Supreme Court in the Newberry case, to establish proper limitations upon the expenditures that may be made in campaigns for nomination and election by candidates for President and Vice President of the United States as well as by Senators and Representatives, Delegates, and Resident Commissioners in Congress.

This purpose, it is believed, may be achieved by the application of the following principles:

1. The election process, from the time a candidate announces his candidacy or takes any other step looking toward his ultimate election, is a single process, regardless of the method which may be used in any State to determine the will of the electors.

The corruption of any part of this process is a corruption of the whole. This principle was enunciated by Justices Pitney, Brandeis, and Clark in their dissenting opinion in the Newberry case in the following language:

"It seems to me too clear for discussion that primary elections and nominating conventions are so closely related to the final election, and their proper regulation so essential to effective regulation of the latter, so vital to representative government, that power to regulate them is within the general authority of Congress.

"An election is the choosing of a person by vote to fill a public office. In the nature of things it is a complex process, involving some examination of the qualifications of those by whom it is to be made; some opportunity for the electors to consider and canvass the claims of the eligibles; and some method of narrowing the choice by eliminating candidates until one finally secures a majority, or at least a plurality, of the votes. For the process of elimination, instead of tentative elections participated in by all the electors, nominations by parties or groups of citizens have obtained in the United States from an early period. Latterly the processes of nomination have been regulated by law in many of the States through the establishment of official primary elections. But in the essential sense, a sense that fairly comports with the object and purpose of a Constitution such as ours, which deals in broad outline with matters of substance and is remarkable for succinct and pithy modes of expression, all of the various processes above indicated fall fairly within the definition of 'the manner of holding elections.' This is not giving to the word 'elections' a significance different from that which it bore when the Constitution was adopted, but is simply recognizing a content that of necessity always inhered in it. The nature of that instrument required, as Chief Justice Marshall pointed out in McCulloch *v.* Maryland (4 Wheat. 316, 407), 'that only its great outlines should be marked, its important objects designated, and the minor ingredients which compose those objects be deduced from the nature of the objects themselves.'"

Chief Justice White, in a separate dissenting opinion, also strongly emphasized the essential unity of the entire election process and the necessity for protecting it from possible corruption at every point. He said:

"In view, then, of the plain text of the Constitution, of the power exerted under it from the beginning, of the action of Congress in its legislation, and of the amendment to the Constitution, as well as of the legislative action of substantially the larger portion of the States, I can see no reason for now denying the power of Congress to regulate a subject which from its very nature inheres in and is concerned with the election of Senators of the United States as provided by the Constitution."

"Corruption in elections," as John Adams said, "is the great enemy of freedom." To permit any part of the election process to remain subject to corruption or to the effect of excessive expenditure of money is to subject the essential structure of the Federal Government to dangerous and subversive influences which will in the course of time destroy it.

Article I, section 4, of the Constitution, providing that the Congress shall regulate the times, places, and manner of holding elections for Senators and Representatives, if given the broad and liberal interpretation which the Supreme Court has almost uniformly given to those clauses which relate to the structure of the Federal Government and the powers of its coordinate branches, must be held to confer upon Congress the power of protecting the entire election process for these offices from corruption and merely the casting and counting of the ballots at the general election. So likewise, as is pointed out below, it must be held that the Congress has all the power necessary to protect the offices of President and Vice President of the United States from becoming the objects of barter and sale, in order that the chief executive office of the Nation may not be corrupted or procured by the expenditure of excessive sums of money.

2. The draft of the bill incorporates also the suggestion contained in the recent decision of Federal Judge Munger in the case of United States *v.* Victor Seymour to the effect that it would be within the constitutional power of Congress to provide that no candidate shall be entitled to have his name appear upon the official ballot in the general election, unless such candidate shall have complied with such reasonable regulations as may be made by the Congress limiting the amount of money to be expended in the primary election and prescribing the statements of expenditures that shall be filed.

After reviewing all the principal Federal decisions relating to the control of elections, including the Newberry case, Judge Munger declared:

"In view of these decisions, it is not perceived why Congress may not enact valid legislation providing that the manner of elections for Senators and Representatives shall be by the use of a printed official ballot, that upon such ballot there shall be printed the names of those nominees only for such offices as shall have duly made and filed with some public officer a sworn statement of all contributions and expenditures which have been made by or for the benefit of such candidate, to his knowledge, in obtaining the nomination for such office, and the names of those contributing and of those to whom money was paid, also requiring, as a prerequisite to the printing of such nominee's name upon the ballot, that the officers of a campaign committee acting on behalf of such candidate should file a similar statement. As has been indicated, such legislation would be in harmony with the legislation of many States and with other statutory restrictions as to names of candidates upon the printed ballots. (See 9 Rul. Cas. Law, pp. 1054, 1055, 1056.) It would relate directly to the manner of holding the elections for Senators and Representatives."

ELECTION OF PRESIDENT AND VICE PRESIDENT

Before entering into a detailed discussion of the provisions of the present bill, it may be well to discuss briefly the principle underlying the sections dealing with the expenditures that may be made on behalf of candidates for President and Vice President of the United States.

Previous legislation has been directed toward the control of expenditures made in connection with the choice of presidential electors. The present bill proceeds on the theory that the offices of President and Vice President of the United States are Federal offices, the protection of which from the taint of corruption is of supreme importance to the welfare of the Nation. Inasmuch as the final choice of the President and Vice President of the United States is reposed by the Constitution in the Congress, which must certify to their election, and, under certain circumstances, actually designate the successful candidates for these offices, it would appear that the Congress must possess the power to enact appropriate legislation to prevent the entire process leading up to such election from contamination by the evils of corruption and excessive campaign expenditures and to require such reports from candidates and committees as may be necessary for its information.

THE FICTION OF THE ELECTORAL COLLEGE

It is true that in the general election the votes are cast nominally for the presidential electors nominated by the several parties. Nevertheless, it is a fact, as every student of American politics acknowledges, that the Electoral College has become a mere fiction. The votes are in reality cast for the candidates for President and Vice President to whom these electors are understood to be committed. In some States, indeed, the names of the presidential electors do not appear on the official ballot, only the names of the presidential and vice presidential candidates being shown. (Testimony of Professor Pollock, hearings on remedial legislation, p. 57.)

Chief Justice White in his opinion in the Newberry case referred to the contrast between the original constitutional plan for the election of the President and the actual process as developed by custom as follows:

"The election of President offers an illustration of the filching of actual power away from the electors in whom it is vested by law. When James Russell Lowell, a Republican elector for Massachusetts in 1876, was urged to exercise his independence and vote for Tilden, he declined, saying that 'Whatever the first intent of the Consti-

tution was, usage had made the presidential electors strictly the instruments of the party which chose them.' The Constitution remains unchanged, yet presidential electors recognize that they have been stripped of all discretion."

While the election of President and Vice President is not completed until the Senate and House of Representatives in joint session canvass the results of the vote cast by the Electoral College, the election process actually begins when the candidates for President and Vice President take the first steps to secure their nominations by the national conventions of the major political parties. Even in the case of independent candidates for President substantially the same situation exists, as such candidates become serious contenders only after they have received the nomination of some form of convention.

The present bill seeks, therefore, to establish proper limitations upon the amounts which may be expended by or on behalf of presidential and vice presidential candidates from the time that their candidacy is initiated, either by public announcement or by some other act, until the votes of the Electoral College are canvassed by the Senate and House of Representatives in joint session. Throughout the period of the presidential candidacy for nomination and election, provision is made for the filing at proper intervals of reports of contributions and expenditures made by or on behalf of such candidates. Generous, but strict, limitations are prescribed for the amounts which may be expended on behalf of such candidates in seeking the nomination and in attempting to procure the choice of electors who are committed to cast their votes for such candidates in the Electoral College.

NOT A GENERAL ELECTIONS LAW

No attempt is made in the present bill to regulate elections in the several States except by the provision of proper limitations upon the amounts which may be expended by the candidates for Federal offices and by the requirement of reports with reference to their expenditures. While the investigations of the Select Committee on Senatorial Campaign Expenditures have revealed widespread frauds and corruption and gross laxity in the conduct of elections in certain States, nevertheless it is believed that it would be unwise for the Federal Government to attempt to assert the extent and character of control over the conduct of elections in the several States which would be necessary to establish an effective curb upon such corrupt practices. Such a centralization of control over Federal elections might in the course of time result in the intrenchment of a national political machine inimical to the welfare of the Nation.

CENTRALIZATION OF REPORTS

The bill substitutes for the present practice of requiring reports of expenditures to be filed with the President of the Senate and the Clerk of the House of Representatives provisions for the creation of a joint committee on elections representatives of the two Houses of Congress, with which all such reports shall be deposited. This plan will avoid the confusion which now exists because of the two places in which reports are required to be filed. It is also in complete harmony with the provision of the Constitution making each House the judge of the elections and qualifications of its Members. All matters relating to Federal elections are thus kept under control of the membership of the two Houses of Congress. The procedure suggested will enable each House to be fully informed regarding expenditures made in connection with the election of its Members, and both Houses to be jointly advised of the facts relative to the election of the President and Vice President of the United States.

The creation of such a joint committee on elections is in conformity with the established practice of the House and Senate. It requires no new and elaborate machinery and involves no question of delegated powers. The detailed provisions of this section insure proper representation of the majority and minority parties and should result in effective scrutiny and widespread publicity of campaign expenditures of all candidates and committees.

Prompt local publicity is secured by providing for the filing of duplicate copies of the reports of expenditures with the clerk of the United States court of the district in which the candidate is located.

NECESSITY FOR FIXING RESPONSIBILITY

The most important departure in principle from the corrupt practices act of 1925 lies in the fact that the present bill seeks to center the responsibility for campaign expenditures upon such candidate or his agent and prohibits all those who are not properly authorized by the candidate or his agent from receiving contributions or making expenditures.

Under this plan the candidate becomes legally responsible for the expenditures of all persons and committees whom he or his agents has authorized to act in his behalf, while all unauthorized persons and committees receiving contributions or making campaign expenditures become subject to the penalties provided in the bill. This will effectively curb the growing activities of "political racketeers" who use the names of popular candidates to enrich themselves.

It is only through such a plan, it is believed, that it will be possible to establish any effective restraint upon political expenditures. Under present conditions it is necessary in practice for prosecuting officers to prove that the candidate had knowledge of all excessive or improper expenditures made in his behalf. This is difficult, if not impossible, in most cases. Under the proposed plan, on the other hand, each candidate becomes responsible for the activities and expenditures of the persons and committees which he has authorized, but he is relieved of responsibility for the acts of all other persons and committees. At the same time all unauthorized persons and committees become subject to severe penalties if they attempt to collect campaign contributions or influence an election by the expenditure of money.

The early passage of this bill or some other adequate revision of the present Federal corrupt practices act is necessary if the presidential and congressional campaigns of 1932 are to be free from the flagrant abuses which the investigations of this and other committees have revealed in connection with previous elections.

GERALD P. NYE, *Chairman*,
PORTER H. DALE,
C. C. DILL,
ROBERT F. WAGNER,
Committee.

Mr. NYE. Mr. President, in that connection since the report of the committee relates to a bill which has been introduced in the Senate by me, Senate bill 2316, I ask that the text of the bill be incorporated in the RECORD following the report of the committee.

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

The bill (S. 2316) to regulate election expenditures (introduced by Mr. NYE on December 19, 1931, and referred to the Committee on the Judiciary), is as follows:

Be it enacted, etc., That this act may be cited as the "Election expenditures act."

SEC. 2. When used in this act—

(a) The term "election" shall mean and include any part of the election process in which there is submitted to a popular vote, or to a vote in a caucus or convention, the name of any person for nomination or election to the office of President or Vice President of the United States, United States Senator or Representatives or Delegate or Resident Commissioner in Congress, or at which delegates are chosen to any convention at which such candidates are to be chosen, indorsed, or nominated.

The election process with respect to any candidate within the meaning of this act shall be construed to begin with the announcement of his candidacy by public declaration or with the commission of any act by the candidate or by any person acting in his behalf designed to procure or influence his ultimate election, whichever is earlier in time.

(b) The term "candidate" shall mean every candidate for nomination or election to the office of President or Vice President of the United States, United States Senator or Representative or Delegate or Resident Commissioner in Congress, or any other position of profit or trust in the Government of the United States at an election as defined in paragraph (a) at which a United States Senator or Representative in Congress is to be voted for.

(c) The term "political committee" as used herein shall include the National and State committees of all political parties, and the congressional and senatorial campaign committees of all political parties, and all other committees, associations, or organizations which shall influence or attempt to influence, directly or indirectly, the nomination or election of any candidate as defined herein at an election at which Senators or Representatives in Congress of the United States are to be nominated or elected or which shall influence or attempt to influence, directly or indirectly, congressional legislation.

(d) The term "official ballot" as used herein shall include any and all printed or written forms upon which appear the names of candidates for use at an election as defined in paragraph (a) of this section, whether or not such ballots shall be printed or issued in more than one part or section.

(e) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(f) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(g) The term "person" includes an individual, partnership, committee, association, club, corporation, and any other organization or group of persons.

(h) The term "agent" shall mean any person or committee designated by a candidate or by a group of candidates to solicit and/or receive contributions, incur obligations and/or make expenditures in connection with any election as defined in paragraph (a).

(i) The term "Joint Committee on Elections" shall mean the joint committee of Congress, composed of equal numbers of Senators and Representatives in Congress, the creation of which is authorized herein, which shall be authorized and directed to receive, examine, audit, and have custody of all reports, statements, and other documents required to be filed under the terms of this act.

SEC. 3 (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Elections (hereinafter in this section referred to as the joint committee) and to be composed of 10 members, as follows:

1. Five members who are members of the Committee on Privileges and Elections of the Senate, three from the majority and two from the minority party, to be chosen by such committee; and

2. Five members who are members of the Committee on Election of President, Vice President, and Representatives in Congress of the House of Representatives; three from the majority and two from the minority party, to be chosen by such committee.

(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee by which he was chosen, except that the members chosen by the Committee on Election of President, Vice President, and Representatives in Congress who have been reelected to the House of Representatives may continue to serve as members of the joint committee notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as the original selection except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than two weeks the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled by the Committee on Election of President, Vice President, and Representatives in Congress; the members of such committee who are continuing to serve as members of the joint committee may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives to serve until his successor is chosen by such committee.

(c) It shall be the duty of the joint committee—

1. To receive, examine, audit, and have custody of all reports, statements, and other documents required to be filed with it under the terms of this act.

2. To prepare and publish, as provided herein, summaries of the reports of contributions and expenditures filed under the terms of this act.

3. To report to the Senate and House of Representatives, respectively, all violations of this act affecting the election of members. To report to the two Houses, jointly, all violations affecting the election of other candidates.

4. To prepare such printed forms and make such regulations as may be necessary to carry out the purposes of this act.

(d) The joint committee shall meet and organize as soon as practicable after at least a majority of the members have been chosen, and shall elect a chairman and vice chairman from among its members and shall have power to appoint and fix the compensation of a secretary and such experts and clerical, stenographic, and other assistants as it deems advisable.

(e) The committee shall appoint a majority clerk to be designated by the majority members and a minority clerk to be designated by the minority members. The majority and minority clerks shall receive equal compensation and shall have access to all reports, statements, and other documents filed with the joint committee.

(f) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman or vice chairman.

(j) The term "State" includes the Territories and possessions of the United States.

SEC. 4. (a) It shall be unlawful for any expenses to be incurred or for any expenditures to be made for the purpose of promoting or influencing the nomination or election of any candidate within the scope of this act, except by the persons authorized under the provisions of this section and by the committees provided for in section 17. Any person or persons making expenditures in violation of this provision shall be subject to the penalties set forth in sections 36 and 37.

(b) Every candidate, before making or authorizing any expenditures in connection with his candidacy for the nomination, and, if he nominated, also immediately after his nomination, shall appoint an agent who, except as hereinafter provided, shall thereafter be the only person authorized to solicit or receive contributions or incur expenses or disburse money for the purpose of promoting or influencing the nomination or election of such candidate.

(c) A candidate may name himself or some other person as agent, or he may designate a political committee to act as his agent. In case a committee is designated, only its treasurer may solicit or receive contributions or incur expenses or disburse money, except as provided by paragraph (d) of this section.

(d) It shall be unlawful for any person except the agent of a candidate to solicit or receive contributions or incur any expenses or disburse money in promoting or procuring either directly or indirectly the nomination or election of any candidate, unless he is authorized in writing by the agent, which authorization shall state the maximum amount to be received and/or expended: *Provided,* That this shall not be interpreted to prohibit any individual citizen from expending his own funds to pay his own individual expenses in connection with a political campaign or to prohibit any individual from expending his own funds to express his views regarding any candidate or any political issue, each such individual being held responsible, however, for reporting such expenditures in accordance with the provisions of section 10 of this act.

(e) Any contributions or expenditures authorized as aforesaid by the agent shall be duly returned as a part of the candidate's receipts or expenditures and are included within the limitations set forth in this act.

(f) In case a candidate appoints as his agent an agent or a committee which is also acting in behalf of another candidate or other candidates for any public office, either within or without the scope of this act, said agent or committee shall make a return of the aggregate contributions and expenditures for all candidates in whose behalf said agent or committee acts, and for each candidate within the terms of this act shall allocate as accurately as possible the joint expenditures to the account of each candidate, in addition to listing the receipts and expenditures which are individual to each candidate. The method or rule of apportionment for joint expenditures as between candidates shall be stated in each candidate's or committee's report as hereinafter provided. In no case shall the joint expenditures made by said agent or committee on behalf of a group of candidates exceed twice the aggregate amount allowed by this act for the candidates for the office of United States Senator, Representative, Delegate, or Resident Commissioner in Congress included within such group.

SEC. 5. (a) The agent of every candidate for Senator or Representative or Delegate or Resident Commissioner shall file with the joint committee on elections between 10 and 15 days before the nomination and within 15 days after the nomination, and between 10 and 15 days before the election and within 15 days after the election of such candidate, a complete and true statement containing—

1. A list showing the name and address and date of authorization of every individual who has been authorized to solicit or receive contributions and/or incur obligations or make expenditures for, or in behalf of, said candidate and the official designation and address and date of authorization of every committee which has been so authorized, together with the name and address of the chairman and treasurer of each such committee. The above statement shall show for each person and committee the maximum amount authorized to be received and/or expended.

2. A correct and itemized account of each contribution received by him or by any person for him with his knowledge or consent from any source, in aid or support of the nomination or election of the candidate or candidates whom he represents, or for the purpose of influencing the results of the nomination or election, together with the name and address of the person who has made such contribution, and the date and amount of the contribution.

3. A correct and itemized account of each expenditure made by him or by any person for him with his knowledge, consent, or authorization, in aid or support of his candidate's nomination or election, together with the name and address of the person to whom such expenditure was made, the date, the amount, and the purpose of such expenditure, the statement to be in such detail as may be necessary to disclose the amount and character of the goods and/or services covered by such payment.

4. A correct and itemized account showing for each loan or advance secured for the benefit of the candidate or candidates the date, the amount, the name and address of the person or persons making such loan or advance, the indorser or indorsers, the rate of interest, the security therefor, and the dates and amounts of all repayments or curtailments, together with the total sum of all such loans or advances received during the period for which the account is filed.

5. The name and address of each person to whom remains unpaid any loan, bill, or other obligation on the date of filing such statement and the amount and nature thereof, together with the total sum of all such outstanding loans, bills, and other obligations.

(b) It shall be unlawful for an agent or committee or other person to solicit or receive any contributions after the eleventh day before the election.

(c) Every expenditure exceeding $10 made by an agent, committee, or other person on behalf of any candidate or candidates shall be evidenced by a receipted bill stating the particulars of the expenditure, and every such receipt shall be preserved by the agent or the treasurer of the committee for a period of three years from the date of the filing of such statement containing such items.

(d) Such statement shall be attested under oath or affirmation by the agent or, in the case of a committee, by the treasurer, and shall be accompanied by certificates attested by oath or affirmation of the candidate and the chairman of said committee that such statement is complete and accurate to the best of his knowledge and belief.

(e) If an agent ascertains by proper inquiry that a duly organized committee, which has been authorized by him to receive contributions and make expenditures for or in behalf of the candidate whom he represents, has made or will make separate reports to the joint committee on elections, as provided herein, said agent's report need not include the receipts and expenditures of such committee, provided that the agent's report shall show clearly the name and address of each committee filing such separate reports and the total amount expended.

SEC. 6. The agent of every candidate for President or Vice President of the United States shall file with the joint committee on elections the following statements:

(a) Between 10 and 15 days before the date of the election in each State in which delegates to the national convention are to be chosen, a statement in the form and covering the items provided for in section 5 in so far as such items relate to the election or appointment of such delegates. A duplicate copy of such statement shall at the same time be filed with the clerk of the United States court of the judicial district in which the capital of said State is located.

(b) On the fifth day preceding the national convention of the political party or organization from which said candidate is seeking the nomination, a statement in the form and covering the items provided for in section 5 as to all contributions received by all persons and committees acting in behalf of said candidate and all expenditures made by said candidate and his agent and any persons or committees acting in his behalf. A duplicate copy of said statement shall be filed with the secretary of the convention of the political party or organization from which the candidate is seeking the nomination, upon the first day of the convention, and shall be kept in the office of the secretary and shall be open to public inspection.

(c) On the 1st day of September and between 10 and 15 days next preceding an election at which presidential electors are to be chosen, statements in the form and covering the items provided for in section 5 as to all contributions received by and all expenditures made by each person and committee authorized to solicit or receive contributions or make expenditures in the interest of said candidate.

(d) Within 40 days after every general election at which presidential electors are chosen, a statement in the form and covering the items provided for in section 5 as to all contributions and all expenditures made by each person and committee authorized to solicit or receive contributions or make expenditures in the interest of said candidate.

(e) The statements required by paragraphs (c) and (d) shall be cumulative.

SEC. 7. (a) Every political committee shall have a chairman and a treasurer. No contributions shall be accepted and no expenditures made by or on behalf of a political committee for the purpose of influencing an election until such chairman and treasurer have been chosen.

(b) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

1. All contributions made to or for such committee.

2. The name and address of every person making such contribution and the date thereof.

3. All expenditures made by or on behalf of such committees.

4. The name and address of every person to whom any such expenditure is made, and the date and purpose thereof.

(c) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating all particulars, for every expenditure by or on behalf of a political committee exceeding $10 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of at least three years from the date of the filing of the statement containing such items.

SEC. 8. Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

SEC. 9. (a) The treasurer of every political committee within the scope of his act shall file with the joint committee on elections on the 1st day of January, April, July, and October, in each year, and also on the 15th day and on the fifth day next preceding the day on which a general election is to be held at which candidates are to be elected in two or more States, a complete and accurate statement containing for the period intervening since the preceding filing date—

1. The name and address of each person who has made a contribution to or for such committee of $25 or more, together with the amount and date of each such contribution, and the total sum of all such contributions.

2. The name and address of each person to whom an expenditure of $10 or more has been made by or on behalf of such committee and the amount, date, and purposes of such expenditure, together with the total sum of all such expenditures; the above statement to be in such detail as may be necessary to disclose the amount and character of the goods and/or services covered by such payments.

3. The name and address of each person from whom any advance or loan has been received, together with the date and amount of such loan or advance, the indorser or indorsers, the rate of interest, the security therefor, the date and amount of each repayment or curtailment and the total sum of all such loans and advances.

4. The name and address of each person to whom remains unpaid any loan, bill, or other obligation on the day of filing such statement, the amount and nature thereof, and the total sum of all such unpaid obligations.

5. The official designation and address of each subsidiary committee receiving contributions or making expenditures, together with the name and address of the chairman and treasurer of each subsidiary committee. If such subsidiary committees are known to be filing separate reports that fact shall be stated together with a statement of the total amount of receipts and expenditures of each subsidiary. If no separate report is to be filed by any subsidiary committee, the treasurer of the principal committee shall include with his report a statement for such subsidiary itemized in accordance with the provisions of this section.

(b) The statements required to be filed April 1, July 1, and October 1 shall be cumulative for the calendar year to which they relate.

(c) The statement required to be filed on January 1 shall be cumulative and cover the preceding calendar year.

(d) It shall be unlawful for an agent or committee or other person to solicit or receive any contributions after the eleventh day before an election.

(e) The reports specified in this section shall be filed by every committee seeking to influence an election as defined herein or to influence congressional legislation, regardless of whether the activities of such committee involve support of or opposition to any particular candidate or candidates.

(f) Every such statement shall be attested under oath by the treasurer of the committee and shall be accompanied by a sworn certificate by the chairman of said committee that the statement is complete and accurate to the best of his knowledge and belief.

SEC. 10. Every person who makes a contribution or an expenditure in one or more items, aggregating $100 or more within a calendar year or a single expenditure exceeding $25, for the purpose of influencing the election of candidates within the meaning of this act, shall file with the joint committee on elections an itemized detailed statement of such contribution or expenditure in the same manner as required of the treasurer of a political committee by section 9. It shall be the duty of every person receiving such contribution or contributions to advise the contributor of his obligation to file such report. All contributions shall be made and reported in the name of the actual contributor. Any person who shall make any contribution without disclosing the name of the person from whom the same in fact comes or who shall falsely report the name of the real contributor, and any officer or representative of any committee who shall knowingly enter upon the books, records, or reports of a committee any contribution as received from anyone other than the real contributor shall be guilty of a violation of this act.

SEC. 11. The statements required by this act to be filed by an agent or by a treasurer of a political committee with the joint committee on elections, as the case may be—

(a) Shall be verified by the oath or affirmation of the person filing such statement, taken before any officer authorized to administer oaths, and shall be accompanied by the sworn certificate of the candidate or chairman of a political committee, as the case may be, as hereinbefore provided.

(b) Shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Joint Committee on Elections, United States Congress, Washington, D. C., but in the event it is not received within 10 days after the date prescribed for filing, a sworn and certified duplicate of such statement shall be promptly filed upon notice by the secretary of the joint committee on elections of its nonreceipt.

(c) Shall be properly indexed and preserved by the joint committee on elections for a period of three years from the date of filing, and shall be open to public inspection and shall be produced upon proper demand before any Federal or State grand jury or any Federal or State court of competent jurisdiction or before any properly authorized committee of the Senate or House of Representatives.

SEC. 12. Duplicate copies, properly sworn and certified, of statements required by this act shall be filed with the clerk of the Federal district court of the judicial district in which the candidate on whose behalf the statement is filed resides or in which the political committee has its headquarters. Such statements shall be preserved by the clerk for a period of three years from date of filing and shall be open to public inspection and shall be produced upon proper demand before any Federal or State grand jury or before any Federal or State court of competent jurisdiction. Such duplicate copies shall have the same evidentiary value before any court as the original statements filed with the joint committee on elections.

SEC. 13. It shall be the duty of the secretary of the joint committee on elections to check the receipt of the reports and statements required by this act, and, in case any report or statement has not been received within 10 days after the date upon which it is required to be filed, it shall be the duty of the said secretary to notify the delinquent person of the nonreceipt of such report or statement, and, if a sworn and certified duplicate is not received within 15 days thereafter, it shall be the further duty of said secretary to certify such failure to file to the district attorney of the proper judicial district, and it shall be the duty of the said district attorney to present the facts relating to such violation of this act before the Federal grand jury at the earliest opportunity.

SEC. 14. Printed forms for all statements required by this act shall be prepared by the joint committee on elections and copies thereof, together with a copy of this act, shall be furnished by the secretary of the joint committee on elections to the treasurer of every political committee and to every candidate or his agent. Every candidate, upon the announcement of his candidacy, is hereby required to file with the joint committee on elections his name and address and the name and address of his agent, and every political committee is required to include in every report filed with the joint committee on elections its official title and address, the names and addresses of its chairman and treasurer, and the name and address of its financial depositary or depositaries.

SEC. 15. (a) The manner of election at every election at which United States Senators and Representatives in Congress are to be chosen shall be by the use of official printed ballots which shall be supplied by the secretary of state or such other official or officials of each State as may be designated by the legislature thereof, and it shall be unlawful for the name of any candidate to be printed or otherwise appear upon the official ballot if, in his campaign for nomination, he and/or his agent and/or any person or persons acting in his behalf shall have made aggregate expenditures in excess of an amount equal to 4 cents per vote if

a candidate for the House of Representatives, or in excess of an amount equal to 2 cents per vote if a candidate for the Senate, for every vote cast for all candidates for the office in question at the last preceding election: *Provided*, That in any case it shall be unlawful for a candidate for the Senate and/or his agent and/or any person or persons acting in his behalf separately or jointly to expend in excess of $50,000 or for a candidate for the House of Representatives and/or his agent and/or any person or persons acting in his behalf separately or jointly to expend a sum in excess of $10,000: *And provided further*, That in no case shall the expenditures in behalf of a candidate for the House of Representatives be restricted to less than $2,000, and that in no case shall the expenditures in behalf of a candidate for the Senate be restricted to less than $5,000. If a candidate for the House of Representatives has his whole State as his district, then he shall be entitled to have expended in his behalf a sum equal to one-half the sum allowed to a candidate for the Senate.

(b) It shall be unlawful for any candidate for Senator or Representative in Congress in his campaign for election to make or permit his agent and/or any person or persons acting in his behalf to make aggregate expenditures in excess of the amount above specified for his campaign for nomination: *Provided*, That in cases where an agent or a political committee represents two or more candidates, the expenditures permitted shall be as provided in section 4, paragraph (f).

(c) The limitations above specified shall not be construed to limit or affect the right of any candidate to make reasonable expenditures for his own personal traveling expenses: *Provided*, That such traveling expenses shall not exceed $500, and for proper legal expenses in contesting the results of an election. All expenditures, whether limited or not, shall be included in the accounts which are required by this act to be filed.

(d) Any candidate for the House of Representatives or for the Senate shall, subject to regulations of the Postmaster General, be entitled to send free of any charge for postage to each registered voter of the State or district in which he is seeking nomination or election one postal communication containing matter relating to the election only and not exceeding 2 ounces in weight.

SEC. 16. It shall be unlawful for any candidate for President of the United States and/or his agent and/or any other person or persons and/or committee or committees acting in his behalf to make or permit to be made aggregate expenditures in excess of $250,000 to procure or influence the nomination of any political party or other organization in favor of such candidate. It shall be unlawful for any candidate for President of the United States and/or his agent and/or any person or persons and/or committee or committees acting in his behalf or in behalf of any candidate for Vice President of the United States to make or permit to be made aggregate expenditures in excess of $5,000,000 in seeking to secure for or in behalf of such candidate or candidates the appointment or election of presidential electors pledged or favorable to the ultimate election of said candidate or candidates. In determining the aggregate amount of such expenditures there shall be included all sums expended by the presidential and vice presidential candidates and their agents and all sums expended by the National and State committees of the political party or parties which they represent and all sums expended by every other person or committee acting in their behalf, and it shall be unlawful for any person or committee to solicit or receive contributions or make expenditures to influence the election of any candidate for President or Vice President of the United States unless such person or committee is authorized in writing so to do by the said candidates or their agents and a duplicate copy of such authorization shall in each case be filed with the joint committee on elections within five days after it is issued.

All sums transferred from or loaned by any National or State committees to any subordinate or affiliated committee or to any person shall be regarded as expenditures in determining the aggregate amount of the expenditures made in behalf of said candidate.

It shall be unlawful for the names of any presidential or vice presidential candidate, or for the names of any presidential electors pledged to or representing the political party of such candidates, to be placed upon the official ballot in any State if the aggregate expenditures made on behalf of the presidential and/or vice presidential candidates of the political party or organization with which said electors are affiliated shall exceed the limitations above set forth or if the said presidential and vice presidential candidates and their agents and all persons and committees authorized to act in their behalf shall not have filed complete and accurate statements of expenditures in the form and manner herein provided.

On or before the day fixed by statute for the counting of the votes cast for President and Vice President of the United States by the electors of the several States the joint committee on elections shall lay before the Senate and House of Representatives its final report of the aggregate expenditures made by or in behalf of each of the said candidates for President and Vice President and, if the aggregate amounts expended by or on behalf of any of such candidates shall exceed the limitation fixed herein, then such candidate shall be declared ineligible for election, and the Senate and House of Representatives shall proceed in the manner set forth by the Constitution to choose the President and Vice President of the United States.

SEC. 17. (a) The following-named committees of each political party shall be entitled to make expenditures not to exceed the amounts herein provided: *Provided*, That it shall be unlawful for the chairman or treasurer of any such committee to make or permit the expenditure of any of the funds of said committee to influence in any way the result of a nomination to an office within the scope of this act. A national committee shall not make during any calendar year expenditures in excess of an amount equal to 3 cents per vote for the total number of votes cast for all candidates for President at the last preceding presidential election; a congressional committee shall not make expenditures during any calendar year in excess of an amount equal to 1 cent per vote for the total number of votes cast for all candidates for Congress at the last preceding presidential election; and a senatorial committee shall not make expenditures in excess of an amount equal to 1 cent per vote for the total number of votes cast for all candidates for the Senate at the last preceding presidential election: *Provided*, That none of the above-named committees shall expend more than 10 per cent of its funds to influence or attempt to influence the result of an election in any one State. It shall be unlawful for the chairman or treasurer of the above-named committees to make or permit expenditures in excess of the amounts above specified.

(b) The expenditures above authorized for the general political activities of the above-specified committees are in addition to those authorized in the preceding section to be expended by agents of political committees representing particular candidates. But when any part of such expenditures are used to influence or attempt to influence the election of one or more candidates, either in promotion of or opposition to such candidate or candidates, such expenditures shall be included in the limitations set forth in the preceding section.

(c) Other political committees within the scope of this act may make expenditures in behalf of a candidate only when authorized in writing to do so by the candidate or by his agent or by one of the committees named above in this section, and when such expenditures are made they must be returned in the accounts required by this act to be filed with the joint committee on elections and such expenditures are included in the limitations set down in this and the preceding sections.

SEC. 18. (a) Every political committee shall keep in the name of the treasurer and every agent shall keep in his own name as agent a bank account in a bank authorized by national law, the name and address of which shall be reported in every statement filed as hereinbefore provided. Not more than one such depositary shall be permitted in any one State, and the name and address of each shall be reported as provided above. No expenditure may be authorized unless sufficient money is on deposit in said account to meet the same and no money shall be expended for any purpose by said committee or agent exceeding $10 in amount except by a check duly drawn against said account. The canceled checks drawn upon such account or accounts and the stubs thereof shall be preserved by the treasurer or agent for a period of three years and shall be produced upon the demand of any duly authorized committee of the Senate or House of Representatives or any State or Federal court of competent jurisdiction.

(b) If a loan or any other obligation is unpaid when the final statement of an agent or treasurer of a political committee is filed with the joint committee on elections after an election, such loan or obligation shall be considered as a contribution in respect to the limits heretofore prescribed.

SEC. 19. It shall be unlawful for a candidate or agent or chairman or treasurer of a political committee to make or permit to be made any expenditures from the funds under their respective control except for the following purposes and under the following conditions:

First. Necessary traveling expenses;

Second. The payment of fees or charges fixed by law;

Third. The hire of clerks, stenographers, and messengers, and the cost of addressing, preparing, and distributing campaign literature or educative matter;

Fourth. The salary of the agent and assistants, and in the case of a political committee, the salary of the chairman, secretary, and treasurer and assistants;

Fifth. Telegraph, telephone, and radio tolls, postage, freight, and express charges;

Sixth. Printing and stationery;

Seventh. Producing and formulating lists of voters;

Eighth. Headquarters or office expenses, including rent, heat, light, equipment, and supplies;

Ninth. Newspaper and other advertising;

Tenth. The rental of halls and other places for public meetings, and the expenses incidental thereto; and

Eleventh. Loud-speaking apparatus and traveling vans used for the dissemination of campaign material and for speaking purposes.

SEC. 20. Within 10 days after the date of filing each of the reports and statements herein provided for, the joint committee on elections shall prepare and make public a summary in clear and understandable form of all the reports and statements which are required to be filed with said committee. Said summary shall be and is hereby authorized to be printed as a public document and sent to every candidate, agent, and treasurer of a political committee.

SEC. 21. Within 40 days after every general election the joint committee on elections shall prepare and make public a summary in clear and understandable form of all the reports and statements which have been filed with said committee relating to the nominations and elections in that campaign. Said summary shall be printed in the CONGRESSIONAL RECORD the day it is made public, and shall be laid, together with all the accompanying accounts and papers, before each House. These reports and documents shall be referred in due course to such standing or select committees as may be designated from time to time. These committees shall forthwith scrutinize the accounts and shall have

the power to summon all persons and papers necessary to enable them to investigate every phase of the use of money in the election to which the accounts relate. Said committee shall render to their respective Houses of Congress reports of their investigations.

SEC. 22. It shall be the duty of the majority and minority clerks of the joint committee on elections to inspect carefully every account to ascertain if it complies with the law in every respect, and in case either of said majority or minority clerks finds evidence of a violation of law it shall be his duty to report the same at once to the joint committee on elections, which shall take such action as it shall deem advisable in the premises. On or before the first legislative day of January of each year the joint committee on elections shall report to the Senate all cases of violation of this act which have occurred in connection with the election of Senators during the preceding calendar year and to the House of Representatives all cases of violation of this act which have occurred in connection with the election of Members of that House, and shall report to both Houses jointly all cases of violation of this act which shall have occurred in connection with the nomination and election of all other candidates within the meaning of this act which have occurred in connection with an election at which Senators and Representatives in Congress have been elected, together with a list of all candidates, agents, and officers of political committees who have failed to file any of the reports or statements required of them by this statute.

SEC. 23. No candidate for the office of United States Senator or Representative, Delegate, or Resident Commissioner in Congress, or any other elective position of profit or trust provided for in the Constitution of the United States or the Federal statutes shall be permitted to have his or her name appear upon the official ballot at any election at which any Senator or Representative, Delegate, or Resident Commissioner in Congress is to be elected unless the agent of such candidate and all persons and committees acting in his behalf shall have filed with the joint committee on elections and with the clerk of the United States court of the proper judicial district, as provided above, the duly sworn and certified statements relating to the expenditures in connection with the nomination of such candidate required by this statute. Any officer of elections charged with the preparation of official ballots who permits the name of any candidate to appear thereon without having received from said candidate a statement, duly attested by oath or affirmation, that the above conditions have been fulfilled shall be deemed to have violated this act and shall be subject to the penalties herein provided.

SEC. 24. Jurisdiction over all violations of this act is hereby conferred upon any district court of the United States held in the Federal district in which the congressional district or the State, as the case may be, or any part of the congresisonal district or State in which the accused resides, is situate. In case of violations alleged to have been committed by the treasurer or other officer or employee of a political committee operating in two or more States or having members in two or more States, jurisdiction shall lie either in the district court as above defined or in the Supreme Court of the District of Columbia.

SEC. 25. Within 30 days after a nomination or an election, any 500 electors of the State or of the congressional district for which the election was held, may present a petition to the United States court of proper jurisdiction, praying for an examination of any account or statement filed under the provisions of this act. Thereupon the court shall direct the person with whom such account has been filed to certify the same to the court for examination and may in its discretion require reasonable security to be entered for costs. The court may in its discretion appoint an auditor to audit such account. The court shall fix a date as early as may be convenient for the hearing of the petition. If the court shall decide, upon the hearing, that any person, whether a candidate or not, has accepted contributions or incurred expenses or has expended or disbursed money in contravention of this act or in excess of the limitations herein set forth or has otherwise violated any of the provisions of this act, it shall certify its decision to the United States attorney of that judicial district and it shall thereupon be the duty of the United States attorney to institute criminal proceedings against such person or persons. The decision of the court shall also be certified to the Joint Committee on Elections.

SEC. 26. It is unlawful for any national bank or any corporation organized by authority of any laws of Congress to make, either directly or indirectly, a contribution in connection with any election to any political office. It shall also be unlawful for any corporation whatever to make a contribution, either directly or indirectly, in connection with any election at which presidential or vice presidential electors or a Senator or Representative in Congress is to be voted for. It is unlawful for any corporation to reimburse or compensate any officer, director, employee, or other person for contributions or expenditures made in connection with any election as defined herein. Every corporation which shall make any contribution or reimbursement in violation of the foregoing provisions shall be subject to a fine not exceeding $5,000; and every officer or director of any corporation who shall consent to any contribution or reimbursement by the corporation in violation of the foregoing provisions shall, upon conviction, be punished by a fine of not exceeding $1,000, or by imprisonment for a term of not more than one year, or both such fine and imprisonment, in the discretion of the court.

SEC. 27. It is unlawful for any candidate, directly or indirectly, to promise or pledge the appointment, or the use of his influence or support for the appointment, of any person to any public or private position or employment for the purpose of procuring support in his candidacy.

SEC. 28. It is unlawful for any person to make or offer to make an expenditure, or to cause an expenditure to be made or offered, to any person, either to vote or withhold his vote, or to vote for or against any candidate, and it is unlawful for any person to solicit, accept, or receive any such expenditure in consideration of his vote or the withholding of his vote.

SEC. 29. It is unlawful for any person to make or offer to make an expenditure, or to cause an expenditure to be made or offered, to any person, with the intent of inducing such person to become a candidate or to refrain from becoming a candidate or to withdraw his candidacy, and it is unlawful for any person to solicit, accept, or receive such expenditure in consideration of filing, withholding, or withdrawing his candidacy.

SEC. 30. It is unlawful for any candidate, agent, or political committee to borrow or to have outstanding at any one time loans in excess of 10 per cent of the aggregate amount of expenditures authorized herein to be made within any calendar year by such candidate, agent, or committee. It is unlawful for any national bank or other corporation authorized by the laws of the United States to make any loan or advances to any candidate or agent or political committee as defined by this act.

SEC. 31. It is unlawful for any person to transmit funds from one State to another State for the purpose of influencing or attempting to influence, in a State of which such person is not a citizen or resident, the result of an election at which a United States Senator or Representative in Congress is to be elected: *Provided*, That a national political committee shall be permitted to expend its funds in the several States under the terms and within the limitations provided in this act.

SEC. 32. It is unlawful for a Senator or Representative or Delegate or Resident Commissioner in Congress, or any candidate for, or individual elected as Senator, Representative, Delegate, or Resident Commissioner, or any official or employee of the United States, or any person receiving any salary or compensation for services from money derived from the Treasury of the United States, directly or indirectly, to solicit, receive, or be in any manner concerned in soliciting or receiving, any assessment, subscription, or contribution for any political purpose whatever from any such officer, employee, or person.

SEC. 33. Every person who shall have been appointed to fill a vacancy in the Senate shall file with the Joint Committee on Elections a sworn statement setting forth the amount of every contribution, gift, loan, or promise which he has made subsequent to the creation of the vacancy which he is appointed to fill to any political committee or to any officer of the State from which he is appointed or to any person, if such contribution, gift, loan, or promise has been made in connection with procuring, inducing, or otherwise influencing his appointment.

SEC. 34. In the event any candidate for the office of Senator, Representative, or Delegate or Resident Commissioner in the Congress of the United States shall knowingly violate, or permit to be violated, any of the provisions of this act, and such candidate is elected by reason of such unlawful practice, and a notice of intention to contest his or her election is filed, as required by law, within 30 days after the result of such election shall have been determined by the officers or board authorized to determine the same, each House of Congress is hereby authorized to forfeit his or her said office as Senator or Representative or Delegate or Resident Commissioner in Congress, as the case may be, each House judging the elections, returns, and qualifications of its own Members.

SEC. 35. It shall be unlawful for any person charged with the custody of the ballots, poll lists, and registration lists used in connection with the nomination or election of any Senator or Representative, Delegate or Resident Commissioner in Congress to destroy or permit the destruction of such records until after the twelfth month following such nomination or election or until after any contest which may have been filed in connection with the election of such Senator or Representative, Delegate or Resident Commissioner in Congress shall have been decided.

SEC. 36. This act shall not be construed to annul or vitiate the laws of any State not directly in conflict herewith relating to the nomination or election of candidates for the offices embraced herein, or to exempt any such candidate from complying with such State laws, but nothing in the laws of any State shall be held to authorize any act hereby forbidden or to excuse the performance of any act hereby enjoined.

SEC. 37. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 38. Any person who violates any of the foregoing provisions of this act, except those for which a specific penalty is otherwise herein provided, shall be incapable of holding any public or judicial office under the authority of the United States for a period of five years from the date of his conviction, and shall be fined not more than $5,000 or imprisoned not more than one year, or both.

SEC. 39. Any person who willfully violates any of the foregoing provisions of this act, except those for which a specific penalty is imposed, shall be incapable of holding any public or judicial office under the authority of the United States for a period of 10 years from the date of his conviction, and shall be fined not more than $10,000 or imprisoned not more than two years, or both.

SEC. 40. Each candidate and his agent shall be held jointly responsible for compliance with the provisions of this act in respect to the expenditures on behalf of such candidate and the reporting thereof and the chairman and treasurer of every political committee shall be held jointly responsible for the expenditures of such committee and the reporting thereof.

SEC. 41. The following act is hereby repealed: Title III of Public Law No. 506, Sixty-eighth Congress, entitled "Federal corrupt practices act, 1925."

SEC. 42. This act shall take effect 30 days after its enactment.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT

Mr. CAPPER. Mr. President, from the Committee on Agriculture and Forestry the Senator from Montana [Mr. WHEELER] and I report back with amendments the joint resolution (S. J. Res. 60) authorizing the distribution of Government-owned wheat to States or organizations for relief of people in distress and submit a report (No. 22) thereon. The joint resolution authorizes the distribution of wheat owned by the Federal Farm Board. We are directed by the committee to ask immediate consideration of the joint resolution.

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

Mr. KING. Mr. President, let the joint resolution go to the calendar.

The VICE PRESIDENT. The Senator from Utah objects. The joint resolution will be placed on the calendar.

REPORT OF THE INTERSTATE COMMERCE COMMITTEE

Mr. DILL, from the Committee on Interstate Commerce, to which was referred the bill (S. 1037) to amend the radio act of 1927, approved February 23, 1927, and for other purposes, reported it without amendment and submitted a report (No. 23) thereon.

EXECUTIVE REPORTS OF COMMITTEE

As in executive session,

Mr. HEBERT, from the Committee on the Judiciary, reported favorably the nomination of Roy St. Lewis, of Oklahoma, to be Assistant Attorney General, to succeed George R. Farnum, resigned, which was placed on the Executive Calendar.

Mr. HASTINGS, from the Committee on the Judiciary, reported favorably the nomination of James Alger Fee, of Oregon, to be United States district judge, district of Oregon, to succeed Robert S. Bean, deceased, which was placed on the Executive Calendar.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of John T. Barrett, of Massachusetts, to be reappointed marshal of the Canal Zone, under the provisions of the Panama Canal act, approved August 24, 1912, which was placed on the Executive Calendar.

Mr. COUZENS, from the Committee on Interstate Commerce, reported favorably the nomination of John Williams, of California, to be a member of the Board of Mediation for a term expiring five years after January 1, 1932 (reappointment), which was placed on the Executive Calendar.

He also, from the same committee, reported favorably the nomination of William E. Lee, of Idaho, to be an interstate commerce commissioner for the term expiring December 31, 1938 (reappointment), and of Balthasar H. Meyer, of Wisconsin, to be an interstate commerce commissioner for the term expiring December 31, 1938 (reappointment), which were placed on the Executive Calendar.

EMPLOYMENT OF ATTORNEY BY POWER COMMISSION

Mr. NORRIS. Mr. President, before the Senate leaves the order of reports of committees, I should like to make a statement, so that when later in the day I call up the matter I have in mind, Senators will understand what the Judiciary Committee is trying to do.

The VICE PRESIDENT. Is there objection to the statement of the Senator from Nebraska being made at this time? The Chair hears none, and the Senator will proceed.

Mr. NORRIS. I do not wish now to report the bill I have in mind, but am waiting for some information to be received later in the day which is being prepared. I shall ask the Senate for unanimous consent at that time for the consideration of the bill which the Judiciary Committee has directed me to report. The report will be unanimous.

The facts are that the Power Commission are desirous of employing an attorney and the Department of Justice desire that the attorney they select shall be appointed. He is an attorney in general practice, and has some cases pending against the United States, with no relation whatever to the matter in dispute in the case where it is desired to appoint him as special attorney, yet his appointment would be a violation of the statute that we have enacted. We desire to follow the same procedure and the committee have directed me to report a measure providing the same procedure as was taken when the Senate authorized the selection of Mr. Roberts, now a justice of the Supreme Court, in the case in which he represented the Senate. The matter involved is one of considerable importance because the litigation is now pending, and the immediate attention of the attorney is absolutely necessary. We shall have to pass a joint resolution or a bill—it will be a bill, I think—to-day in order to transmit it to the House so that they may act on it tomorrow.

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. PATTERSON:

A bill (S. 2344) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus; to the Committee on Claims.

A bill (S. 2345) granting a pension to Oscar J. Callier (with accompanying papers); and

A bill (S. 2346) granting an increase of pension to Waldo A. Chapman; to the Committee on Pensions.

By Mr. BAILEY:

A bill (S. 2347) for the relief of Lueco R. Gooch; and

A bill (S. 2348) for the relief of J. R. Collie and Eleanor Y. Collie; to the Committee on Claims.

By Mr. KEAN.

A bill (S. 2349) for the relief of the First Camden National Bank & Trust Co., of Camden, N. J.; to the Committee on Claims.

By Mr. DILL:

A bill (S. 2351) to amend 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 July 3, 1926, and May 29, 1930; to the Committee on Civil Service.

By Mr. THOMAS of Oklahoma:

A bill (S. 2352) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the Civilization Fund Claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097); to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 2353) for the relief of Percy C. Wright (with accompanying papers); to the Committee on Military Affairs.

By Mr. BLAINE:

A bill (S. 2354) to abolish capital punishment in the District of Columbia; and

A bill (S. 2355) to define, regulate, and license real-estate brokers and real-estate salesmen, to create a real-estate commission in the District of Columbia, to protect the public against fraud in real-estate transactions, and for other purposes; to the Committee on the District of Columbia.

By Mr. GLENN:

A bill (S. 2356) for the relief of Martin Wolf; to the Committee on Claims.

A bill (S. 2357) to extend the times for commencing and completing the construction of a bridge across the Ohio River at Mound City, Ill.; to the Committee on Commerce.

By Mr. SWANSON:

A bill (S. 2358) providing for a site and public building for a post office at Galax, Va.; to the Committee on Public Buildings and Grounds.

By Mr. DAVIS:

A bill (S. 2359) for the relief of L. Ton Evans, General Missionary, and family, Haiti Mission, and proposed American Christian Industrial Tuskegee; to the Committee on Claims.

By Mr. REED:

A bill (S. 2360) for the relief of Mary Ellen Tiefenthaler; to the Committee on Claims.

By Mr. SHORTRIDGE:

A bill (S. 2361) for the relief of Bud P. Matthews; and

A bill (S. 2362) for the relief of J. A. Perry; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 2363) regulating Indian allotments disposed of by will; to the Committee on Indian Affairs.

By Mr. SWANSON:

A joint resolution (S. J. Res. 64) to repeal the act approved August 23, 1894 (28 Stat. 494), as amended; to the Committee on the District of Columbia.

By Mr. SCHALL:

A bill (S. 2364) to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555); to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 2365) for the relief of the estate of Martin Preston, deceased; to the Committee on Claims.

A bill (S. 2366) granting a pension to Nancy V. Shipley;

A bill (S. 2367) granting an increase of pension to Pemelia Brannon; and

A bill (S. 2368) granting an increase of pension to Nancy Brown; to the Committee on Pensions.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 63) authorizing investigation of certain operations on cotton exchanges; to the Committee on Agriculture and Forestry.

CHANGE IN MONETARY SYSTEMS

Mr. JONES. Mr. President, the pulp industry in my State has been developing in the last few years very greatly, but the change in the monetary system of British Columbia is having a very detrimental effect upon that industry and it is threatened with bankruptcy. Very likely many other products of our country are threatened along the same lines.

I have prepared a bill which, I hope, may take care of the situation. It proposes to empower the Tariff Commission to ascertain the value of imports prior to changes in monetary standards and subsequent thereto, and to levy additional duties.

It may be contended that that involves a delegation of legislative power, but I lay down a very concrete, definite, and fixed rule to control and govern the Tariff Commission, so that I think that objection is met by the terms of the bill itself. I ask that the bill may be read and referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection to reading the bill?

There being no objection, the bill (S. 2350) to stabilize the value of imports from countries changing their monetary standards, and for other purposes, was read the first time by its title, the second time at length, and referred to the Committee on Finance, as follows:

Be it enacted, etc., That the United States Tariff Commission be, and it is hereby, authorized and directed, with the approval of the President, to levy upon all products, whether now on the free or dutiable list, imported from a country, including its dependencies, that has changed its monetary standard within two years prior to the passage of this act, or may hereafter make such change, an additional tariff duty approximately equal to the difference between the value, as defined in section 402 of the tariff act of 1930 (46 Stat. L. 708) of such imports prior to such change in monetary standard and such value of such imports after such change in monetary standard: *Provided*, That upon the expiration of three months from the time when any country returns to its original monetary standard such additional tariff shall cease upon articles imported from such country.

HOUSE BILLS REFERRED

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

H. R. 6172. An act to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes; to the Committee on Banking and Currency.

H. R. 6285. An act relating to the contributions of the United States toward defraying the expenses of the District of Columbia; to the Committee on the District of Columbia.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2278) authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River and Harbor navigation district, of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex., and it was referred to the Committee on Commerce.

Mr. DILL. Mr. President, a few days ago—on December 14—I introduced Senate bill 1637, a bill to create a United States monetary conference committee, to prescribe the duties thereof, and for other purposes, and asked that it be referred to the Committee on Finance. Since it has to do with an international body, it has seemed to me more appropriate that it should go to the Foreign Relations Committee. I have talked with the Senator from Utah [Mr. SMOOT], the chairman of the Finance Committee, and he has no objection. I therefore ask that it may be rereferred to the Foreign Relations Committee.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the Committee on Finance be discharged from the further consideration of the bill referred to by him, and that it be referred to the Committee on Foreign Relations. Without objection, it is so ordered.

PROPOSED HOLIDAY RECESS—AMENDMENT

Mr. BORAH. Mr. President, I offer an amendment to House Concurrent Resolution No. 5, fixing the time of adjournment of Congress for Christmas holidays, to strike out "January 4, 1932," and insert "December 28, 1931." I understand the concurrent resolution for the holiday adjournment has been referred to the Committee on Appropriations, so I ask that the amendment be referred also to that committee.

The VICE PRESIDENT. The proposed amendment will be referred to the Committee on Appropriations.

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 6172) to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

PROPOSED INVESTIGATION OF CAUSES OF DEPRESSION

Mr. WALSH of Montana. I submit a concurrent resolution and ask that it may be read.

The VICE PRESIDENT. The concurrent resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 5), as follows:

Whereas the country is suffering from the most profound industrial depression in its history, entailing enormous losses and widespread unemployment; and

Whereas many different causes have been assigned by economists, financiers, and other students of business and public affairs for the condition to which reference has been made; and

Whereas the condition referred to became generally evident after and was greatly intensified by the debacle on the New York Stock Exchange in the month of October, 1929; and

Whereas the sudden collapse of prices of securities dealt in on the said exchange was preceded by an extraordinary inflation in the prices of such securities and of loans through which transactions therein were effected, was accompanied by a tremendous contrac-

tion in bank credits and was followed by a rapid and continuing fall in the prices of commodities generally and particularly of agricultural products; and

Whereas measures to avert the recurrence of similar catastrophes, and to alleviate the disastrous results of the existing crisis can be predicated only upon an accurate knowledge and appreciation of the causes giving rise to the same: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That a joint committee, consisting of five Members of the Senate and five Members of the House of Representatives, be appointed, the House Members by the Speaker thereof and the Senate Members by the Vice President, and that the said committee be, and it hereby is, authorized to inquire into the causes of the depression so existing, and particularly the relation of the collapse of prices of securities dealt in on the said stock exchange, to hear and take testimony concerning the means that should be employed and the legislation that should be enacted either to prevent a recurrence of such periods of depression or to lessen or reduce the malign effects thereof.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; and to employ stenographers, at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of the committee, which shall not exceed $20,000, shall be paid the one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. The concurrent resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HARRISON. Mr. President, may I ask the Senator from Montana a question?

Mr. WALSH of Montana. Certainly.

Mr. HARRISON. I did not hear the first part of the resolution read. Is it proposed that the Senate Finance Committee shall conduct the investigation?

Mr. WALSH of Montana. The resolution provides that a joint committee of the House and Senate shall be appointed to conduct the investigation, the members of the committee on the part of the House to be appointed by the Speaker of that body and the members of the committee on the part of the Senate to be appointed by the Vice President.

Mr. HARRISON. I had been under the impression that an investigation, in large part touching some of the matters covered by the Senator's resolution, was under way by the Banking and Currency Committee of the Senate. I merely wondered, if that is true, in order to avoid any overlapping of work—and all the committees are pretty much at work—the Senator would not be willing, so far as the Senate is concerned, to let the Banking and Currency Committee conduct the investigation. I know that committee has had a number of witnesses before it and has been carrying on quite a considerable investigation regarding the subject matter referred to in the concurrent resolution.

Mr. WALSH of Montana. Mr. President, there are a number of committees engaged in specific investigations within the scope of this concurrent resolution, but none of them undertake to make such a comprehensive survey as is contemplated by it. The Committee on Manufactures has been prosecuting some very valuable inquiries that might easily fall within the scope of the concurrent resolution presented by me. I imagine very likely that if a joint committee were appointed it would avail itself of whatever facts were disclosed by any other committee and would, of course, endeavor to avoid duplication of effort. I should have no objection whatever to having the investigation carried on by the Finance Committee, but it did not seem to me that it fell particularly within the scope of the work of that committee any more than half a dozen other committees.

Mr. HARRISON. May I say to the Senator that all I know about the resolution was that I read in the morning newspapers about the Senator's proposed resolution and that he would ask that it be referred to the Finance Committee. I had very much hoped that he would not do that, because the Finance Committee has got to consider taxation measures and many other questions of importance that are coming up. So I had thought that the Banking and Currency Committee, because of the fact that it had been carrying on such an investigation for some time, at least covering some of the major propositions the Senator seeks to have investigated, would be a more appropriate committee to conduct the proposed investigation.

Mr. SMOOT. Mr. President——

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

Mr. WALSH of Montana. I yield.

Mr. SMOOT. I quite agree with the statement made by the Senator from Mississippi [Mr. HARRISON]. The Finance Committee has about all it can handle. To conduct the investigation proposed by the resolution of the Senator from Montana will take a great deal of time if it is carried to the end the Senator desires.

Mr. WALSH of Montana. I trust, Mr. President, the Senate will not give too much significance or importance to anything that may have appeared in the newspapers about this matter. How the newspapers discovered that I had it in mind to submit a resolution of this character is a mystery to me; I have no idea about it. So I say to the Senate there was not very much basis or authority for the information that appeared in the newspapers.

Mr. HARRISON. I see now from the concurrent resolution itself that perhaps the newspapers were mistaken.

PROPOSED REPRESENTATION OF CANADA ON FEDERAL RESERVE BOARD—STABILIZATION OF CURRENCY

Mr. KEAN. Mr. President, I submit a resolution, which I ask may be read.

The resolution (S. Res. 118) was read, as follows:

Resolved, That the President of the United States is requested to enter into negotiations with the Government of the Dominion of Canada with a view to the conclusion of a treaty with that Government, under the terms of which (1) a representative of the Government of Canada, appointed by the Governor General, with the consent of the Canadian Parliament, shall be a member of the Federal Reserve Board of the United States, and (2) provision shall be made for the stabilization of the currency of Canada at a parity of value with the similar standard currency of the United States, and for the maintenance of such parity.

The VICE PRESIDENT. The resolution will be referred to the Committee on Banking and Currency.

Mr. BORAH subsequently said:

Mr. President, as I understand, the resolution submitted by the Senator from New Jersey [Mr. KEAN] was referred to the Committee on Banking and Currency.

The VICE PRESIDENT. That was the reference made.

Mr. BORAH. Does not the Chair think that that resolution ought to be referred to the Foreign Relations Committee? By the terms of the resolution the President of the United States is requested to enter into negotiations and to negotiate a treaty.

The VICE PRESIDENT. The Chair did not notice that provision of the resolution. That being the case, without objection, the reference will be changed and the resolution will be referred to the Committee on Foreign Relations instead of to the Committee on Banking and Currency.

ADDITIONAL ASSISTANT CLERK TO THE PATENTS COMMITTEE

Mr. HEBERT submitted the following resolution (S. Res. 119), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents is hereby authorized to employ an additional assistant clerk during the first session of the Seventy-second Congress, he to be paid at the rate of $4,800 per annum out of the contingent fund of the Senate.

REPORT ON LAWLESSNESS IN LAW ENFORCEMENT

The VICE PRESIDENT. If there are no resolutions coming over from a preceding day, the calendar under Rule VIII is in order.

Mr. CUTTING. Mr. President, on Saturday last I submitted Senate Resolution 116 which I meant to have go over until to-day. It does not appear in any form on the printed calendar. I ask unanimous consent that the resolution may be considered as having gone over under the rule.

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

The Chief Clerk read the resolution (S. Res. 116) submitted by Mr. CUTTING, Mr. WALSH of Montana, and Mr. COSTIGAN on the 19th instant, as follows:

Resolved, That the President of the United States be, and he is hereby, requested to transmit to the Senate any and all reports prepared by experts of the National Commission on Law Observance and Enforcement under the direction of Judge William S. Kenyon, chairman of the subcommittee on lawlessness in law enforcement, including any that may have been made touching the cases of Thomas J. Mooney and Warren K. Billings.

The VICE PRESIDENT. Is there objection to the request of the Senator that the resolution be considered as having been introduced and gone over under the rule for one day? If not, the resolution comes up as coming over from a previous day.

Is there objection to the present consideration of the resolution?

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

The VICE PRESIDENT. The calendar is in order.

PROPOSED HOLIDAY RECESS

Mr. HARRISON. Mr. President, I desire to ask the Senator from Indiana [Mr. WATSON] a question, if I may get his ear.

I understand that the House has passed a concurrent resolution to recess for the holidays and that it is in the Senate. Is that true?

Mr. WATSON. It is.

The VICE PRESIDENT. The Chair desires to state that the concurrent resolution was referred to the Committee on Appropriations.

Mr. HARRISON. Has the Committee on Appropriations made any report of the resolution?

Mr. WATSON. Not yet.

Mr. HARRISON. The concurrent resolution carries a recess beginning to-morrow, I believe, and running over until the 4th of January. There seems to be a great deal of difference of opinion as to the wisdom of a prolonged recess. The Senator from Idaho [Mr. BORAH] has just offered an amendment, I believe, to curtail it to December 28. Of course, Members are making their plans to leave or to stay, according to the action of the House and the Senate.

In order to settle the question, so that Representatives and Senators may make their arrangements, why would it not be a better plan for us to take up and fight out the question as to whether we are going to adjourn until January 4 or until December 28, and settle the question, so that Senators will know what to do?

Personally, I am very much opposed to a long recess of Congress at this particular time.

Mr. BORAH. Mr. President, I have understood that a precedent has been established to the effect that this concurrent resolution, when offered, will not be debatable. Is that the parliamentary situation in case it should be brought up here?

Mr. WATSON. That is my understanding.

Mr. BORAH. I think a resolution of this kind is debatable, Mr. President.

The VICE PRESIDENT. A resolution to adjourn is not debatable.

Mr. WATSON. It is a resolution to fix the time of adjournment. It is not debatable under our rules.

Mr. BORAH. Then let us debate it before it comes in.

Mr. WATSON. I am ready.

Mr. HARRISON. May I ask the Senator when he intends to bring it up?

Mr. WATSON. Mr. President, I desire to be entirely frank so far as I am individually concerned.

I have been hoping that decently and in order we might pass the moratorium measure through the Senate. I have believed, however, that it is a matter of such importance now, because of the situation respecting it in foreign countries, and the misunderstanding regarding it that seems to prevail in those countries, that we should stay here until we pass it.

I have been accused of threatening Members. I have made no threats, and anything that I have said has carried nothing in the nature of a threat. It was expressing a hope, backed by a large number of Senators, 68 of whom have acquiesced in the support of this proposition, that we might pass it before we leave here, and clear the decks of it for action immediately after the holidays on other measures that I believe now are of very great importance.

The Senator knows very well—he and I have discussed the matter privately—that the House has passed this concurrent resolution to adjourn. He knows that probably four-fifths of the Members of the House have gone home now, because they had understood that no other business would be transacted. He understands, without quoting anybody on the other side, what those in the leadership over there think about this proposition.

I do not want the Senator to get the idea that I am standing in the way. I am entirely willing to remain here every day, so far as that is concerned, adjourning only for Christmas and New Year's. But when the House Members are away, and so many Senators are getting ready to go away—and we had to ask some to come back to-day—the Senator knows as well as I do that even if we remain here it is very doubtful whether anything will be accomplished.

The Senator was at the White House this morning. He is fully aware of the fact that as far as the men there could agree, it was agreed that immediately upon the reassembling of Congress the credit corporation bill should be taken up. That is as far as anybody could go, because the subcommittee of the Committee on Banking and Currency are considering it every day, holding hearings every day. They can do no more. It is humanly possible to do no more. Therefore, until that subcommittee can report to the full committee and the full committee can give the measure consideration, it can not be reported to the Senate. In my judgment, however, if there be a concurrence of opinion on the question, it can be reported very shortly after the reconvening of Congress.

The same thing is true of the land-bank measures that are before the Committee on Banking and Currency. I think they can be reported in a very short space of time.

If there be the opinion among us that the whole fabric will crumble in four days if we do not get back here, then I am entirely willing to come back and stay here, and I think every other Senator would be. So far as I am concerned, I have not been able to see why an adjournment on the 22d of December to the 4th of January would endanger the business or the financial structure of the country. If I am wrong in that, I am ready, of course, to yield, but always with the situation confronting us so far as the House is concerned, which we must remember. The Senator has been in the House, and so have I.

Mr. HARRISON. May I say to the Senator that I appreciate the difficulty of the task of curtailing the recess. I have always voted for long recesses at Christmas time; but there is an extraordinary situation confronting the country at this particular time. I do not think anybody ought to play politics with it. I am perfectly willing to abide by whatever the sense of the Senate and the House is; but the very reasons that are proposed by the Senator from Indiana as to the difficult task ahead of us are the reasons that prompt me to ask the question now, so that we can settle the question of recess.

If we are not going to recess to-morrow night, well and good. If we are, then of course Members can make their arrangements to go away.

Mr. BARKLEY. Mr. President, is all this discussion based upon the assumption that the moratorium measure will be enacted before we adjourn for the holidays?

Mr. HARRISON. No; I think there are other questions that are confronting the Senate which are of just as much moment as the moratorium, or more so, really, because, generally speaking, I think we all recognize that the moratorium is going to pass.

Mr. BARKLEY. Those questions, however, do not happen to be before us just now, and the moratorium is before us.

My understanding yesterday was that it was expected that we would vote on the moratorium before taking a recess.

Personally, while the other day, in agreement with the Democratic leader on this side, the Senator from Arkansas [Mr. ROBINSON], I advocated a recess from the 22d until the 4th, in view of the fact that the moratorium joint resolution is now before us—it was not out of the committee at that time—I certainly should vote against adjourning to-morrow night if we have not acted upon it by that time.

Mr. BORAH. Mr. President, it must be perfectly apparent to everyone that if the Senate adjourns, the committees will not continue their work. The committee members will not be here; and therefore we will come back here on the 4th of January with no progress whatever upon the part of the committees.

Mr. President, the moratorium is now before us. I favor the moratorium; but there is no reason why the moratorium should be shoved through here under the lash, and then we should adjourn for two weeks and leave matters undetermined which, in my judgment, under the peculiar conditions which exist at this time, are far more important in the matter of time than the moratorium itself. Therefore it seems to me that we ought to stay here, and it is my belief that the great majority of the Senate want to stay here.

I am not asking for continuation of our sessions beyond to-morrow night, but, when we do adjourn to-morrow, that we come back here upon the 28th of December, which is a week hence.

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

Mr. BORAH. I yield.

Mr. DILL. Does the Senator think it is possible to bring the debate or discussion of the moratorium to a close by to-morrow night?

Mr. BORAH. I do not know whether it is or not; but there has been talk about all-night sessions, and so forth. There is no justification for that sort of thing and then adjourning for two weeks.

Mr. DILL. There is no justification for an all-night session anyhow, is there?

Mr. BORAH. Mr. President, we ought to proceed in an orderly way in the consideration of all these matters, but stay here for the purpose of considering them. We have now on the verge of being reported some three or four measures which undoubtedly would be reported out beginning next Monday; and we would be in the course of considering them, and some of them would be disposed of long before the 4th day of January. I feel that we ought to stay here.

Mr. JOHNSON. Mr. President, I am equally interested in this question with the Senators who have preceded me. Unfortunately, due to an unavoidable engagement, I was not present at the White House breakfast this morning, and I am unable, therefore, to say just what program there was agreed to, as has been indicated by the Senator from Indiana.

Mr. WATSON. Mr. President, may I interrupt the Senator long enough to say that the moratorium was not mentioned.

Mr. JOHNSON. It was not mentioned?

Mr. WATSON. It was not mentioned.

Mr. JOHNSON. Well, somebody showed a wise discretion, then. [Laughter.]

Mr. President, I am ready to stay here continuously, so far as I am concerned. I will stay here to-morrow, the next day, the next day, Christmas Day if you wish, Sunday if you desire, and every other day that may be suggested. There is one thing, though, to which I take exception—I do not like to read, as I read yesterday in every newspaper in this country, that to-day, when for the first time a measure comes before us that is going to put upon the backs of American taxpayers $250,000,000, we are to be held all night here in session, continuously, until we pass it. We are to be lashed by those who desire to take Europe's debt and put it on America—we are to be lashed into submission by the mere inability physically to present our case.

That I object to. I will remain here every day; but I want the orderly processes of the Senate observed and the right of those who desire to debate the moratorium to debate it before the Senate, and debate it legitimately and just as they desire.

No filibuster do I wish. None would I indulge; but I do insist that I shall not be kept here all night long at the behest of somebody within or without this Chamber; and on a question that is of extraordinary and transcendent importance, not only in its present aspects but in what in its future aspects may be implied, I insist, sir, that we shall be permitted to be heard—heard legitimately only, but heard upon this floor in the fashion that the Senate hears an important matter, and that we shall not be put to the physical test that has been advertised in every paper in this land.

That is all that I ask for. I do not care a rap whether I am the one man who is here against this measure or not. I want to present—not here, perhaps, except, of course, I love to talk to my fellows—but I want to present to the men out in the Middle West who are losing their homes; I want to present to the men who are tramping the streets with wasted bodies, begging for bread; I want to present to those people in this country who already are tax-ridden and tax-burdened—I want to present the facts that here in the United States Senate we are going to put upon them $250,000,000 more, owed to us by countries admittedly able to pay the amount of $250,000,000; and then, sir, having presented as best I can to the people of this Nation what this thing means, let them determine ultimately.

Oh, you who sit here in Washington, I think, have little conception of what is going on in this land to-day. We here, surrounded as we are with these tasks which are almost beyond our limitations to perform, have little idea of what is permeating the great body of the American people now, seeping down in this depression, brought home to them by the very fact that they have been deprived of almost all they have; in want; asking only the opportunity to go forward in any legitimate enterprise, and to live in a fashion commensurate with that in which Americans should live. All over this land are these people of ours crying to us for aid, and we, forsooth, will sit all night long for the nations of Europe! We, forsooth, at the first hearing of a moratorium, will sit in continuous session for the purpose of putting upon the backs of these people of ours $250,000,000 owed to us by foreign nations.

This I want to prevent if I can. I recognize the difficulties in the way of the presentation of the reasons against this action, but we have the right to the presentation of them in orderly fashion; to go on by the clock, if this matter shall come before us, until the usual time of adjournment; then to go ahead to-morrow in the usual fashion, permitting every man who desires to be heard to present his views to the Nation and to the Senate, and when those views have been presented, then vote upon the particular matter.

This thing resolves itself into a desire to do one particular thing. Sit here every day, I repeat, if you wish; I do not care how long. I object, however, to the threat which has been uttered all over the land, that we have to sit here in continuous session on this one proposition of taxing to the tune of $250,000,000 the American people because Europe will not pay her just debts.

Mr. JONES. Mr. President, the adjournment resolution has been referred to the Committee on Appropriations, and I am prepared to call the committee together at any time to consider that resolution, when it is deemed advisable to do so. In conferring with some of the leaders on the floor, they have expressed the hope that the resolution would not be acted upon for a while, or until it is more definitely determined what business is to be acted upon.

I entertain the same attitude in regard to adjournment as that held by the Senator from Idaho [Mr. BORAH]. If the Senate adjourns, the committees will adjourn. The membership of the committees will be going home, so that the committees will not be here to prepare the legislation we want to pass until we come back after the close of the holidays.

Of course, I do not know what the Committee on Appropriations may report to the Senate; but personally I am op-

posed to a resolution providing for an adjournment beyond Monday of next week.

Mr. WATSON. Mr. President, as is well known, agreements regarding adjournments over the holidays are always made by the House and the Senate. Following the usual custom, I entered into that kind of an agreement with the Speaker of the House of Representatives, who at that time stated that it was desired in the House that Congress adjourn from the 22d of December to the 4th of January. Later on, in a subsequent conversation with the senior Senator from Arkansas [Mr. ROBINSON], the minority leader in the Senate, and Speaker GARNER, the arrangement was renewed.

Subsequently, I made the statement that, inasmuch as the House had passed a resolution to adjourn and had sent it to the Senate, and inasmuch as the moratorium joint resolution was here, I thought it essential that if humanly possible we should pass that joint resolution before we adjourned. That was the sum and substance of my threat.

Mr. McKELLAR. Mr. President——

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

Mr. WATSON. I yield.

Mr. McKELLAR. Is it intended by the Senator from Indiana, as the leader of the majority, to hold the Senate in session all night for the purpose of passing this joint resolution putting $250,000,000 of debts upon the backs of the American taxpayers?

Mr. WATSON. Mr. President, I am not going to argue the moratorium now.

Mr. McKELLAR. What I want to know is whether it is the Senator's proposal that the Senate shall remain in continuous session until this joint resolution is passed?

Mr. WATSON. I can not answer that. I have no power to hold the Senate here if Senators want to go home, but I do think that we should stay here and determine whether or not we can pass the moratorium resolution to-day or tomorrow, because the resolution is here. It is not a new question, as my good friend from California states. It is a question which has been argued over and over again, and the public are thoroughly familiar with it.

Mr. JOHNSON. Mr. President, if the Senator will permit me, I deny that statement. The public is not familiar with it. The message of the President of the United States did not state all the facts. The men who signed their telegrams on the 20th day of last June signed them upon a state of facts which was not consummated by the moratorium at all.

Mr. WATSON. Mr. President, I disagree entirely with the Senator from California, and I think I shall be able to show that I am right, if we get into the debate. But it is not necessary that he and I should air our personal differences here about this question.

This matter has been in the public mind for months. The Members of the House of Representatives are not a lot of dull people. They went into this thing thoroughly. They had it before their committee for days and days. They voted on it, and it was carried by an overwhelming majority. Are we to assume they did not know what they were doing when they did that? I am assuming that they were thoroughly familiar with the whole subject, and that when they sent the joint resolution to the Senate they sent it here with full knowledge as to what the situation was, and all of its implications and involvements. At all events, it is here before us. It is here for our consideration. Sixty-eight Senators have agreed to support the proposition, and I am assuming that when they agreed to support it, they had some knowledge of what it was.

Mr. JOHNSON. When was the roll of the 68 Senators called?

Mr. WATSON. The roll was called when the President of the United States sent out the telegrams to those Senators, and got their favorable responses. That is when the roll was called.

Let me say to my good friend from California this about staying here all night. I recall vividly that under his leadership I stayed here several nights and several days in order to put through a proposition in which he was interested. In order to help afford him a quorum we stayed here through the long hours day after day, and I was entirely willing to help him, because I thought his was a just and meritorious cause. But, important as it was, it pales into insignificance compared with the proportions of the great question which confronts and perplexes us to-day.

My views on international questions usually are so nearly in accord with those of the Senator from California that I am loath to find myself in opposition to him on this matter. It has not a thing in the world to do with debt cancellation, with debt reduction, with debt postponement, with future moratoriums, or with any other question relating to our international relations. It is a plain, open proposition, one with which I assume the country is familiar, one which I insist the House knew about when it voted for the joint resolution and sent it here.

If we can in orderly fashion stay here to test whether or not we can pass the joint resolution to-night or to-morrow, I am in favor of doing it. If we can not, we must govern ourselves accordingly, and adjourn, as the situation shall force us to adjourn. But we will have to call the Members of the House back here if we do. The Senator understands just as well as I do exactly what a task that would be.

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

Mr. WATSON. I yield to the Senator from Idaho.

Mr. BORAH. It seems to me extraordinary that we are to be held here by reason of the fact that we assume that Senators and Members of the House both will not do their duty.

Mr. WATSON. Mr. President, I am not going to debate with my friend about that. He has been here a long time, and in the two Houses I have been here a longer time. I know how it is when adjournment time comes, when we get ready to go home to the wife and the babies and other folks back home, and the holiday season comes on. I am perfectly familiar with that, and so is the Senator.

Mr. BORAH. We have been at home for nine months, and the wife and babies are tired of us. [Laughter.]

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Washington?

Mr. WATSON. I yield.

Mr. DILL. In the light of the fact that the President, who is more anxious about the moratorium than anyone else, did not call Congress together in time, when Congress could have acted on it as it should have been acted on, before the date set for the payments, why should we get so excited that we should sit up all night in order to get the measure through a day or two earlier?

Mr. WATSON. I do not think anybody has to be excited to sit up all night.

Mr. DILL. At least it would look as if we were excited.

Mr. WATSON. The point is that that is behind us. Whether the President acted wisely or unwisely does not enter into this question. We are right now confronted with a situation. It is a condition which confronts us, as Cleveland said on another occasion, and not a theory, and the question now is whether or not we intend to try to pass this moratorium in orderly fashion and in a decent way, or whether we are going to refuse to adjourn and compel the Members of the House to come back after they have gone to their respective homes.

I insist that we shall stay here long enough to-night to find out what there is to this debate, and how much of it there is going to be. If Senators want to talk, nobody has any desire to cut them off from all the debate they want to indulge in. I would not for the world miss hearing my genial and eloquent friend from California on this or any other question, as long as he may desire to address the Senate. The same is true of the Senator from Tennessee [Mr. McKELLAR], whom I see facing me here. Evidently there was some trepidation lest he be cut off in his desire to debate the proposition. There is no desire on my part, or on the part of any other man who knows anything about this

question, to throttle debate or to shut off conversation on the subject.

That is all I care to say about it.

Mr. NORRIS. Mr. President, it seems to me that a man may be opposed to a long recess, such as has been proposed, and likewise be opposed to trying to pass this moratorium joint resolution before adjournment without being inconsistent. I have not in my mind coupled them together. I have always been opposed to the long holiday recesses we have taken, and I am opposed to the one proposed now. But I am confronted with what seems to me to be almost a threat that we are to stay in continuous session until the moratorium joint resolution shall be passed. I do not believe that would be orderly procedure. I do not believe the case merits an attempt to rush the joint resolution through by the methods which are evidently going to be adopted.

Personally, I do not believe we ought to take the recess which is provided for in the resolution which passed the House, although it may be that even if we do not we will find ourselves without a quorum and unable to do business. But some time or other we must take the step of not agreeing to these long adjournments for the holiday recess. I am in favor of taking that step at this time. But I do not want it understood that I favor taking up the moratorium and holding the Senate in continuous session until it is disposed of.

The Senator from Indiana knows that the importance of the question is sufficient to warrant giving it the ordinary and usual procedure followed by the Senate in the consideration of questions which are so important. I think it is unnecessary and would be an outrage for us to be compelled to stay in continuous session night and day to dispose of the moratorium. I do not care to debate it at length. If it could be disposed of in a day, I would have no objection, but, on the other hand, it seems to me quite evident that if Senators ask for more time for its consideration, more time to investigate it, it is not unreasonable to grant their request. The country and the world will go along just the same. The moratorium now is an accomplished fact. This is an ex post facto proposition with which we are dealing. The moratorium has been granted—unconstitutionally and illegally, but granted nevertheless; and whether we put our stamp of approval upon it to-day or to-morrow or six weeks from now is, as I look at it, quite immaterial.

I do not like to be put in the attitude of voting contrary to my convictions on the adjournment proposal, but I fear that I am going to be, because I can tell from the discussion that has gone on that it is the intention of the Senator from Indiana [Mr. WATSON] and those who are behind the resolution to keep the Senate in continuous session night and day until we dispose of it.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I yield.

Mr. WATSON. I disclaim to my good friend any such intention.

Mr. NORRIS. I am very glad to have that disclaimer.

Mr. WATSON. I think we ought to stay here until along in the night sometime and find out what the situation is. I do not mean all night.

Mr. NORRIS. Oh, no; say just along about 4 o'clock in the morning?

Mr. WATSON. It might be that 3.30 a. m. would be sufficient. [Laughter.]

Mr. NORRIS. Oh, yes!

Mr. WATSON. But seriously now——

Mr. NORRIS. Should we not adjourn about 5 o'clock this afternoon, as we have been doing from day to day?

Mr. WATSON. I do not think so.

Mr. NORRIS. Will the Senator fix a time in his estimate of orderly procedure?

Mr. WATSON. I want to find out about the usual course of debate. Let us find out how the debate proceeds and be governed by circumstances.

Mr. NORRIS. The Senator is going to run along probably until nearly morning before he determines that question.

Mr. WATSON. We shall all be here.

Mr. NORRIS. I say to the Senator in all good faith, and to his colleagues here who by following him have demonstrated, on the election of a President pro tempore at least, that they follow him blindly, follow him to the limit, that he dictates what they shall do to such an extent that he has on this great, big, broad shoulders a terrible responsibility. In the matter now before us why will not the Senator say to us at this time how long he expects to remain in session to-night?

Mr. WATSON. If the Senator from Nebraska follows me as faithfully in this matter as he has in voting for a President pro tempore, it seems to me we are going to adjourn pretty early this afternoon.

Mr. NORRIS. If I were to follow the Senator so faithfully in that matter as others seem to be willing and glad to follow him, I probably would change a course of action which I have followed in my career, and that the Senator does not expect.

Mr. WATSON. No; the Senator is entirely right about it. I do not expect it.

Mr. NORRIS. Will the Senator tell us how long, in his judgment, we are going to remain here to-night?

Mr. WATSON. I have not the slightest idea in the world, but I think I can sit down with the Senator from Nebraska when the time comes and agree upon a time to adjourn.

Mr. NORRIS. I think probably there would not be much difficulty about that.

Mr. WATSON. We nearly always agree. [Laughter.]

Mr. NORRIS. But I do not want to have to vote on the adjournment proposition with what I believe to be a threat hanging over my head in the interest of some legislation to which I am opposed.

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

Mr. NORRIS. Certainly.

Mr. WATSON. The Senator knows that in the course of senatorial debate time and time without number Senators in charge of measures have risen on the floor of the Senate and said, "I intend to ask that the Senate shall remain in session to-night until we conclude this proposition."

Mr. NORRIS. Certainly. I have done it myself.

Mr. WATSON. Yes; the Senator has done it himself.

Mr. NORRIS. The Senator referred to the case of the Senator from California [Mr. JOHNSON], where he stayed here all night with the Senator from California and the rest of us, but he does not tell Senators that that was after days and days and days had been spent in debating the particular question then before us. It was not a new matter coming out of a clear sky like this moratorium question.

Mr. WATSON. Does the Senator say this is a new matter?

Mr. NORRIS. Yes; it is a new matter.

Mr. WATSON. He and I sharply disagree about that.

Mr. NORRIS. The Senator goes on the theory that Senators here have pledged themselves to vote for this measure. That is another disagreeable thing to me, to have the Senator say, as the representatives of the President have said publicly and before committees of Congress, "We have your signatures, 68 of you. Now come across. Come over, you fellows. We will expose you if you do not." That is the only inference that can be drawn from the situation. "We have you signed up. We have you on the list, and we are sure you will not be missing."

That is the kind of doctrine the Senator now presents and says, "Why, the President has the signatures of 68 of us, so what is the use of debating it?" That may be right, but if it is right then we ought to change the Constitution of the United States. If that is right, then we do not have a democracy in America any longer. If it is right, we ought to have a Mussolini on the throne, because he could issue his decrees and everybody would have to obey. This is a little different route that is taken this time; but if sending out, as the Senator said, and polling the

Members of Congress by the President is the way to legislate, then our forefathers made a mistake when they thought they had provided for a legislative branch and an executive branch of the Government that should be independent of each other.

Mr. President, when that kind of an attempt is made to control Congress I am not in favor of permitting it to be done without a protest. I believe that it is wrong; I believe that it is illegal. I am not in favor of just saying, "Now, we will take our medicine. We will go without food or drink and stay here night and day until we are called to the time when we shall vote." I am not in favor of that kind of method of legislating.

Mr. FLETCHER. Mr. President——

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

Mr. NORRIS. I yield.

Mr. FLETCHER. I quite agree with the Senator that we ought to take the time to allow all who wish to discuss the subject to do so. Are we quite right in assuming that it is going to take a longer time than we will have in the orderly ordinary hours of sessions of the Senate?

Mr. NORRIS. Perhaps not.

Mr. FLETCHER. Has the Senator any idea about the length of time that would be required?

Mr. NORRIS. I do not know about that. I thank the Senator for calling me back to the orderly procedure, because the Senator from Indiana [Mr. WATSON] has referred to it. We all know what orderly procedure is. When a bill or a measure comes before the Senate, we start out to debate it, as the Senator from Indiana said, to see how the debate is going to continue and whether any coercive measures may ultimately be necessary to bring it to a vote. I have never yet known in a matter of this importance where anyone suggested while we were doing that that we should work here a way into the night to find out about that matter. We do not do that way. We never have done that way. But when we go on in orderly procedure and adjourn at the usual hour for a day or two or three and it becomes evident that somebody wants to filibuster or kill time, then is sufficient time to talk about staying all night and adopting urgent measures to reach a conclusion. But we have not yet reached that stage in connection with this matter. The joint resolution has not even been read yet. It is really not before us yet.

Mr. McKELLAR. Mr. President——

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

M . NORRIS. I yield.

Mr. McKELLAR. The ordinary procedure, as every one of us knows, is that the leaders make inquiries on both sides as to who are going to speak on an important matter of this kind, and then they make their estimates of the time when a vote shall be had after considering the number of speeches that are to be made, the length of them, and matters of that sort. To my mind this is one of the most important questions that has ever come before the American people, and yet before the debate actually starts it is announced in the newspapers that we are going to be required to remain in continuous session until the measure is disposed of.

Mr. NORRIS. And we pretty nearly get that idea when we hear the leader on this side of the aisle speak. He says it may not be all right. No; probably we will wear everybody out before that time comes, so it will not be necessary to remain here all night.

Mr. COSTIGAN. Mr. President——

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

Mr. NORRIS. I yield the floor.

Mr. COSTIGAN. If the Senator from Nebraska will incorporate his position in motions, both with respect to a short adjournment and reasonable opportunity for debate, there will be at least some support on this side of the Chamber of the views of the Senator.

Mr. WALSH of Montana. Mr. President, it seems to me we are consuming time with very little profit in discussing the question of adjournment at this time. I wish respectfully to suggest to the leader on the other side and those who are particularly interested in the pending resolution in relation to a moratorium that there does not seem to be any reason for undue haste about the matter or that the question of holiday adjournment should hang upon the question of whether the resolution is passed before the Christmas recess or thereafter.

The time within which the payments were to have been made is now past and gone. The executive department has given assurances which were accepted as satisfactory and the payments have not been made. What is the difference whether the approbation of the Congress with respect to that matter comes before the Christmas holidays or after the Christmas holidays.

I do not always pay very much attention to what is said to be the purposes of the leader upon the other side of the Chamber. I do not care to pry into what his purposes are with respect to keeping this body in session all night. When the hour of 5 or 5.30 p. m. is reached, some one can make a motion to adjourn and then the vote of the Senate will be taken upon that motion and we will adjourn or remain in session all night as the majority of the Senate determines. For my part I can see no reason whatever why we should remain in session all night or any considerable part of the night on this particular legislation, which, as I said, might just as well go over until after the Christmas holidays as to be disposed of now.

Mr. President, something was said with respect to the question of whether the motion to adjourn for the Christmas holidays is debatable or not. I, of course, recognize the principle asserted by the Presiding Officer that a motion to adjourn is not debatable, but this is not an ordinary motion to adjourn. This is a motion to adjourn to a time certain. Obviously, it seems to me, there would be no question that it is subject to amendment, and if it is subject to amendment to change the date from January 4 to December 28 it would certainly be open to debate as to whether that is an advisable change to make or not. The point I make is that we ought to dispose of the question to adjourn for the holidays when that matter comes before us. It has not yet had the consideration even of the Committee on Appropriations.

While I am on my feet I want to advert to a reason possibly intimated by the Senator from Indiana [Mr. WATSON] why we ought not to disagree to the House resolution to adjourn. The House has passed a resolution to adjourn until the 4th of January. It is understood that the leaders in the Senate, the leader on the Republican side and the leader on the Democratic side, have at least tentatively assented to that proposition. I myself am not a little apprehensive as to what the effect on the country would be just now if it was considered that possibly the situation throughout the land is of such a critical character at this time as to require the Senate to remain in continuous session during the holidays and not take the usual holiday recess. I am afraid that much more harm would result from a disagreement to the House resolution than benefit could possibly accrue by disagreeing to it. At least I think that consideration ought to have the careful attention of Senators in voting upon the motion to fix the date when we shall reconvene after the holiday recess.

Mr. WALSH of Massachusetts. Mr. President, with much that the Senator from Montana [Mr. WALSH] and the Senator from Nebraska [Mr. NORRIS] have said I am in accord. The moratorium, whether of benefit or otherwise for the world, is an accomplished fact. Whether we vote upon it to-day or three weeks from to-day is of little consequence so far as the moratorium is concerned, but there is a factor in connection with this subject to which we should give serious consideration, for we can not disassociate the need of action upon this question from other questions that are pending before Congress.

In my judgment, we should dispose of this matter speedily in order that we may give our undivided and immediate attention to every possible measure that has been or will be proposed to relieve present economic conditions in this country. Up to this time, if there is blame or responsibility for present depressed economic conditions and the failure to provide adequate remedies for relief, it is not with Congress; it is clearly on the shoulders of another branch of the Government. If the Congress now delays, if we fail to consider promptly all relief proposals, if we fail the people, the burden of responsibility will shift rightly and properly to Congress.

With many banks closing in my State, with $75,000,000 of deposits, on the eve of Christmas, removed temporarily at least from the poor people of Massachusetts, and millions from depositors in other States, I do not propose to delay one hour in giving attention and consideration to any reasonable proposal, whether from President, Senator, or Representative, that will relieve the threatened panicky condition that now overshadows the Nation.

I fear we do not realize fully the awful alarm that prevails among the American people; and, rightly, we shall be held chargeable if we dillydally, postpone, or fail to grapple with every and all proposals seeking to give relief to our shaken financial structure. We must restore confidence to our people, and seek to relieve the misery and suffering and poverty now prevailing throughout the country. Let us not allow the people's faith in their Government to vanish through our indifference or inaction.

Therefore I repeat action upon the moratorium is important to the extent that we get it out of the way, clear the decks of legislation that is not urgent, and turn our minds, our hearts, and our souls to the remedial measures that will seek to bolster up the tottering financial institutions of the country, that may give employment to more of our people, and that will restore hope and confidence in our capacity to serve and help them, and thereby remove the clouds of despair that now hang more heavily than ever before in the history of our country over our Republic.

I hope Senators will act speedily and hastily, taking only the time actually necessary for reasonable debate, and proceed immediately to the consideration of the questions of economic relief to our suffering people here in America.

H. E. HURLEY

The VICE PRESIDENT. The Secretary will state the first bill on the calendar.

The first bill on the calendar was the bill (S. 258) authorizing adjustment of the claim of H. E. Hurley, which was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of H. E. Hurley, trading as J. E. Hurley, for damages resulting from the failure of the Government to execute and perform a contract in accordance with his proposal accepted June 27, 1928, for the installation of an ash bin in the State, War, and Navy Building, Washington, D. C., and to allow in full and final settlement of said claim the sum of not to exceed $553.50. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $553.50, or so much thereof as may be necessary, for payment of the claim.

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

Mr. KING. I should like to ask the Senator having the bill in charge if the bill does not command payment of the entire amount?

Mr. McNARY. Mr. President, the Senator from Nebraska [Mr. HOWELL], the chairman of the Committee on Claims, is absent. I have sent for him, and I think he will be here in a few moments. I suggest that the bill be passed over for the time being.

Mr. KING. Let the bill be passed over for the moment.

The VICE PRESIDENT. The bill will be passed over.

BLANCH BROOMFIELD

The Senate proceeded to consider the bill (S. 551) for the relief of Blanch Broomfield, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Blanch Broomfield, widow of Florus Broomfield, the sum of $5,000, as compensation for the death of such Florus Broomfield on May 5, 1926, while employed as a teacher in the Indian Service at Rosebud Reservation, Rosebud Agency, S. Dak.

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

BENJAMIN BRAZNELL

The Senate proceeded to consider the bill (S. 468) for the relief of the estate of Benjamin Braznell, which was read, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to reopen and allow the claim of the Braddock Trust Co., executor of the estate of Benjamin Braznell, late of Pittsburgh, Pa., and refund the sum of $2,323.47, the balance of taxes illegally collected, under existing laws and decisions.

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

THIRTY-FOURTH ANNUAL REPORT, NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION (S. DOC. NO. 25)

The resolution (S. Res. 104) was considered and agreed to, as follows:

Resolved, That the Thirty-fourth Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1931, be printed, with illustrations, as a Senate document.

INVESTIGATION OF RAILROAD PROBLEMS

The concurrent resolution (S. Con. Res. 3) establishing a joint congressional committee to make a general investigation and study of railroad problems was announced as next in order.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection to the immediate consideration of the concurrent resolution?

Mr. KING. Mr. President, I inquire if that is a resolution submitted by the Senator from Michigan [Mr. COUZENS].

Mr. LA FOLLETTE. It is.

Mr. KING. And it is desired that the resolution shall be adopted?

Mr. LA FOLLETTE. Yes; he is very anxious, as I understand, to have the resolution adopted.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Interstate Commerce with amendments, on page 2, line 10, after the word "represented" to insert, "*Provided, however*, That the chairman of the Committee on Interstate Commerce of the Senate and the chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives shall be authorized to fill any vacancies in said joint congressional committee by appointing some other member or members of their respective committees from the same political party as the member whose position is thus filled"; and on page 4, line 7, after the word "exceed," to strike out "$10,000," and insert "$1,000," so as to make the concurrent resolution read:

Whereas many railroads are involved in grave financial difficulties, and all the railroads have sought a 15 per cent increase in freight rates; and

Whereas there is a movement now in progress to reduce the wages of all railway employees although it appears that approximately 500,000 normally necessary railway employees are now unemployed, and many thousands of others have only part-time employment, and that the present earnings of a large percentage of the employed railway workers are less than the amount necessary for a decent livelihood; and

Whereas responsible representatives of the railroads have indicated that financial assistance of the Federal Government will be sought in order to maintain the operations of many railroads, and to avoid further impairment of transportation service and further deferment of necessary maintenance with the resulting increase of unemployment; and

Whereas an emergency exists requiring that a coordinated program be developed immediately to preserve continuous and efficient railroad transportation and to avoid the imposition of intolerable burdens upon either the necessary investment or the necessary labor required to maintain this essential public service; and

Whereas there is no single agency of the Government authorized to develop such a program, or charged with full responsibility for determining the extent to which Government aid can and should be extended to meet all the needs of the present emergency: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of the chairman, the ranking majority member, the ranking minority member, and the next ranking minority member of the Committee on Interstate Commerce of the Senate, and the chairman, the ranking majority member, the ranking minority member, and the next ranking minority member of the Committee on Interstate and Foreign Commerce of the House of Representatives: *Provided, however*, That the chairman of the Committee on Interstate Commerce of the Senate and the chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives shall be authorized to fill any vacancies in said joint congressional committee by appointing some other member or members of their respective committees from the same political party as the member whose position is thus filled. The committee is authorized and directed to make a general investigation and study of all matters affecting the operations of common carriers by railroad subject to the interstate commerce act, with a particular view to determining to what extent the Federal Government can aid during the present emergency in preserving continuous and efficient transportation service by railroad, in alleviating the financial difficulties in which many such carriers are involved, in relieving the distress of the unemployed railroad workers, and in preventing further unemployment among such workers. The committee shall report to the Congress from time to time during the first session of the Seventy-second Congress the results of such investigation and study, together with its recommendations for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit, and act at such times and places during the first session of the Seventy-second Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The concurrent resolution as amended was agreed to.

The preamble was agreed to.

Mr. TYDINGS subsequently said: Mr. President, the senior Senator from New York [Mr. COPELAND] is absent to-day. His office asked if I would not object in his name to the consideration of Senate Concurrent Resolution 3, establishing a joint congressional committee to make a general investigation and study of railroad problems, if it should be reached. Unfortunately, while Senators were at lunch, without a quorum being called, the matter was taken up and the concurrent resolution was agreed to. I personally have no particular objection to it at this time, but inasmuch as the Senator from New York is absent, and asked me to make objection, I ask that the vote by which the concurrent resolution was agreed to be reconsidered. I understand the Senator from New York will be here to-morrow morning.

Mr. COUZENS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the vote by which the concurrent resolution was agreed to is reconsidered, and the concurrent resolution will go back to the calendar.

DEPORTATION OF CERTAIN ALIEN SEAMEN

The bill (S. 7) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

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

Mr. BINGHAM. Mr. President, this is a bill which has been before the Senate at various sessions. Some years ago some hearings were held on it, but no hearings were held on during the last Congress or at this session. As Senators will remember, at the last session I was very much opposed to this bill, believing that it was not in the interest of the merchant marine. Mr. President, I am going to ask the chairman of the committee if he will not be willing to have the bill rereferred either to his committee or to the Committee on Commerce in order that hearings may be held, particularly on the part of those who believe that its enactment would seriously hamper the merchant marine?

Mr. HATFIELD. Mr. President, I have no objection to having the bill recommitted to the Committee on Immigration. However, there was no objection made to the bill, and there was a very full attendance of the Committee on Immigration when the bill was considered. There being no objection, and no one requesting to be heard, there was little left for the committee to do other than report the bill.

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

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

Mr. HATFIELD. I yield.

Mr. KING. Mr. President, this bill in one form or another has been before the Senate for a number of years. A similar measure was offered to an important bill in the House a number of years ago as an amendment, but it was held not to be germane to the bill which was then under consideration, and, though there was considerable testimony taken, as I recall, the measure was not taken up in the House. Subsequently this bill was offered in the Senate—I have forgotten the exact time, but I think in the Sixty-seventh or Sixty-eighth Congress—and extensive hearings were had in that Congress and in two succeeding Congresses, testimony both for and some testimony which could be construed to be against the bill. So hearings were had upon three separate occasions. All that could be stated against the bill, I submit respectfully, was offered in those hearings, while not all that could be said in favor of the bill was offered in those hearings.

I would not be willing as a member of the committee, Mr. President, to have the bill recommitted to the Committee on Immigration, and certainly I should object to its reference to the Committee on Commerce. The Committee on Immigration has had jurisdiction of this measure for three or four Congresses. In the House of Representatives the Committee on Immigration has had jurisdiction of the same subject.

I have no objection to giving my friend from Connecticut full opportunity to debate it and to present any facts that he may have and that he may deem relevant and pertinent. I shall not ask to have the bill considered at this time, in view of the desire to take up the moratorium measure; but, as I have stated, I shall be very glad to afford the Senator, so far as I have a voice in the matter, full opportunity to present any facts to the Senate and to discuss the bill to his heart's content.

Mr. BINGHAM. Mr. President, I submit to my friend from Utah, who is always fair-minded in such matters, that it is a little bit unusual to have the bill reported without any opportunity for hearings being given at this time. There were no hearings held during the last Congress. Those who are most immediately concerned in what they believe will be a very serious damage done to their business are anxious to present facts, many of them new facts, before the committee. They understood that there would be no action on this bill before the Christmas holidays, and they supposed that an opportunity would be given for a hearing. They have asked that a hearing be given by the committee; and in all fairness, Mr. President, it seems to me that no harm can come to the Senator's bill by having the bill rereferred to the committee, with an opportunity for those most immediately concerned to be heard. If what the Senator says and what I believe to be true is so, that the committee is largely of the opinion that it is a good bill, the bill can then be reported back to the Senate after hearings. However, it does seem to me, Mr. President, that it is not in accordance with good legislative procedure to rush the bill which has been fought for years out of the committee without any opportunity for a hearing, and when the first request comes for a hearing to have it denied and merely be told, instead of being able to present witnesses before the committee and get their opinion in a public record which can be used, that, forsooth, I may have an opportunity to debate the measure at length on the floor of the Senate.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection to the immediate consideration of the bill?

Mr. McKELLAR. Mr. President, the senior Senator from New York [Mr. COPELAND] is very greatly interested in this bill. He asked me to request that it go over for to-day, and I hope that course will be taken because of the request of the Senator from New York.

The PRESIDING OFFICER. The bill will go over.

S. F. STACHER

The bill (S. 243) for the relief of S. F. Stacher was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of S. F. Stacher, superintendent and special disbursing agent, Eastern Navajo Indian Agency, Crown Point, N. Mex., in the sum of $3,004.17, representing an expenditure of that sum in the appropriation for Indian school buildings, over and above the $37,000 authorized for construction and equipment of a heating and power plant at Eastern Navajo School, fiscal year 1929.

JEFF DAVIS CAPERTON AND LUCY VIRGINIA CAPERTON

The bill (S. 194) for the relief of Jeff Davis Caperton and Lucy Virginia Caperton was considered, ordered, to engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Jeff Davis Caperton and Lucy Virginia Caperton, parents of J. P. Caperton, who was killed August 24, 1918, at Nitro, W. Va., when a freight train backed into the ambulance he was driving while in the performance of his duties.

DONALD K. WARNER

The bill (S. 241) for the relief of Donald K. Warner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, to Donald K. Warner, postmaster at Oakdale, Nebr., the sum of $869.17, being the amount of stamps and postal funds lost in the burglary of the post office on the night of December 13, 1928.

R. B. MILLER

The Senate proceeded to consider the bill (S. 159) for the relief of R. B. Miller, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of," to strike out "$9,407.54, said amount representing the principal sum of $6,336.38 overpayments in freight on" and to insert "$2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of the shipment of," and on page 2, line 5, after the word "law," to strike out "and the interest on said sum from the respective dates of shipment to April 1, 1926"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to R. B. Miller, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of the shipment of 75 carloads of manganese ore shipped over the Norfolk & Western Railroad from Suter, Va., Rocky Gap, Va., and Graham, Va., to Reading, Pa., Harrisburg, Pa., and Birmingham, Ala., during the period that said railroad was operated by the Director General of Railroads, and which said amount was in excess of the regular freight rates published and allowed by law.

Mr. KING. Let the bill go over, unless there is an explanation of it.

The PRESIDING OFFICER. The bill will be passed over.

C. M. WILLIAMSON AND OTHERS

The bill (S. 458) for the relief of C. M. Williamson, Mrs. C. E. Liljenquist, administratrix, Lottie Redman, and H. N. Smith was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

MILBURN KNAPP

The bill (S. 971) for the relief of Milburn Knapp was announced as next in order.

Mr. KING and Mr. WHEELER. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ELIZABETH B. EDDY

The Senate proceeded to consider the bill (S. 1214) to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the word "act," to insert:

Provided, That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the legal representative of the estate of Elizabeth B. Eddy, widow of Charles G. Eddy, of New York, N. Y., the sum of $602.92, and the said sum is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of this act: *Provided*, That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933, was announced as next in order.

Mr. JOHNSON. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

DISTRICT OF COLUMBIA COMMISSION, GEORGE WASHINGTON BICENTENNIAL

The Senate proceeded to consider the bill (S. 1306) to provide for the incorporation of the District of Columbia Commission, George Washington Bicentennial, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "prescribed," to insert "subject to the supervision of the Commissioners of the District of Columbia or subject to the supervision of the Director of Public Buildings and Public Parks, as the case may be," so as to make the bill read:

Be it enacted, etc., That during the year 1932 the two hundredth anniversary of the birth of George Washington will be celebrated in the District of Columbia, and for the purpose of preparing, sponsoring, and encouraging suitable programs, entertainments, and demonstrations Cloyd H. Marvin, William W. Everett, John Poole, Mrs. Philip Sidney Smith, Clarence A. Aspinwall, George F. Bowerman, William W. Bride, Thomas E. Campbell, John H. Cowles, Harrison H. Dodge, Robert V. Fleming, Isaac Gans, Edwin C. Graham, Gilbert H. Grosvenor, John Hays Hammond, George C. Havenner, J. Leo Kolb, David Lawrence, Charles Moore, George Richards, A. K. Shipe, Ernest N. Smith, Edgar C. Snyder, Mrs. Virginia White Speel, Anton Stephan, Merle Thorpe, Joseph P. Tumulty, Charles Stanley White, and Lloyd B. Wilson are hereby created a body corporate and politic to be known as the District of Columbia Commission, George Washington Bicentennial, and within the limits hereinafter prescribed, subject to the supervision of the Commissioners of the District of Columbia or subject to the supervision of the Director of Public Buildings and Public Parks, as the case may be, the said corporation is hereby authorized—

(a) To purchase, acquire by lease, or construct such structures, platforms, and stands for the conduct of the programs, entertainments, and demonstrations as may be deemed necessary by said corporation.

(b) To manufacture, purchase, or otherwise acquire such paraphernalia, flags, posters, stationery, badges, programs and other printed matter, and lighting facilities as may be deemed necessary by the corporation for the purposes of said celebration.

(c) To erect or contract to be erected such structures, platforms, or stands on public space in the District of Columbia as may be deemed necessary by said corporation for the purposes hereof, and the Commissioners of the District of Columbia and the Director of Public Buildings and Public Parks are hereby authorized to grant such permit or permits as may be necessary for the occupation of public space in the District of Columbia under their immediate jurisdiction: *Provided*, That no structure, platform, or stand shall be erected as aforesaid unless the plans thereof be approved by the Commissioners of the District of Columbia where the same are intended to be erected on public space within their jurisdiction, or the Office of Public Buildings and Public Parks where the same are intended to be erected on public space within the jurisdiction of that office.

(d) To contract for the leasing and subleasing of such structures, platforms, and stands as may be erected by said corporation to such individuals, partnerships, or corporations and to grant such concessions as may be desirable in connection with such celebration.

(e) Adopt a seal, which said seal shall be the seal of the corporation.

(f) To do all other acts and things which may be necessary and proper to carry into effect the provisions of this act.

SEC. 2. That the corporation herein formed shall cease and determine upon the filing of its final report with the Commissioners of the District of Columbia.

SEC. 3. That Congress hereby reserves to itself the right to alter, amend, and repeal this act or any provisions thereof.

Mr. WALSH of Massachusetts. Mr. President, will the Senator in charge of the bill explain to the Senate the purpose of the bill?

Mr. CAPPER. Mr. President, the bill proposes to give the District commission in charge of the bicentennial celebration authority to erect a stand which will provide seats.

Mr. WALSH of Massachusetts. Why does the commission have to be incorporated?

Mr. CAPPER. That was the opinion of the corporation counsel. The corporation counsel came to the meeting of the committee and supported the legislation.

Mr. WALSH of Massachusetts. The committees of the several States have not been incorporated.

Mr. CAPPER. This, of course, applies only to the District of Columbia.

Mr. WALSH of Massachusetts. The reason for the proposed legislation is because the legal department of the District requested it?

Mr. CAPPER. That is the situation.

Mr. WALSH of Massachusetts. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

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

RELIEF OF DISTRICT COMMISSIONERS OF MINISTERIAL DUTIES

The bill (S. 2077) to relieve the Commissioners of the District of Columbia of certain ministerial duties was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That on and after the passage of this act it shall be lawful for the secretary of the Board of Commissioners of the District of Columbia, or in his absence or upon his inability to act, such person as said commissioners may designate, when so directed by said commissioners, to execute in the name of the District of Columbia or of said board by attaching thereto his signature as such secretary and affixing, when requisite, the seal of said District, any deed, contract, pleading, lease, release, regulation, notice, or other paper, which heretofore said commissioners were required to execute by subscribing thereto their respective signatures: *Provided*, That prior to such signing, and sealing if requisite, said deed, contract, pleading, lease, release, regulation, notice, or other paper shall first have been considered and approved by said board of commissioners, or a majority of them, sitting as a board, and evidence of such consideration and approval shall be reduced to writing and recorded in the minutes of said board of commissioners, which minutes shall thereafter be signed by the members of said board of commissioners, or a majority thereof.

H. E. HURLEY

The PRESIDING OFFICER. That completes the calendar.

Mr. McNARY. Mr. President, we have not completed the calendar. When the first bill came up a question was asked, and I requested that it go over until the return to the Chamber of the Senator from Nebraska [Mr. HOWELL], who is here at this time.

The PRESIDING OFFICER. The bill will be read.

The bill (S. 258) authorizing adjustment of the claim of H. E. Hurley was considered by the Senate and was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of H. E. Hurley, trading as J. E. Hurley, for damages resulting from the failure of the Government to execute and perform a contract in accordance with his proposal accepted June 27, 1928, for the installation of an ash bin in the State, War, and Navy Building, Washington, D. C., and to allow in full and final settlement of said claim the sum of not to exceed $553.50. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $553.50, or so much thereof as may be necessary, for payment of the claim.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. HOWELL. Mr. President, a contract was entered into for the construction of an ash bin for the War and Navy Departments right over a bin that had already been constructed. Certain work has been done. Then it was decided to substitute oil for coal, and the work was discontinued. A claim was put in by the contractor for the expenditures he had made; and, after audit by the Comptroller General, the Comptroller General recommended that the claim be allowed for the amount stated here. As a consequence, the Committee on Claims recommended the passage of this bill at the last session, and it was passed by the Senate, and I think was favorably recommended by the House committee.

Mr. KING. May I ask the Senator whether the department for which the work was done recommends the passage of this measure?

Mr. HOWELL. I do not know that the department did.

I do know, however, that a contract was entered into for the work, that the work was not completed, and that a claim was made and went to the Comptroller General, who investigated the matter and recommended the passage of a bill for the relief of Hurley. I do not recall, however, whether or not the department made any recommendation in reference thereto.

Mr. KING. Did the Senator's committee make any investigation as to the validity of the claim and its righteousness?

Mr. HOWELL. We made no investigation except that we accepted the report of the Comptroller General.

Mr. KING. Does the Senator recall the date of the contract and the breach of it, if there was a breach, by the Government?

Mr. HOWELL. Yes; the work was begun——

Mr. KING. In what year?

Mr. HOWELL. In 1928—May 24, 1928.

Mr. KING. I withdraw any objection.

Mr. HOWELL. The contract was let and the work was begun.

The PRESIDING OFFICER. The Senator from Utah withdraws his objection.

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

The PRESIDING OFFICER. That completes the calendar.

FOREIGN-DEBT MORATORIUM

Mr. SMOOT. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution 147, to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

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

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. If the motion of the Senator from Utah shall be agreed to, it now being but 10 minutes to 2 o'clock, will the joint resolution be laid aside at 2 o'clock?

The PRESIDING OFFICER. The unfinished business will be laid before the Senate at 2 o'clock.

The motion of the Senator from Utah is not debatable, and the question is on agreeing to his motion.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933, which was read, as follows:

Resolved, etc., That in the case of each of the following countries, Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia, the Secretary of the Treasury, with the approval of the President, is authorized to make, on behalf of the United States, an agreement with the Government of such country to postpone the payment of any amount payable during the fiscal year beginning July 1, 1931, by such country to the United States in respect of its bonded indebtedness to the United States, except that in the case of Germany the agreement shall relate only to amounts payable by Germany to the United States during such fiscal year in respect of the costs of the army of occupation.

SEC. 2. Each such agreement on behalf of the United States shall provide for the payment of the postponed amounts, with interest at the rate of 4 per cent per annum beginning July 1, 1933, in 10 equal annuities, the first to be paid during the fiscal year beginning July 1, 1933, and one during each of the nine fiscal years following, each annuity to be payable in one or more installments.

SEC. 3. No such agreement shall be made with the Government of any country unless it appears to the satisfaction of the President that such Government has made, or has given, satisfactory assurances of willingness and readiness to make, with the Government of each of the other countries indebted to such country in respect of war, relief, or reparation debts, an agreement in respect of such debt substantially similar to the agreement authorized by this joint resolution to be made with the Government of such creditor country on behalf of the United States.

SEC. 4. Each agreement authorized by this joint resolution shall be made so that payments of annuities under such agreement shall, unless otherwise provided in the agreement (1) be in accordance with the provisions contained in the agreement made with the government of such country under which the payment to be postponed is payable, and (2) be subject to the same terms and conditions as payments under such original agreement.

SEC. 5. It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

Mr. SMOOT. Mr. President, I take it for granted that every Senator knows exactly what this joint resolution provides. It has been discussed in the press for months past. It passed the House of Representatives by a great majority, I think three-fourths of the Members of the House having voted for it, as a matter of fact.

Hearings were held by the Ways and Means Committee of the House before the joint resolution was passed in the House, and a hearing was held by the Finance Committee after it reached the Senate. I can not do better than to call attention to the report of the House committee, which I adopted as a report of the Finance Committee, to the Senate upon the joint resolution.

The subject has been before the country for months; and I have no doubt but that every Senator has read the report of the House Committee on Ways and Means, which I ask now to have incorporated as a part of my remarks.

The VICE PRESIDENT. Is there objection?

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

[Senate Report No. 17, Seventy-second Congress, first session]

FOREIGN-DEBT MORATORIUM

Mr SMOOT, from the Committee on Finance, submitted the following report (to accompany H. J. Res. 147):

The Committee on Finance, to whom was referred the joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933, having had the same under consideration, report it back to the Senate without amendment and recommend that the resolution do pass.

Following is a copy of the House report, which is appended hereto and made a part of this report.

[House Report No. 9, Seventy-second Congress, first session]

The Committee on Ways and Means, to whom was referred the joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933, having had the same under consideration, report it back to the House without amendment and recommend that the resolution do pass.

Your committee was very desirous of obtaining all information available as to the economic situation in Germany and Europe and the necessity for the moratorium. With that end in view, it was announced that public hearings would be had. The chairman, through the press and otherwise, invited any interested parties to appear and testify before the committee. The Treasury Department was represented at the hearing by Hon. Ogden L. Mills, the Under Secretary of the Treasury, and the State Department in the person of the Secretary of State, Hon. Henry L. Stimson. Both these witnesses made full statements as to the economic conditions in Europe, and they were interrogated by the committee.

The London protocol, the agreement entered into by the interested nations agreeing to the terms of the moratorium, was before the committee and is a part of the record, as is the agreement between France and the United States, known as the Franco-American agreement. Three of the Members of the House of Representatives appeared before the committee. From time to time it was suggested to the committee that either the Treasury Department or the State Department had information that was very material to the issues involved in this bill and that such information had been withheld from the committee. Your committee, without exception, took the necessary steps to obtain such information if it existed. With this end in view, the Under Secretary of the Treasury was several times invited again before the committee and interrogated about these matters and the same was true as to the Secretary of State. In each instance the committee found nothing to substantiate these statements.

Some of the witnesses appearing before the committee opposing the bill laid particular stress on a newspaper article to the effect that some of the nations indebted to the United States had deposited the necessary funds with their fiscal agents in the United States to pay the amounts due on December 15. Your committee diligently sought to ascertain whether or not this was true. The correspondent who wrote the article was invited to appear before the committee, which he cheerfully did, but claimed his privilege and did not advise the committee from whom he obtained the information, the basis of the article above referred to. Your committee then ascertained from the Treasury Department that it understood that J. P. Morgan & Co. was the fiscal agent of some of the countries involved. Therefore the committee requested a representative from that firm to appear before the committee. Mr. Henry P. Davison, of the firm of J. P. Morgan & Co., appeared and advised the committee that his firm represented as fiscal agents in the United States Great Britain and France. Mr. Davison positively stated to the committee that these Governments had not deposited any funds to pay their installments due the United States on December 15, nor had they communicated with them on the subject. The Under Secretary of the Treasury stated that the payments made to the United States by these three countries in 1929 and 1930 were made for Great Britain and France by Morgan & Co. through the Federal reserve bank in New York.

With greatest respect, your committee is of the opinion that this is an extraneous matter and has no bearing on the case whatever.

On the last day of the hearing, in the forenoon, after hearing two witnesses, no one else appeared. The chairman then stated that he had given ample notice through the press and through the members of the hearings and that opportunity would be given to anyone to appear. After stating this, the chairman then announced to the public that he would be glad to hear anyone present. Having no response, the committee went into executive session.

It seems highly significant to your committee that, despite the widespread publicity of this matter since the President's announcement of June 20, 1931, no individual or representative of any group appeared or sought an opportunity to be heard in opposition to the resolution with the exception of the three Members of the House above referred to, who were given a full hearing.

Objections have been made to the word "reparations" as it appears in the resolutions on the ground that it links the United States to the whole reparations question. This term is merely intended as a description of one of the class of debts which must be postponed by the recipient countries in order for such countries as are indebted to the United States to participate under the President's proposal of June 20. This resolution in no way whatever links the United States with the payment of German reparations to the Allies, nor does it in any way make the payment due the United States by the Allies dependent upon receiving reparations from Germany. In fact, if the terms of the resolution were changed in this respect, the United States would be put in the position of postponing a debt due it from a country without such country being obligated to postpone what in many cases is the most important item of the amounts due such foreign countries, namely, the reparation payments. The committee is firmly of the opinion that nothing in the resolution can in any manner be construed as indicating a policy of debt cancellation or reduction, or as committing the United States or Congress to such a policy. In view, however, of repeated statements by opponents of the resolution the committee feels it desirable to set the matter at rest by the insertion of section 5.

The testimony given before the committee indicated that adverse economic developments in Europe had, by the beginning of 1931, placed the national economies of certain countries, particularly of central Europe, under severe strain. By June it was evident that events were rapidly shaping toward major crises the repercussions of which would seriously affect economic conditions throughout the world and which could not but react adversely upon conditions in this country.

It had become apparent early in the year that economic conditions in Germany were deteriorating at a fairly rapid pace. In Austria the disclosure of the unsound condition of the country's largest credit institution precipitated a crisis in that country in the latter part of May which necessitated the extending of ouside financial assistance and became so serious as to accentuate increasing apprehension regarding the economic and budgetary situation of Germany.

It became evident by the 1st of June that a slow run had begun upon German banks, in fact, upon the central institution, the Reichsbank. Subsequently this run assumed major proportions. Between the end of May and June 20, the outflow of funds from Germany resulted in a reduction of 1,000,000,000 Reichsmarks, or approximately $250,000,000, in the Reichsbank holdings of gold and foreign exchange. This represented approximately two-fifths of the bank's total reserves. On Friday, June 19, and Saturday, June 20, the withdrawals were so heavy that the reserves of the Reichsbank reached the legal minimum and it was obvious that unless some action was taken at once to change public sentiment and check the withdrawal of funds from Germany the Reichsbank would be obliged to suspend its reserve requirements and in all probability go off the gold basis with consequences most serious not only in Germany but throughout the world.

To meet the impending crisis and to avoid the inevitable adverse effects of the impending catastrophe upon conditions in the United States as well as in Europe, the President proposed, subject to confirmation by Congress, the postponement during one year from July 1, 1931, to June 30, 1932, of all payments on intergovernmental debts, reparations, and relief debts, both principal and interest. This proposal was made in the belief, which subsequent events seem to justify, that timely action should contribute to relieve the pressure of adverse forces operating in foreign countries and should assist in the reestablishment of confidence. The announcement of the proposal on June 20 resulted in the immediate termination of withdrawals of funds from Germany and increased prices of commodities and securities in world markets. Although these benefits were not entirely retained, the impending catastrophe was averted.

The resolution under consideration authorizes the Secretary of the Treasury, with the approval of the President, to conclude agreements with our debtor governments which have accepted the President's proposal of June 20, 1931, and have made or have given satisfactory assurances of their willingness and readiness to make with each of their debtor governments an agreement on substantially similar terms as the agreements proposed to be made with our debtors.

Section 2 of the resolution authorizes the amounts postponed to be repaid over a period of 10 years beginning July 1, 1933, with interest at the rate of 4 per cent per annum. In July, 1931, the principal creditor governments met in London for the purpose of putting into effect the President's proposal, at which conference it was agreed that the amounts postponed should be repaid on the same conditions as specified in the resolution except that the interest rate was 3 per cent. In view of the fact that conditions have changed since that meeting in July and that the obligations of the United States Government are now selling on the market at a rate to yield about 4 per cent, it is felt that a 4 per cent rate is justified.

The agreements to be made under this resolution should, so far as possible, be subject to the same terms and conditions as the payments to be made under the original debt-funding agreements, except that there is to be no right of further postponement in respect of the payments in question, and except that payments should be made in cash. There may be a possible exception to the right of postponement in the case of Austria. It will be recalled that Austria has relief debts owing to nine different creditor governments. The conditions under which this indebtedness was created make it necessary that the postponed payments be subject to uniform terms and conditions of repayment for all creditors. Under the agreements now existing the trustees of the League of Nations' reconstruction loan have the right to object in any year to the payments being made during that year. Depending upon the action to be taken by all the creditor governments, it may be necessary to continue this right of postponement. In the case of Greece, part of its indebtedness is serviced through the International Financial Commission and it is advisable, if possible, to continue this arrangement with respect to the postponed payments on account of this indebtedness.

The provisions of section 4 are necessarily broad in order to cover the cases of Austria and Greece, but the committee has the pledge of the Treasury that exceptions to the terms of existing agreements will be confined to the above-mentioned points.

A copy of the President's statement of June 20, 1931, and a statement showing the amounts due the United States from foreign governments during the fiscal year 1932 which are affected by the President's proposal follow:

"The American Government proposes the postponement during one year of all payments on intergovernmental debts, reparations, and relief debts, both principal and interest, of course, not including obligations of governments held by private parties. Subject to confirmation by Congress, the American Government will postpone all payments upon the debts of foreign governments to the American Government payable during the fiscal year beginning July 1 next, conditional on a like postponement for one year of all payments on intergovernmental debts owing the important creditor powers.

"This course of action has been approved by the following Senators: Henry F. Ashurst, Hiram Bingham, William E. Borah, James F. Byrnes, Arthur Capper, Simeon D. Fess, Duncan U. Fletcher, Carter Glass, William J. Harris, Pat Harrison, Cordell Hull, William H. King, Dwight W. Morrow, George H. Moses, David A. Reed, Claude A. Swanson, Arthur Vandenberg, Robert F. Wagner, David I. Walsh, Thomas J. Walsh, James E. Watson; and by the following Representatives: Isaac Bacharach, Joseph W. Byrns, Carl R. Chindblom, Frank Crowther, James W. Collier, Charles R. Crisp, Thomas H. Cullen, George P. Darrow, Harry A. Estep, Willis C. Hawley, Carl E. Mapes, J. C. McLaughlin, Earl C. Michener, C. William Ramseyer, Bertrand H. Snell, John Q. Tilson, Allen T. Treadway, and Will R. Wood. It has been approved by Ambassador Charles G. Dawes and Mr. Owen D. Young.

"The purpose of this action is to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

"The world-wide depression has affected the countries of Europe more severely than our own. Some of these countries are feeling to a serious extent the drain of this depression on national economy. The fabric of intergovernmental debts, supportable in normal times, weighs heavily in the midst of this depression.

"From a variety of causes arising out of the depression, such as the fall in the price of foreign commodities and the lack of confidence in economic and political stability abroad, there is an abnormal movement of gold into the United States, which is lowering the credit stability of many foreign countries. These and the other difficulties abroad diminish buying power for our exports and in a measure are the cause of our continued unemployment and continued lower prices to our farmers.

"Wise and timely action should contribute to relieve the pressure of these adverse forces in foreign countries and should assist in the reestablishment of confidence, thus forwarding political peace and economic stability in the world.

"Authority of the President to deal with this problem is limited, as this action must be supported by the Congress. It has been assured the cordial support of leading members of both parties in the Senate and the House. The essence of this proposition is to give time to permit debtor governments to recover their national prosperity. I am suggesting to the American people that they be wise creditors in their own interest and be good neighbors.

"I wish to take this occasion also to frankly state my views upon our relations to German reparations and the debts owed to us by the allied governments of Europe. Our Government has not been a party to or exerted any voice in determination of reparation obligations. We purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advance for war and reconstruction were settled upon a basis not contingent upon German reparations or related thereto. Therefore reparations is necessarily wholly a European problem with which we have no relation.

"I do not approve in any remote sense of the cancellation of the debts to us. World confidence would not be enhanced by such action. None of our debtor nations has ever suggested it. But as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay, and it is our view that

broad vision requires that our Government should recognize the situation as it exists.

"This course of action is entirely consistent with the policy which we have hitherto pursued. We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one. It represents our willingness to make a contribution to the early restoration of world prosperity, in which our own people have so deep an interest.

"I wish further to add that while this action has no bearing on the conference for limitation of land armaments to be held next February, inasmuch as the burden of competitive armaments has contributed to bring about this depression, we trust that by this evidence of our desire to assist we shall have contributed to the good will which is so necessary in the solution of this major question.

Amounts payable during the fiscal year 1932 by foreign governments on account of their indebtedness

Country	Principal	Interest	Total
Austria	$287,556		$287,556
Belgium	4,200,000	$3,750,000	7,950,000
Czechoslovakia	3,000,000		3,000,000
Estonia	108,012	492,360	600,372
Finland	55,000	257,295	312,295
France	11,363,500	38,636,500	50,000,000
Great Britain	28,000,000	131,520,000	159,520,000
Greece	660,000	449,080	1,109,080
Hungary	12,270	57,072	69,342
Italy	12,200,000	2,506,125	14,706,125
Latvia	44,664	205,989	250,653
Lithuania	38,615	185,930	224,545
Poland	1,325,000	6,161,835	7,486,835
Rumania	800,000		800,000
Yugoslavia	250,000		250,000
Total	62,344,617	184,222,186	246,566,803
Germany, army costs	6,000,000		6,000,000
Total	68,344,617	184,222,186	252,566,803

VIEWS OF THE MINORITY

We, a minority of the Ways and Means Committee, to whom was referred House Joint Resolution No. 147, "To authorize the postponement of the amounts to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933," respectfully dissent from the views of the majority for the following reasons, to wit:

CONSTITUTION IGNORED

The President of the United States did not have the constitutional right to take the action which he did in June of this year with respect to the moratorium. Under the Constitution of the United States, this was a matter to be determined by Congress in session, with proper communication thereon by the President of the United States, together with full facts of existent circumstances The President did not regard this matter of sufficient moment to call Congress into special session to consider same.

The conclusion of the President was reached after several weeks of investigation and consideration. No reason has been shown to excuse the usual constitutional procedure for the consideration of a matter of this importance.

NO NECESSITY FOR MORATORIUM

The necessity for the deferring of the payments of the intergovernmental debts to the United States by the 16 foreign powers affected by this resolution was not proved to the satisfaction of those subscribing to this minority report.

The selfsame arguments heard upon the consideration of the debt settlements advocated by the administration were heard anew. Generalities in respect of the financial structure of Germany was given voice. Germany was said to be unable to pay her reparations to seven or eight of these foreign countries affected by this measure. The other seven or eight countries affected by this resolution do not receive any sum from Germany in reparations (the names of these nations are not set forth herein, because of the fact that the hearings in which they were to be inserted are not available to us at this time).

Thus, this resolution would defer the payment of moneys to this country from seven or eight nations for value received, even though nothing is payable to them from Germany.

Germany is the nation to be helped. The sum of $6,000,000 is the only sum due by Germany to this country. No one even suggested that England, France, and Italy were not ready, willing, and able to pay their obligations to us on the due date. These three countries would pay to us during the fiscal year 1932 the sum of $224,227,125. The total amount of the payments deferred, including Germany's $6,000,000, is $252,566,803. Upon Thursday, December 10, 1931, Mr. Chamberlain, chancellor of the exchequer, is reported to have assured the House of Commons that all British foreign obligations could be and would be met.

No evidence was adduced before us that any of the foreign nations affected were financially unable and unwilling to make these payments. On the other hand, the nations affected by this resolution expended approximately $2,000,000,000 for armaments and war preparations within the last fiscal year.

We quote from the New York Times dated Sunday, August 2, 1931:

What nations spend on arms

[Expenditures for the last fiscal year, figured at rounded par or in a few cases at the average of exchange, as compiled by the World Peace Foundation from the forthcoming League of Nations Armaments Yearbook]

Austria	$14,507,320
Belgium	33,303,200
Czechoslovakia	51,189,000
Estonia	5,520,000
Finland	16,457,500
France	466,960,000
Germany	171,923,040
British Empire	726,731,065
Greece	21,340,800
Hungary	20,200,000
Italy	248,946,500
Latvia	7,860,000
Lithuania	5,680,000
Poland	92,072,000
Rumania	53,647,200
Yugoslavia	50,458,000
Total	1,986,799,625

It is very interesting to note that when the sums so expended within one year by the British Empire, France, and Italy on arms are segregated from this list the total makes the startling sum of $1,424,637,565. It is peculiarly pertinent when we again remind the House that these three nations would only pay within the present fiscal year the sum of $224,227,125 upon their indebtedness to us.

THE PRESIDENTIAL ACTION WAS A STEP TOWARD FURTHER CONCESSION TO FOREIGN DEBTORS

This is a forerunner and a curtain raiser to debt cancellation or another moratorium. Be not deceived. Read the President's message. Read this resolution and read the hearings.

The President in his message to the present Congress recommended the re-creation of the World War Debt Commission.

Mr. Mellon, Secretary of the Treasury, in what is reported to be a statement clarifying President Hoover's recommendations to Congress, on December 11, gave forth a public statement which is quoted in full as follows:

MR. MELLON DEFINES NATION'S POSITION ON DEBT CANCELLATION

"There should be no misinterpretation as to the administration's recommendations to Congress relating to the debts due us from foreign governments and the re-creation of the World War Foreign Debt Commission. The administration is opposed to cancellation. No recommendation made carries any such implication.

"It is, however, the duty of those in authority to deal with realities, and there is no escaping the fact that some of our debtors can not meet in full the payments due us until there has been a substantial measure of economic recovery and that the position of others is so changed as to call for consideration of their present situation in the light of existing circumstances.

"Our debt settlements were effected on the basis of the capacity of the debtors to pay. As the President said in his statement of June 20, 'As the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world.'

"Take the case of Great Britain, our best customer, which even in the depression year 1930 took $678,000,000 worth of American agricultural and industrial products. The economic and financial changes of the past year have immensely increased the difficulty of her payments to us. The series of events through which Great Britain was forced off the gold standard are too recent to require enumeration.

"To-day the pound sterling is selling at $3.315 to the pound, which is a 32 per cent discount as compared with last year when it stood at tariff parity or $4.866. All debts to Great Britain from foreign governments, except reparation payments, which are not being collected at all this year, and are not likely to be collected in full next year, are payable in sterling. Her debt to us is payable in gold dollars. The combined effect of these unfavorable factors results in an enormously increased burden for the people of Great Britain.

"Payments during the present fiscal year will serve to exemplify the magnitude of the additional burden.

"With the pound sterling at par, the British Treasury needs 32,800,000 pounds in order to pay us $159,500,000. With the pound sterling at the rate at which it sold on December 10, 1931, it would take 48,100,000 pounds, or an increase of 15,300,000 pounds, or 47 per cent. Or, in other words, the burden on the British taxpayer is increased by almost one-half.

"When the British debt settlement was made it was estimated that its present value at 4¼ per cent was 80 per cent of the total amount due prior to funding. If the amount to be raised in pound sterling to meet the obligation to us in dollars is increased by 47 per cent, it becomes apparent that from the standpoint of the British taxpayer he is asked to meet not the obligation as established by our debt commission but an amount considerably in excess of such obligation.

"Nothing could more forcibly illustrate the changed situation which places on the executive as well as the legislative branch of Government the duty of reexamining the obligations of our

debtors and their ability to meet them during a period of world-wide economic depression.

"Does anyone believe that Austria or Hungary should be asked to pay the installments due from them in view of the extraordinarily straitened circumstances in which the people of those two countries find themselves and great difficulty which they experience in obtaining foreign exchange for the purpose of carrying on even the minimum of effectual commerce with the rest of the world?

"Does anyone believe that Germany should be asked by the United States Government to meet her payments on the costs of the army of occupation when such a demand by us must be inevitably followed by demands of other creditors to pay her reparations in full?

"These instances should suffice to demonstrate that to stand on the letter of our bond and to refuse to investigate or to consider the facts, is to fail in our responsibility to the American people whom we represent and to the debtors whose capacity to pay we ourselves undertook to determine.

"What intelligent business man or banker would blindly refuse to investigate or to consider the altered circumstances of a debtor whose unsecured obligation he held? The situation of our debtors has been immensely altered during the course of the last two years. New questions in relation to these debts are bound to arise in the course of the next few months. The Congress should be in a position, through a commission created by it and composed in part of its own Members, to ascertain what the facts actually are and to deal with these new problems as they arise.

"It is with such thoughts as these in mind that the President recommended the re-creation of the World War Foreign Debt Commission. I am confident that upon mature consideration this recommendation will commend itself to the Congress."

The administration bill was introduced by Mr. COLLIER, chairman of the Ways and Means Committee, by request of the Treasury. This is the formal way of presenting the views of the Executive without in any manner binding the gentleman who would introduce it. It was the bill upon which the hearings were held. It is House Joint Resolution No. 123. We print it in full, as follows:

[House Joint Resolution 123, Seventy-second Congress, first session]

Joint resolution to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933

"*Resolved, etc.*, That in the case of each of the following countries: Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia, the Secretary of the Treasury, with the approval of the President, is authorized to make, on behalf of the United States, an agreement with the government of such country to postpone the payment of any amount payable during the fiscal year beginning July 1, 1931, by such country to the United States in respect of its bonded indebtedness to the United States, except that in the case of Germany the agreement shall relate only to amounts payable by Germany to the United States during such fiscal year in respect of the costs of the army of occupation.

"SEC. 2. Each such agreement on behalf of the United States shall provide for the payment of the postponed amounts, with interest at the rate of 4 per cent per annum beginning July 1, 1933, in 10 equal annuities, the first to be paid during the fiscal year beginning July 1, 1933, and one during each of the nine fiscal years following, each annuity to be payable in one or more installments.

"SEC. 3. No such agreement shall be made with the Government of any country unless it appears to the satisfaction of the President that such Government has made, or has given satisfactory assurances of willingness and readiness to make, with the government of each of the other countries indebted to such country in respect of war, relief, or reparation debts, an agreement in respect of such debt substantially similar to the agreement authorized by this joint resolution to be made with the Government of such creditor country on behalf of the United States.

"SEC. 4. Each agreement authorized by this joint resolution shall be made so that payments of annuities under such agreement shall, unless otherwise provided in the agreement, (1) be in accordance with the provisions contained in the agreement made with the Government of such country under which the payment to be postponed is payable, and (2) be subject to the same terms and conditions as payments under such original agreement."

It will be noted that what appears as section 5 in the resolution under discussion (probably) was not included in the administration measure.

This section reads as follows:

"SEC. 5. It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying favorable consideration at any time to a change in the policy hereby declared."

It may be that, with the knowledge of the sentiment in Congress and throughout the country against favoring foreign nations over our own country, the administration at this late date decides that moratoriums, debt reductions, and debt cancellations, at the expense of the American taxpayer, are not particularly popular. In any event, Congress is given the opportunity to give expression to its policy in this regard. We heartily concur in this amendment to the administration bill.

THE TIME ELEMENT

It was stated to us that the President reached his conclusion to initiate the moratorium on the 17th or 18th of June, 1931. His statement relative thereto was given publication on June 20, 1931. The wires to the Members receiving them were dated June 23, 1931. As we have noted, more than five and one-half months elapsed before Congress convened. No special session was called to consider this measure. Congress assembled Monday, December 7, 1931, and the Democratic members of the Ways and Means Committee were duly elected on that date. The administration measure was forwarded to Chairman Collier and immediately introduced by him on Monday, December 14. The hearings begun on the 15th were had in the mornings and afternoons of the 15th, 16th, and 17th. The bill was reported out, introduced in the House a few minutes before its adjournment on this date, December 17. It will be printed to-night and will be made available with the reports thereon to the Members to-morrow.

The hearings, while not so extensive in the testimony of the witnesses appearing before the committee, are not available at this time to the members of the committee nor to the Members of the House. There were considerable references made to documentary evidence which was agreed to be filed as a part of the evidence in support of this measure. These were not made available to the committee, and we are completely at a loss to know their contents.

We are in hearty accord with the dispatch of business. We have no criticism whatever of the manner in which the distinguished chairman of this committee has conducted the hearings, but we do submit that the membership of the committee should have had time to read the evidence and the documents called for by the evidence before preparing the reports, and the membership of the House should have had the opportunity to read the record and to digest it before being called on to vote on this momentous question.

CHANGE IN TERMS OF PROPOSAL

The final agreement reached on July 6, 1931, differed materially from that announced by President Hoover on June 20, 1931.

The initial proposal of the President, concerning which he sought the position of Members of Congress subsequent to the time when he had reached his conclusion, provided "postponement for one year of all intergovernmental debts."

It is patent that the postponement sought in this legislation is not for one year. It is true that the legislation treats of the payment of the debts for a 1-year period, but this deferred payment is strung out over a period of 10 years. It was admitted by the spokesman for the administration, Mr. Mills, that the President did not have in mind on June 20, 1931, the payment over a 10-year period of the indebtedness due for this fiscal year.

Further, as evidenced by the above quotation, the postponement was to be "of all intergovernmental debts." In the agreement finally reached France refused to accede to that proposal. All unconditional reparations due France from Germany are to be paid. There can be no doubt but that such condition is a deviation from the President's proposal. France is given a decided advantage in this respect.

In conclusion, we desire to call the attention of the Members of the House to the fact that our revenues amount to only about one-half the amount of the expenditures of the Government; that we have a large deficit and it is growing by leaps and bounds and to withhold the collection of this $252,000,000 means that it must be raised in taxation from the people of the United States, amounting to more than $2 for every man, woman, and child in the United States. We commend the equitable maxim known to every lawyer—we should be just to the American people before we are generous to the peoples of Europe.

Respectfully submitted.

MORGAN G. SANDERS.
E. E. ESLICK.
FRED M. VINSON.

Mr. SMOOT. Mr. President, the hearing before the Committee on Finance on the moratorium was very brief. In fact, Hon. Ogden Mills was the only witness who appeared before the committee, and his testimony was virtually the same as the testimony he gave in the hearings before the Ways and Means Committee of the House.

I express the hope that the joint resolution will be acted upon favorably by the Senate. I have every reason to believe that a great majority of Senators are in favor of its enactment, and I think it ought to be acted upon before the resolution for an adjournment over the holidays is agreed to.

Mr. JOHNSON. Mr. President, will the Senator yield to me?

Mr. SMOOT. I yield.

Mr. JOHNSON. The Senator spoke of the testimony of Mr. Ogden Mills taken before the Finance Committee. Has that been printed?

Mr. SMOOT. It has not been printed, but I say to the Senator that it was virtually the same as the testimony Mr. Mills gave before the Ways and Means Committee of the House.

Mr. JOHNSON. Is it in the hands of the printer at the present time?

Mr. SMOOT. It is.

Mr. JOHNSON. We will get it after we pass the moratorium?

Mr. SMOOT. I do not know whether it will be printed by to-morrow morning or not, but I have asked that it be printed at as early a date as possible.

I repeat, the testimony of Mr. Mills before the Finance Committee was virtually the same as that he gave before the Ways and Means Committee of the House. The only reason for calling him before the Finance Committee was to allow members of that committee to ask any questions of Mr. Mills they desired to propound. He presented the matter so clearly and so succinctly that hardly a question was asked him.

I close by saying that, in my opinion, and I think it is the opinion of the other members of the committee, with the possible exception of one, this legislation is of vital importance, and the joint resolution should be passed before any holiday recess is taken. I trust that will be the case.

Mr. President, I ask that at 2 o'clock the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

THE ROCHDALE COOPERATIVE SYSTEM

Mr. BROOKHART. Mr. President, this 21st day of December is the natal day of economic cooperation. It was on this date that the first economic society operating under what is known as cooperation was born. On the shortest, darkest day of the year, in 1844, 87 years ago to-day, at Toad Lane, in the little town of Rochdale, was opened the first genuine cooperative store known to history.

Mr. President, the history of this movement presents a picture particularly contrasting to present conditions throughout the world. The society was composed of 28 poor flannel weavers. For a year and a half they had saved their pennies until they had accumulated a pound each, and with that little capital of about $140 they opened up a little store. It was considered a joke and was the butt of ridicule at the time. The boys made sport of it as they passed, but it persisted. It had among its members one man at least of particular genius.

It succeeded upon three new, simple, and yet world-wide economic principles. The first of those principles is that in a cooperative enterprise one man shall have one vote. Capital does not vote. We in our country hear a great deal about individualism or individuality. But, Mr. President, under the competitive economic system, under the corporation system as organized in the United States, there is no such thing as individuality. We must go back to the cooperative idea to find genuine individuality, where one man has one vote. In the American corporation a man has no vote at all. In the American corporation capital alone votes and capital rules, and the thing miscalled "individuality" under the competitive system is in fact a capital autocracy.

These 28 flannel weavers set that principle aside and made man supreme in the management of economic affairs as we have done in the matter of political affairs in the United States. I want to say in passing that one of the 28 was a woman, Anne Tweedale, and this was the first time in the history of economics that I know of where women were recognized on equal terms with men in business affairs as they are now recognized on equal terms in political affairs in the United States.

Mr. President, the second principle was a limit upon the earnings of capital. Capital should be given a definite and a fixed wage the same as men are given definite and fixed wages. Under the competitive system capital is able to beat down the wages of men and take all the profits and earnings of the enterprise. There is no part of our competitive organization that is so destructive of prosperity as is that principle.

The third principle these weavers announced was that the earnings of the enterprise over and above the wages of men and the wages of capital should be distributed about like this: Twenty-five per cent of them should be kept in the enterprise so it would have a surplus to meet losses and so it would grow and become stronger. I think, perhaps, it was this provision that accounts for the success of cooperation as organized 87 years ago to-day. Then the balance of the earnings of the enterprise, over and above the amount retained for surplus, was to be distributed back to the members in proportion to the amount of business each member transacted with the enterprise.

Mr. President, I have stated but three little economic principles, and yet those three principles would mean an economic revolution throughout the world if they should be adopted and followed everywhere. They are growing. They are growing everywhere in the world. From that little beginning in Great Britain they have grown to be the greatest enterprise in all the Empire. There is no other single enterprise to compare to that growth and development. Those principles recognize men above property. They recognize democracy in business as well as democracy in government. In fact, democracy in government becomes a mockery when a financial autocracy rules over it, which is the direction of our drift in the United States up to date.

Now, what about the competitive system that has always ruled the world without challenge up until the organization of the Rochdale cooperatives, the equitable pioneers of 1844? Mr. President, there has been no stability in competitive business at any time. I placed in the RECORD of the Senate during the last session a chart, which I had on the wall of the Chamber of the Senate for some days, showing the condition during the last 50 years of American business. In the 50 years there were eight major depressions, and seven little ones thrown in for good measure. During the 50 years we spent about half of our time going into and getting out of depressions. On the authority of a former distinguished Member of this body I showed that 92 per cent of American business ultimately failed. I fear that before the present great depression, the greatest of all of them, shall have subsided that percentage will be increased rather than diminished.

Some have said to us that the present depression is caused by the war. The present depression in the United States could not have been caused by the war. That might be true and is generally true as applied to the rest of the world, but the United States was a profiteer out of the war. We owed foreign countries at the beginning of the war $5,000,000,000 or $6,000,000,000. We were a debtor nation. In a very short time out of war profits we paid it all. We went into the war and we levied taxes upon war profits. We realized the enormous sum of $10,000,000,000 or $11,000,000,000 directly and indirectly by the taxation of war profits and of the profits resulting from the war after the war was over, and we loaned foreign countries that vast sum. Then private business out of war profits accumulated vast sums and loaned in foreign countries sums which I have seen estimated as high as $15,000,000,000 or $16,000,000,000 more. Our national debt was reduced to $16,000,000,000 mainly by taxes on war profits.

So any way we figure the situation in this country, the war was not the cause of our depression. The cause of it was competitive economics. It was the competitive economic system under which we—I was going to say "lived," but I had better say strived. Under our system we find this state of facts: The American people as a whole produce about 4 per cent a year of new wealth. That is all there is in the American pool of production in a series of years. That is all there has ever been in it from the time of the Declaration of Independence down to the present day. There have been some variations due to variations in the competitive system; but when it simmers down to a series of years, all the labor and all the capital and all the increase of property values, everything that goes to measure wealth production of our country, is measured by that little 4 per cent.

But, Mr. President, notwithstanding the fact that 4 per cent is our economic possibility under the competitive system, we organize many great corporations and great combinations. We send them out to fight for 5¾ per cent for the railroads, for instance, and that upon an enormously inflated valuation. Others go out fighting for 10 per cent and 40 per cent and 100 per cent. That organization puts us in a constant state of economic warfare. The result of that warfare is that a few win, a few succeed, and many go down in defeat and disaster. Those that succeed are usually the giants, usually the great corporations and the great combinations. Those that fail, of course, are the ordinary organizations, much greater in number. It is for this reason that 92 per cent or more of American enterprises ultimately fail.

Mr. President, we hear it said that the Government ought to stay out of business, and yet I have been on committees of the Senate the past few days where the great institutions of the country are now asking that the Government come into business and take them out of the deplorable conditions which this system of competitive economics has brought to our country. Here are the railroads, first before the Interstate Commerce Commission and now before the Committee on Banking and Currency, demanding first a 15 per cent increase in rates and now that a great giant governmental corporation be organized to finance them through their difficulties. Then comes the competitive banking system asking for a similar kind of relief. But, Mr. President, while I discuss the demands of the great competitive banking systems of the country, I have a different story to tell of a cooperative banking system in the United States whose representatives just at the noon hour appeared before the Committee on Banking and Currency.

The Association of Mutual Savings Banks, a cooperative system of banks with many billions of dollars of deposits, with many billions of dollars of investment, came before our committee just now and said, "We are in a more prosperous condition than when the depression began. Our deposits have increased enormously. Our securities are sound. We need no relief from the Government of the United States." That is the one bright spot that has appeared in the Banking and Currency Committee up to date during the course of the hearings on the measure to authorize a $2,000,000,000 governmental corporation in the effort to relieve competitive economics from present disastrous conditions.

Mr. President, the situation as to the mutual or cooperative banks in the United States is only parallel with the development of cooperation all over the world. In Great Britain they were hit a hundred times harder by the war than were we in the United States; they were enormous losers; their tax burden is many times our tax burden in the United States; yet to-day they have less unemployment in proportion than have we; their business is in better condition than is ours, and the great cooperative business that grew out of the little store started by these 28 flannel weavers 87 years ago to-day is one of the most prosperous in this world at this moment. It has gone through all this calamitous era relying upon those principles just as the mutual banks of New York have gone through the present situation in the United States. With that little store as a beginning, development has been so great that there are now 6,000 and more of those stores in Great Britain.

They have at Newcastle upon Tyne a wholesale establishment as big as Marshall Field's; they have one bigger at Glasgow, and they have one three and one-half times as big as that at Manchester, doing business all around the world. They have 6,000 little cooperative banks as branches, usually in these cooperative stores, and in the wholesale department they have a great reserve cooperative bank with a turnover of more than $4,000,000,000 a year. That giant system, now the largest individual business in all the British Empire, founded upon these three simple principles, takes competition out of business by giving one man one vote in business and by limiting the earnings of capital to a reasonable wage.

But it is said, "You can not limit the earnings of capital in a country; that is socialistic or bolshevistic or something similar." Well, this same cooperative system, after the soviet revolution, went into Russia; in fact, it had been there before. The Soviet Government confiscated it, as it did all other business in the beginning, and converted it into a state enterprise, but it did not work so well. Then they turned it back, and even the last message of Nicolai Lenin himself to the soviet congress recommended that they restore cooperation and support and encourage it, even as they did communism itself.

So, Mr. President, communism called in cooperative economics to steady its course and to stabilize its success, and I believe a great part of the success that is now evident in Russian development is due to that change in economic policy. We have heard competitive economics say that when they put in piecework or a little private store or something of that kind that they had retreated, but some of us have never heard perhaps that they returned to cooperation, and that cooperation is building their success.

The collective farms in Russia about which we have read—and about 60 per cent of them now are reorganized in that way—are all cooperative organizations. There have been a few state farms organized, but the great majority are cooperative.

In the United States we have launched upon the policy of cooperation. We created a Federal Farm Board and we gave it $500,000,000 to stabilize the surplus and to assist in the organization of cooperatives. Have they done it? No. They have organized some, but they went out in competition with others, and their big, giant organizations are corporations under the laws of Delaware; they are not cooperative at all.

Mr. President, every time there has been an attempt to short-circuit these three Rochdale cooperative principles, every time there has been an attempt to organize something called cooperation on any other basis, it has failed, whereas there is no record of failure where they have been truly organized and efficiently managed upon those principles.

In this English system they organized their little store; after it succeeded others were organized. There were several hundred of them. Then they met and decided to organize a wholesale department. The stores took all the capital of the wholesale department; no individual subscribed for any capital, and the same three principles were adopted. Each store had votes for its control according to its membership.

The capital earning was limited the same as in the individual stores; of the trade dividend 25 per cent was retained for the wholesale department, so it might grow and become stronger and more successful; and the balance of the earnings were distributed to the stores in proportion to the business that they had with the wholesale. Those profits then were distributed on down to the membership in their own trade dividends. The wholesale succeeded at once. By and by it was noticed that many of their stores failed as ours do. They did not meet their notes at the bank and the sheriff sold them out. So they said, "We would do better if we had our own banking system." Then they put in the cooperative banking system about which I have spoken.

But what has the American system done to our cooperative banks? I say to you that the great bankers who rule over our banking system in this country, who have brought it to its present plight and have brought this country to the lowest depth of depression in all our history, have persistently fought cooperative laws all over these United States. They persistently kept out of the cooperative laws of all the States provision for a cooperative banking system, until a few years ago I succeeded in getting such a statute in the laws of the State of Iowa, which, however, had some jokers in it, so that there can not be organized as yet a reserve bank. However, it was the great bankers of this country who looked after these laws. I know that, because when I first came to Congress they "looked after" me. They came to me and said, "Lay off the cooperative banks; the big banks are in favor of it, but if you start anything on cooper-

ative banking you will turn them against it." That was the approach they made; but I understood the system and, of course, I listened to no such sophistry as that. One of the persistent fights I have been making all the time is to present to the Senate and the Congress a comprehensive cooperative banking system and to show how the Rochdale system has succeeded not only in England but in other countries. I visited 15 different countries and saw it in operation, and in those countries, in spite of war, in spite of revolutions, and in spite of depression, it is a success to-day; but I say to you, Mr. President, that cooperation had not succeeded in any of those countries until they established a cooperative banking system, a system of credit as a foundation and basis upon which the cooperative system itself must stand.

Mr. President, I want to close my remarks to-day by asking unanimous consent to insert in the RECORD the names of the men who organized this first cooperative association. Let me say that the only economic shrine in this world, the only place on this big round earth where people go at the present time and have gone for years just because of what was done there of purely an economic nature, and for no other reason, is this little building where the Rochdale store started in 1844. It has now been taken over by the Rochdale system, and every year there is a pilgrimage to that store, like many of the religious pilgrimages of the world; and the people who go there go because those three principles of cooperation are the principles of the golden rule and of the Sermon on the Mount itself in business.

Here, Mr. President, are the names of the 28 humble people who established this system which will mean in the near future the economic revolution of this world. I ask that the names may be printed in the RECORD.

The VICE PRESIDENT. Without objection, the names will be printed in the RECORD.

The names referred to are as follows:

James Smithies, Charles Howarth, William Cooper, David Brooks, John Collier, Samuel Ashworth, Miles Ashworth, William Mallalieu, George Healey, James Daly, James Tweedale, Samuel Tweedale, John Kershaw, James Maden, John Scrowcroft, John Hill, John Holt, James Standring, James Manock, Joseph Smith, William Taylor, Robert Taylor, Benjamin Rudman, James Wilkinson, John Garside, John Bent, Ann Tweedale, and James Bamford.

EMPLOYMENT OF ATTORNEY BY POWER COMMISSION

Mr. NORRIS. Mr. President, earlier in the day I explained to the Senate that I would later want to ask unanimous consent to submit a report from the Judiciary Committee and ask unanimous consent for the consideration of the bill thus reported. From the Committee on the Judiciary I now ask unanimous consent to report favorably, with amendments, the bill (S. 930) to amend section 109 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, and for other purposes, and I submit a report (No. 21) thereon. I likewise ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Without objection, the report will be received. Is there objection to the present consideration of the bill?

Mr. WALSH of Montana. Mr. President, I may say to the Senator from Nebraska that the Senator from Michigan [Mr. COUZENS] spoke to me about that matter.

Mr. NORRIS. Yes; he also spoke to me, but he is quite willing that I should have the bill taken up in his absence.

Mr. SMOOT. Mr. President, I have no objection to the consideration of the bill if it shall not lead to any discussion.

Mr. NORRIS. I do not think it will.

Mr. SMOOT. Then I have no objection to its consideration.

Mr. McNARY. Is the measure reported by the Senator a bill or resolution?

Mr. NORRIS. It is a bill recommended by the Committee on the Judiciary.

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

Mr. NORRIS. I suggest in order to save time that the secretary read the substitute bill which the committee has reported.

Mr. WALSH of Montana. Let me say that the reading of the bill will really give the Senate no real information concerning it. Will not the Senator from Nebraska state instead the general character of the bill?

Mr. NORRIS. I shall be glad to do that, although I think I explained the bill this morning.

The VICE PRESIDENT. Without objection, the Senator will proceed.

Mr. NORRIS. Mr. President, the Power Commission is engaged in the consideration of an application for a license known as the New River case. For reasons that are quite obvious, I think, to those who know about it, the Power Commission desires to employ an attorney. The Department of Justice is making no objection; in fact, the Department of Justice drew the original bill, which the committee has amended. It is another case exactly like that presented to the Senate when we authorized the employment of Mr. Roberts, now an Associate Justice of the Supreme Court. Under the law the Power Commission can not employ this attorney unless he will give up all business that he may have against the United States during the pendency of the suit in connection with which he represents the United States. The attorney has other cases, some of them cases against the United States, none of them, however, having any relation to the subject matter of the litigation here. In order to relieve him from that penalty the bill is brought before the Senate; and its importance will be more fully recognized when I tell the Senate that the work of the attorney is immediate, and it will be necessary for him to go to work at once before Congress shall reconvene after the holiday recess.

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

Mr. NORRIS. I yield.

Mr. McNARY. Did the report of the bill have the unanimous approval of the Committee on the Judiciary?

Mr. NORRIS. Yes.

Mr. McNARY. I have no objection to immediate consideration.

Mr. NORRIS. Huston Thompson is the attorney they have employed. He is a former member of the Federal Trade Commission. I think most Senators are acquainted with him.

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That nothing in sections 109 and 113 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or of any other act of Congress forbidding any person in the employ of the United States or acting in any official capacity under them from acting as agent or attorney for another before any department or branch of the Government or from receiving pay for so acting shall be deemed to apply to counsel serving in the case of the Appalachian Electric Power Co. *v.* George Otis Smith et al., now pending in the District Court of the United States for the Western District of Virginia.

The amendment was agreed to.

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

The title was amended so as to read: "A bill limiting the operation of sections 109 and 113 of the Criminal Code with respect to counsel in the case of the Appalachian Electric Power Co. *v.* George Otis Smith et al."

Mr. NORRIS. Mr. President, I ask that the Presiding Officer, if he can do such a thing, instruct the clerks at the desk to transmit this bill to the House of Representatives as soon as possible, because it will be of no avail unless it is passed by that body to-day.

The VICE PRESIDENT. That instruction will be given.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled 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, and it was signed by the Vice President.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

BATTLEFIELDS IN UNITED STATES FOR COMMEMORATIVE PURPOSES (S. DOC. NO. 27)

Mr. REED. Mr. President, from the Committee on Military Affairs, I send to the desk a message from the President of the United States, which was laid before the Senate and referred to the Military Committee on the 19th instant, and ask that it may be printed as a Senate document, with illustrations. This is the annual report on the survey of battlefields, and we have taken similar action in former years.

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

GENERAL DISARMAMENT CONFERENCE AT GENEVA (S. DOC. NO. 26)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

In my message on foreign affairs which was communicated to the Congress on the 10th day of this month, I spoke of the invitation which this Government has accepted to participate in the General Disarmament Conference which is to meet at Geneva on February 2, 1932. I spoke also in that message of the interest of this Government in supporting the efforts of this conference in accordance with the traditional policy of the American Nation to meet with the other nations of the world and to offer its cooperation in any endeavor which has in view the reduction of the huge burdens which result from unnecessarily heavy and costly armaments.

I am transmitting herewith and I commend to the favorable consideration of the Congress a report on the subject from the Secretary of State in which he requests that authorization be made for an appropriation to defray the expenses of sending an American delegation to Geneva for the purpose of representing the United States at the conference.

HERBERT HOOVER.

THE WHITE HOUSE, *December 21, 1931.*

FOREIGN-DEBT MORATORIUM

The Senate resumed the consideration of the joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933.

Mr. HOWELL obtained the floor.

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

Mr. HOWELL. I yield.

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

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

Mr. HOWELL. I do.

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

Mr. HOWELL. Mr. President, we have treated our European debtors with such generosity that there is no parallel in history for our action; and yet what we have done is not appreciated—certainly not in Europe—and, unfortunately, not by our own people.

The reason for this is that there has been great confusion in the minds of a large proportion of our population as to the final disposition that has been made of the debts due us. This confusion is quite understandable. Not only are the sums involved so enormous that they are hardly comprehendible—totaling, as they do, $12,091,000,000—but the statements in reference thereto as to what we are to receive made by responsible officials have often been involved, if not contradictory.

Furthermore, what we have done for our European debtors is not appreciated by many of our people because the annual payments we have had and are to receive have not been clearly placed in juxtaposition with the annual interest we are paying on the money we borrowed to loan our European debtors—interest that has averaged for the past 6 years $500,000,000 per annum.

It is one thing to loan from your surplus. Quite another to borrow money from a bank to loan your friend in need. If he does not pay, you are not released. You must meet your interest payments though he fail you. If he does not pay it is "dead horse" for you, and every time you pay interest at the bank there is another funeral.

What the American people have been suffering from is the failure of our European debtors to shoulder their obligations to us. As a consequence, we have not only had to shoulder the principal sums of their debts but, in addition thereto, deficits in interest; that is, the difference between the totals of the debtors' payments made us each year and the interest we must pay upon the money we have borrowed to loan them.

The only way to bring home the meaning of this is to consider some particular debt, as, for instance, the French debt:

When we settled with France as of June 30, 1925, there was due us from the French people in round numbers $4,231,000,000—a sum almost too great for the average mind to comprehend. Since then France has paid six annual installments, all that we will receive up to July 1, 1932, if this moratorium is approved.

What was the meaning of the settlement we made with France

On June 19, 1929, the Senate went on record to the effect that our settlement with France was equivalent to the cancellation of the principal sum of that debt, totaling $4,231,000,000, and that France in lieu thereof was to pay us but 2⅙ per cent thereon annually for a period of 62 years, and then France was to be through; she need pay us no more. But, Mr. President, for the last six years the average annual interest we have paid to carry this debt is nearly double this 2⅙ per cent, which France is to pay, or 4⅙ per cent.

Even this statement does not convey to the mind the unparalleled treatment we have afforded France. Not only have we canceled her debt of $4,231,000,000, but during the 6-year period ending July 1, 1930, we paid out in interest to carry this debt of $4,231,000,000 the sum of $1,058,000,000, while during that same period France paid us only $200,000,000, leaving a deficit for the American people to shoulder of $858,000,000 in interest alone—yet only 6 years of the 62 years have been tolled off.

In short, our generosity to France during the war cost us $4,231,000,000—the canceled principal sum of her debt. Then during the past six years it has cost us $1,058,000,000 more in interest to carry the debt, and during all that time France has helped us in this gigantic task by contributing but $200,000,000 all told.

Mr. President, our interest loss alone, due to this French debt, has totaled $858,000,000 during the last six years; and if this proposed moratorium is approved, this interest loss to the American people will rise to $1,027,000,000 by the first day of July 1932.

Is it not about time for us to give consideration to the American people and not wholly to the welfare of the rank and file of the French?

France is not an indigent. She has more gold in her Treasury per inhabitant than has the United States. France was to pay us an additional $50,000,000 this year; but if this proposed moratorium is approved by Congress, France will be relieved of her obligation to make this additional $50,000,000 contribution. But how much will it cost us in interest this proposed-moratorium year to carry her debt? It will cost the American people in round numbers $169,000,000 in interest alone.

This is an example of the meaning of our European-debt settlements and what will result from this moratorium. Now, when we are confronted, as we are, with a Treasury deficit of $1,800,000,000, which may reach $2,500,000,000 before the end of this fiscal year, a nation—aided in an extremity by us through loans the interest on which will cost us $169,000,000 this proposed-moratorium year—is to be relieved of helping us out to the extent of $50,000,000, and all of the $169,000,000 of interest is to be left for the backs of the American people.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. WHITE in the chair). Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. I feel very confident that a great majority of the Members of the Senate will feel as the Senator from Nebraska does, that we have been, in a way, overgenerous with these European debtors in connection with the settlements made with them. I do not believe that anyone feels like making any further concessions by reason of any regard we have for their situation, or other considerations of like character. Quite a good many, however, including myself, acceded to the desire of the President that we should extend this moratorium because of repercussions in this country growing out of the situation arising in Europe. I presume the Senator will address himself to that phase of the controversy later.

Mr. HOWELL. It is my intention to do so.

Now, at the risk of occupying the time of the Senate unnecessarily, I shall attempt to illustrate further the meaning of the French debt and the part which France is playing as a debtor.

I shall do this by reducing the sums involved by dividing by 1,000,000. The French debt of $4,231,000,000 is equivalent to 1,000,000,000 mortgages of $4,231 each. Because of the money we borrowed to loan France, we will pay in interest this year $169 to carry one of these mortgages. France, as a debtor, has agreed to pay us this year $50 on account of this mortgage; but if this moratorium is approved, she will pay us nothing, although up to the present time—and it is now 1931—France has paid, all told, on one of these mortgages but a total of $200. Notwithstanding this fact, France seeks a further avoidance of her debt, if not complete forgiveness.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. HOWELL. I yield.

Mr. SHORTRIDGE. This moratorium proposition does not involve any cancellation of interest or principal. Is there any inference to be drawn from its language that it means cancellation, or scaling down, or anything of that sort? Does it not provide merely an extension of the time within which to pay? Is not that all there is to it?

Mr. HOWELL. Mr. President, I assume the Senator was not in the Chamber when I began. I prefaced my remarks by calling attention to the great generosity we have shown to France.

Mr. SHORTRIDGE. Very great, indeed; and to all other debtor nations.

Mr. HOWELL. I attempted to convey some idea of the meaning of this enormous debt and its cancellation.

I will now answer the question of the able Senator from California by calling his attention to business transactions. It has been my experience that if I ever prevailed on a judgment-proof debtor to agree, after I had made great concessions, to make certain payments, and, in the vernacular of the street, he "crossed his heart and hoped to die" that he would make those payments, I have found that the only way for me to get that money was to be on his doorstep at the hour when each payment was due, and that if I ever let such a payment go by the chances were I would never get it. I think that is the general experience in private business. I do not regard public business as different from private business. The same principles are involved. The same experience may be expected in public affairs as in private affairs and the nations with which we are dealing are judgment proof.

Mr. SHORTRIDGE. Mr. President, if the Senator will permit me to add a word, I do not want the Senator from Nebraska or any other person in the United States or in any other country of the world to misunderstand my position. I indicated that I would vote in favor of extending these payments, but at the same time, in language as positive and definite as I could make use of, I expressed the position I then held—and it is the position I now hold—namely, that I was and I am opposed to cancellation of any of these foreign nations' debts. I was—I am—opposed to opening up those agreements, which were entered into after due consideration and the utmost generosity on our part.

I believe these foreign nations should observe those contracts and carry out their legal and moral obligations. So, with great deference to many Senators with whose views I agree in so many ways, it has occurred to me that we ought to take the word of the President of the United States to this effect—that he is opposed to cancellation of these or any of these debts. I may add that by this action we are not expressing any willingness or any intention on our part further to extend the payment due this year or to cancel or modify the agreements constitutionally entered into between us and foreign nations. Wherefore I say that it seems to me the only question is, Shall we extend the date of payment and, instead of the money due being paid this year, let its payment run over a period of 10 years, as set forth in the joint resolution?

I wanted to say that here and now lest I be misunderstood on account of the question I put to the Senator a moment ago.

Mr. HOWELL. Mr. President, Congress has the power to do as it deems wise and best. In business transactions it is supreme. The President may make a disposition respecting some business matter and may have overlooked something in connection therewith. Under such circumstances it would be perfectly proper, if discovered by the Congress, that the Congress should correct the oversight. There should be no resentment. There should be no feeling. He did propose a moratorium. In what I am now going to say will be found a further answer to the question of the Senator from California.

The President proposed that it should not merely be a moratorium, for which we were to be the "goat," but that other nations should be "goats" also, if there were any intergovernmental debts due them. He expected to be seconded in that position. But France said: "No; we will not agree. There are certain unconditional reparations due us from Germany. They amount to $125,000,000 per annum. They must be excepted." So France is to escape being the

"goat" so far as this $125,000,000 is concerned. But it will be said that France has agreed to loan this money to Germany. True; but how?

The other day the president of the National City Bank, of New York, and the National City Co., of New York, was before the Finance Committee of the Senate. When the question was put to him as to whether it was not strange that the American people and others would loan Germany on its bonds $500,000,000, $208,000,000 of which were distributed in this country, in view of the fact that recently Germany had practically wiped out every creditor of that nation by the inflation of her currency, what was the answer? The answer was, "No; there is a way to take care of that," and the way it was taken care of in this case was that certain of Germany's resources were earmarked for the payment of those bonds. Therefore he, as president of the National City Co. and the National City Bank, had no hesitation in distributing those bonds to the people of the United States.

That is exactly what France will do when she loans this $125,000,000. Certain German resources must be earmarked or they can not borrow this $125,000,000. If that is fair for France, why would it not be fair for the United States to say: "You are doing this, Premier Laval. Why should we not provide for safety in the same way? You pay us the $50,000,000 and we will loan it to you just as you have loaned it to Germany, but you must earmark some of the resources of France as a guaranty of the repayment of this loan."

Mr. SHORTRIDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from California?

Mr. HOWELL. I yield.

Mr. SHORTRIDGE. Will the Senator permit me to read one sentence from the statement which the President issued as of June 20, 1931? I hope it will be printed in big type that all of us may remember it and those absent may read it:

> I do not approve in any remote sense of the cancellation of the debts to us.

I referred to that a moment ago. That was his position then. It has been his position ever since, and, so far as I know, is the President's position now.

Mr. HOWELL. In his message to Congress respecting this matter, the President suggested the re-creation of the Debt Funding Commission and he also suggested that it might be necessary to reduce the payments in connection with some of these debts. He had in mind France. Premier Laval had been here shortly before. He has announced that there could be no reduction in German reparations unless we would reduce the payments that were to come from France to the Government of the United States. The purpose of the suggestion that we reestablish the War Debt Commission was not for revising the debts upward. That must be evident. The purpose was to revise them downward. We have already canceled the principal sums. Every dollar we reduce the annual payments due from France to us to help us pay interest on the huge sums of borrowed money that we have outstanding, every dollar we reduce is a further cancellation, pure and simple.

Mr. SHORTRIDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield further to the Senator from California?

Mr. HOWELL. Certainly.

Mr. SHORTRIDGE. The Senator does not favor reduction of the debt, does he? Does the Senator from Nebraska favor scaling down the indebtedness?

Mr. HOWELL. Indeed I do not.

Mr. SHORTRIDGE. I fully agree with the Senator.

Mr. HOWELL. But I am pointing out that the President evidently does.

Mr. SHORTRIDGE. The Senator may draw that inference; I do not.

Mr. HOWELL. I draw that inference from his message, and I think it is a perfectly proper inference to draw. I have respect for President Hoover's views, but I do not agree with all of them. I certainly do not agree with him so far as the proposed treatment of this indebtedness is concerned.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HOWELL. I yield.

Mr. SMOOT. I do not know whether the Senator knows exactly what this means in the way of dollars and cents. I do not know whether the Senator is going to bring that out or not. But I want to say that the moratorium for one year simply means that there shall be delayed for one year the payment of $184,000,000 interest—interest, mind you—and $68,000,000 of principal. That is what the 1-year moratorium means so far as money is concerned to the United States.

Mr. HOWELL. Mr. President, I realize that the total amount to be postponed if the moratorium is approved is $247,000,000, in round numbers.

Mr. SMOOT. No; it is $252,000,000.

Mr. HOWELL. I have it from the Treasury Department as $247,000,000; but if it is $252,000,000, I thank the Senator for the correction.

Mr. JOHNSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from California?

Mr. HOWELL. Certainly.

Mr. JOHNSON. If the Treasury Department is only $5,000,000 out of the way, please do not say anything about the Treasury Department, because that is the smallest mistake it ever made.

Mr. SMOOT. There is no mistake about it. The difference is about $6,000,000, and that $6,000,000 is for the German-occupation debt. The Senator from Nebraska has not included that $6,000,000. The difference is that $6,000,000.

Mr. JOHNSON. What is $6,000,000 when the Senator is going to put it on the American people anyway? It is of no consequence.

Mr. SMOOT. The Senator thought, of course, the Treasury of the United States was mistaken, and that a mistake of $5,000,000 does not amount to anything.

Mr. JOHNSON. We will admit even the omnipotence of the Secretary of the Treasury, if the Senator desires, because we want to hurry this debate.

Mr. SMOOT. Yes; that is what I want to do.

Mr. JOHNSON. I thought the Senator was delaying it.

Mr. SMOOT. Oh, yes; I know what the Senator thought.

Mr. HOWELL. Mr. President, the Senator from Utah is right. I have not considered the amount which was allotted to us from Germany under the Young plan. I am merely considering the debts of the 15 nations that are indebted to us for loans and advances made out of the United States Treasury.

I might say this, and I want to say it right here, inasmuch as the matter has been referred to: The $250,000,000 that was allowed us for expenses of our troops during the German occupation does not equal the total sum spent by any means. I want to say further that Germany made appropriations to pay the costs of occupation and we stood back and let the other nations get all the money. If it had been a private transaction, those responsible would have been called upon the carpet, but those responsible seem to have acquired the notion, from the way we loaned money after the war, that we wanted to be Santa Claus to Europe, and so if there was any money about to be paid us and anybody else wanted it, we were to stand aside and let them have it. That is what we did in connection with the appropriations for the costs of the German occupation, and that is the reason why now this item appears.

Mr. SHIPSTEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. HOWELL. I yield.

Mr. SHIPSTEAD. The Senator mentioned that part of the President's message where the suggestion is made about re-creating the Debt Commission, implying that that sugges-

tion meant revision of the debts, a revision downward. I want to call to the attention of the Senator an extension of that idea in the President's message. I find that it reads like this:

> But as the basis of the settlement of those debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world.

He said further:

> I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay and it is our view that broad vision requires that our Government should recognize the situation as it exists.

There is one condition that exists that I think we should recognize, and that is that the capacity of nations owing us money to-day has not as yet been tested.

The Senator referred to payments made by France, I think, of $50,000,000. As a matter of fact, France has never paid the Government of the United States one cent by efforts of its own people; neither has Great Britain. Every cent that has been paid to the United States Government on account of interest on these loans has been collected from Germany, and most of it was borrowed here.

If the Senator will permit me for another moment, the President says:

> We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one.

Well, if we are not concerned with the payment of reparations, which Germany can not pay anyway, then the question is confined to governments that owe us, and the President implies that they are not able to pay.

I want to call attention to the fact that their ability to pay has not yet been tested; they have not denied that they are able to pay.

Mr. HOWELL. Mr. President, I think that is attested by the fact that this moratorium was volunteered by the President. In the various debt-settlement agreements there is either a general or a specific clause providing for postponement of payments, but the Treasury Department will state that it has no such request. This moratorium, as stated, is volunteered. Seven nations that do not get a dollar from German reparations are to be beneficiaries, and one nation is to benefit thereby that secured a loan from the United States as late as 1929. I am speaking of Greece.

ITALIAN DEBT

Mr. President, what we have done for France, the sacrifices that our people will have to make in years to come for France, are only exceeded by the sacrifices they are to make in behalf of Italy. Italy owes us, or did owe us at the time of the debt settlement, just about half of what France owed us. She is only to pay us one-fourth as much as France is to pay. That was one of the most absurd settlements that was reported to the Senate and the House of Representatives. The time will come when historians reviewing these settlements will wonder what was the matter with the American people or with the statesmen who represented them; and I believe that the action taken will ultimately be charged to an inferiority complex.

Mr. President, the negotiators from Europe who came here knew all about what interest meant; they were thoroughly informed. They realized that in the case of a short-time loan the principal sum is the all-important thing, but that in the case of a long-time obligation interest is the all-important thing. I can imagine now how they sat around the table and the debtors said: "In these negotiations we accept in principle that we must pay the principal sums of these debts, but, of course, gentlemen, you will be easy in the matter of interest." What was the result? They knew what the result would be. In the case of France they knew that it meant the total cancellation of the principal sum of $4,231,000,000, and in lieu thereof the payment of 2⅙ per cent annually on the face of that debt for 62 years, and then France is to be through, the commission taking the position that they could judge and determine then that France would not be able to pay another 2⅙ per cent during the sixty-third year. The commission assumed to be so accurate in its determinations of ability to pay that they could say positively that France could make 62 payments of 2⅙ per cent and no more.

It may be said, "Would you keep them paying forever?" That is what Britain has been doing in connection with her national debt. It was the policy of Britain not to pay, and it has also been the policy of France from 1815 down to the present time.

Italy owed the United States $2,150,000,000 at the time of the settlement of 1925, and about one-third was due to borrowings after, not during, the war. During the six years which have elapsed since 1925, the American people have been paying interest on that $2,150,000,000, because the United States Government borrowed it and still owes it, and the bonds which represent that sum bear interest; and the total interest paid during the last six years on the securities representing the Italian debt, amounts to $537,500,000.

Stop, Mr. President and Senators, and think for a moment what that means! Here is a debt that Italy owes us; the money which we loaned Italy was borrowed from our people; we are still paying interest thereon, and during the last six years the interest paid amounts, in round numbers, to $538,000,000. Do you know, Mr. President, how much Italy has paid us during that time? Hold your breath! She has paid us $38,800,000. That is all. She was to have paid us $14,700,000 this year; but if we adopt this moratorium proposal, of course, none of that will be paid. By the end of the present fiscal year the net cost to the American people of carrying this Italian debt, over and above everything Italy has paid us, will amount to $584,000,000.

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

Mr. HOWELL. I yield.

Mr. McKELLAR. The Senator will recall, however, in fairness, that Mr. Mussolini gave out a public statement last summer when this matter first came up saying that Italy was prepared and perfectly willing to pay that which she had promised to pay, and that she had not asked for a moratorium.

Mr. HOWELL. Mr. President, I thank the Senator from Tennessee for that information. Certainly, in the state of our finances, if there is some debtor willing to pay us, does not the Senator think that we should allow him to do so—even ask him to do so?

Mr. McKELLAR. Indeed I do. With a Treasury that has a deficit of seventeen or eighteen hundred million dollars, I think it is exceedingly foolish to remit debts that are honestly, fairly, and justly due us, and put the taxation upon the American people, rather than let the debtors who want to pay their debts pay them.

Mr. HOWELL. Mr. President, for the information of the Senator from Tennessee, I will state that not only, as he has informed the Senate, is Italy ready and willing to pay, but at least one payment has been made by one nation and that payment is in the hands of the Treasury, and the Treasury is holding it in abeyance so that, when this moratorium shall have been adopted, the payment can be returned.

Mr. McKELLAR. What nation is that.

Mr. HOWELL. That nation is Greece.

Allow me again to say that public business in no wise differs from private business; and I think you will agree with me that if any merchant had on his books an account against a judgment-proof debtor who came in and said, "I am ready to make payment when that account is due," and the merchant refused the offer, his associates or his family would be asking for a conservator. They would ask the courts to intervene; but, some way or somehow, it seems that the United States Government can violate every principle that is recognized in private business and still survive. At least so far as these debts are concerned, Mr. President, our sins have overtaken us. We are now confronted with a huge deficit.

I only regret that I am unable to bring home more clearly to the mind of everyone within reach of my voice the meaning of these debts, what the cancellations have amounted to, and what burdens have been transferred to bend the backs of the American people.

Let us consider all the debts taken together. They amount to a total of $12,090,700,000. Let us call it $12,000,000,000 in round numbers. That is what these debts amounted to at the time of settlement. From time to time you will notice in the papers statements to the effect that these debts total anywhere from $10,000,000,000 to $11,000,000,000. There was an initial cancellation in the case of every one of these debts.

In other words, our representatives sitting around the table said: "Yes; we will throw that off, and that and that. Never mind the change." Finally, the total of the debts was reduced before the agreements were approved to $11,565,000,000. That is, about a half billion was thrown off for the sake of good-fellowship before they really got down to business. They started from this new taw in each case and then completed their settlements. But taking all the debts together, they were actually twelve billions and some ninety-one millions.

Every debt was canceled upon the agreement of the nations to pay in lieu thereof, taken all together, 2⅝ per cent on this $12,091,000,000 annually for 62 years. Then they are through. They are never to pay us another dollar; and for the last six years the interest that we have paid upon those debts has exceeded $500,000,000 annually. Last year all we received from these countries in toto was $235,000,000. Subtract that from $500,000,000 and it will be noted that we lost $265,000,000 on account of interest alone.

In other words, the burden of these debts has been increasing $265,000,000 a year. It will increase about $235,000,000 this year, whether we have a moratorium or not; and if we have a moratorium it will increase about $483,000,000—transferred from the shoulders of the people of Europe to our people.

You might properly ask, "How much has the interest deficit on account of these twelve billions of debts amounted to since their settlement?"

Mr. President, I trust I may be able to make myself clear. During the last six years we have paid an average of $500,000,000 a year in interest on these twelve billions; but so little have the European nations paid us since their debt settlements that our loss on account of interest alone, should the moratorium be ratified, will amount to $2,369,000,000 by the end of the present fiscal year; and we have just begun. That is the burden that our international bankers and those who favor Europe over America have been willing to shoulder upon the people of this country.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. HOWELL. I yield.

Mr. GORE. That amount would have met the yawning deficit in the Treasury.

Mr. HOWELL. It would more than have met the deficit in the Treasury. By the end of this fiscal year it would have met the total deficit we are expecting and we would then have had a substantial balance left. For that reason I have unhesitatingly stated time and again that the deficit in our Treasury to-day is due to the fact that Europe has not shouldered its own debts but has saddled them on the American people, and we must pay; yes, and just the other day Secretary Mellon notified us that it was probable the national debt would be increased by $3,000,000,000!

Mr. President, the policies that have been adopted and are now being urged with relation to these debts are certain to bend the backs of children yet unborn.

I have already stated that this proposed moratorium was volunteered by the President of the United States; that all of these debt agreements have in them provisions of one kind or another for the postponement of debt payments; and that there are no requests under these agreements for any such postponements on file with the Treasury Department. Why, then, in the face of a growing Treasury deficit, did the President suggest that a moratorium be granted each one and all of our European debtors? Why was such action taken?

Mr. President, I believe it will generally be admitted that this proposal of a moratorium was an attempt to stabilize the economic situation in Europe and indirectly throughout the world, to the end of assuring the continuance of peace, because all know that war is not an unusual result of untoward economic conditions. That was the purpose of the President's action; however, a little thought must render it evident that the proposed moratorium can prove but a symptomatic treatment, that it will not and can not reach the seat of the disorder.

What is threatening the peace of Europe—and of the world, for that matter? Why the persistent tension? Why the brooding uncertainty? There is just one answer—the treaty of Versailles.

Mr. President, France and Germany are two great military nations. Each has a brilliant background of martial successes. One marked difference between them is that France, so far as population is concerned, is static, whereas the Germans have shown great fecundity. As a consequence, Germany's man power is greater than that of France; and it undoubtedly will be admitted that if the recent war had been between Germany and France alone, France probably would have gone down in defeat. Because of the action of other European powers, however, and finally because of our participation, France was able to triumph. Germany is disarmed. France is armed to the teeth. Germany is paying reparations. France is collecting more than one-half. Germany has been stripped of her colonies. France is enjoying part of these spoils.

Yet, potentially, so far as man power is concerned, it is acknowledged that Germany is superior to France. Moreover, anyone acquainted with German character knows that just as France thought of "revanche" after 1870 so do the Germans again think of "der Tag"; and I believe if each one here present would ask his inner self whether or no the last military act of the great drama involving France and Germany has taken place, each would say "No," because all realize the high tension that persists between the two Nations. It is a tension that permeates the world. It is the cause of the unstable equilibrium of which all the world is conscious. France is keenly alive to this reality and as a consequence has been and will continue seeking guaranties for her safety by other nations. It must be admitted that unless France disarms—and she can not under the circumstances—there will be no disarmament for Europe.

There can be no disarmament until this international tension is relieved—until there is no longer reason for a "der Tag." So when I say that this moratorium gesture by the President was and is inadequate so far as peace is concerned, and constitutes merely a treatment of a symptom, it must be admitted that I am right.

Mr. President, I have pointed out to the Senate what we have done for France and also what we have done for our other European debtors taken together. I have endeavored to make it plain that our generosity has been unparalleled; that it means great sacrifices now, and into the next—yes, on into the second generation, for us; that not only have we done our share for peace but far more than our share.

Therefore, Mr. President, I ask Senators whether they do not think it is high time that if more sacrifices are to be made that there should be such cooperation by our European debtors as to assure that what we may do further will reach the cause of the situation instead of merely palliating the symptom or symptoms which President Hoover has sought and is seeking to treat. I do—and to that end I offer an amendment to the pending joint resolution which I now send to the desk.

The PRESIDENT pro tempore. Does the Senator from Nebraska desire to have the amendment read?

Mr. HOWELL. I would like to have it read.

The PRESIDENT pro tempore. The amendment will be read.

The LEGISLATIVE CLERK. The Senator from Nebraska moves, on page 2, line 25, after the words "United States," to insert a semicolon and the following:

nor shall such agreement be made with any government until it shall have effectively assented, in a form and manner satisfactory to the President, to the reformation of the Versailles

treaty, including the return to the German Government of its former but now mandated colonies.

Mr. HOWELL. Mr. President, I ask for the immediate consideration of this amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

Mr. GEORGE. I desire to announce that my colleague the Senator from Georgia [Mr. HARRIS] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

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

Mr. WATSON. Mr. President, I desire to have printed in the RECORD an interview with the senior Senator from Pennsylvania [Mr. REED] by Mr. William Hard, on the subject of our foreign debts, which appeared in the Washington Star on last Saturday.

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

REED, OF PENNSYLVANIA, ANALYZES THE FOREIGN-DEBT SITUATION IN FRANK TERMS

By William Hard

Senator DAVID A. REED, of Pennsylvania, has furnished the most spectacular political incident of this Congress so far. This writer queried him upon it, as follows:

"President Hoover and Secretary of State Stimson and Secretary of the Treasury Mellon, your dear Pittsburgh friend, don't think so much of your speech against any further reducing right now of European governmental indebtedness to the United States Treasury. Why did you break with them?"

The Senator looked as disgusted as he often looks. He queried in return:

"Can't anybody think that a man can differ with another man without breaking with him? I'm not attacking anybody. I'm just explaining my own vote."

"Won't you explain it further? Do you deny that Europe needs further 'relief' from the United States?"

"There are two things I think about it," said the Senator. "In the first place, the importance of the debts in the general economic relationships between Europe and the United States is greatly exaggerated. In the second place, the amount of so-called 'relief' that the United States at this moment is extending to Europe is far from sufficiently realized."

"Permit me to make notes on the first thing: The importance of the debts."

"Very well," said the Senator. "I will refer you to an authoritative source.

"The International Chamber of Commerce met here in Washington a few months ago. It had a lot of big reports presented to it by joint committees of Europeans and Americans. Among them was a report on the trade relationships between Europe and the United States. It dealt with payments by Europe to the United States and payments by the United States to Europe.

"We pay Europe for imported goods. We pay Europe for American freight and American passengers carried on European ships. We pay Europe large sums of cash in expenditures by American tourists in European countries. We pay Europe other large sums of cash in remittances to Europe by European immigrants now resident in the United States. We also pay Europe on European investments in the United States. And so on.

"Contrariwise, of course, Europe is each year paying us. Europe pays us for American goods imported into Europe. It pays us interest on American private investments in Europe. It pays us royalties on American films shown in Europe. And so on.

"Now note the conclusion of the committee of the International Chamber of Commerce on the exchanges of goods and services between Europe and our country. They say:

"'Payments under the debt settlements represent only about 5½ per cent of the total estimated annual payments due from Europe to the United States.'

"The same committee calculated the international 'world trade' of the European Continent at $35,000,000,000 in a normal year. The debt settlements are running at the rate now of along about $250,000,000 a year. We have to look at these things in their true proportions."

"But, Senator, you are talking about the European Continent as a whole. What about the individual cases of the individual debtor governments?"

"Well, take France. France owes us for the year 1932 the total sum of $50,000,000. The population of France is more than 40,000,000 persons. Call it 40,000,000. That's $1.25 for each of them to pay. We never have had any slightest shred of proof from the French Government to the effect that it couldn't be done."

"However, Senator, the general European situation might constitute an emergency and might indicate the desirability of American assistance."

"That's my second point. We hear nowadays about 'relief.' We hear about 'assistance.' I am not very strong for those words; but let's see what we've done lately in a financial way about Europe.

"Last summer our Federal reserve system extended a credit of $125,000,000 to the Bank of England and of $25,000,000 to the Central Bank of Germany. That's a total of $150,000,000.

"Almost simultaneously our private bankers lent $200,000,000 to the treasury of the British Government. That brings the total to $350,000,000.

"Our private bankers are additionally permitting German institutions and British institutions to retain some $600,000,000 of overdue short-term credits. That brings the total to $950,000,000.

"Then the United States Government this year is postponing the payments of the European governmental debts to the United States Government, and thus granting to those governments the use at this time of some $250,000,000. That brings the total to $1,200,000,000.

"But, further, we should include the debt payments which would have been due if we had not reduced the European governmental debts to us in the course of making the debt settlements. The reduction has been calculated by almost all responsible economists at approximately 50 per cent. If we were collecting the debts on the original promised basis, we would be getting this year not only the $250,000,000 which we have postponed but $250,000,000 more. We are letting Europe have that $250,000,000 for nothing. That brings our total of 'assistance' in Europe just now to $1,450,000,000.

"We also have put $75,000,000 this year of new money into Europe into long-term investments. That brings our total to $1,525,000,000.

"Finally, we have maintained a free gold market and Europe has been able to withdraw gold from the United States at will. That withdrawing has been done on a large scale. Europe took from us last summer some $700,000,000 of gold. She took it just as we got it—through trading and banking operations. We do not complain. Still, since we were charged with 'hoarding' it, we perhaps can legitimately observe that, instead of 'hoarding' it, we were engaged, even during our own immense depression and distress, in holding it instantly available to world demand. The $700,000,000 of gold that we thus supplied to Europe might accordingly be added to our total of present 'assistance' to Europe. It would bring that total to $2,225,000,000."

"They should be grateful. Or should they not?"

"They should not," responded the Senator with great emphasis. "I mean, we ought not to say that they should be and we ought not to expect that they will be. George Washington observed, after much experience in dealing with enemies and in dealing with allies in international affairs, that it is vain to expect gratitude from nation to nation. That observation remains accurate to-day, and there is no indication that it will ever cease to be accurate. No nation ever exhibits gratitude for loaning done to it or for fighting done on its behalf or for any other service. It would be wise if in international affairs we could get rid of such words as 'assistance' and 'generosity' and 'gratitude.' They do not correspond to any past, present, or prospective realities."

Thus the Senator, and his remarks are here presented not only because they come from a most distinguished political "regular" but because they represent the views, it would seem to-day, of a strong majority of all Senators and Representatives in the Congress, whether "regular" or "insurgent." The consequences in Europe, it is believed here, may be profound and immediate.

Europe, in the matter of debts, has been approaching us indirectly through publicists and propagandists. It may now approach us directly through notes from governments. It may now directly flatly say, "We can't pay." That seems likely to be the next era in the debt question.

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

Mr. SMOOT. I ask for the yeas and nays on the amendment.

Mr. HOWELL. I ask that the amendment may go over.

The PRESIDENT pro tempore. The Chair understood the Senator from Nebraska to ask for the immediate consideration of the amendment.

Mr. HOWELL. I ask that it may go over.

The PRESIDENT pro tempore. In accordance with the wish of the author of the amendment, it will be printed and lie on the table.

Mr. GORE. Mr. President, I send an amendment to the desk, which I ask to have read, printed, and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be read, printed, and lie upon the table.

The LEGISLATIVE CLERK. The Senator from Oklahoma offers the following amendment: On page 2, line 1, after the words "payment of," to insert the words "80 per cent of," and on the same page, at the end of line 7, to strike out the period and add the words:

Provided, That the partial payment herein required shall be held as a special fund to be used for the relief of the unemployed.

Mr. JOHNSON. Mr. President, for various reasons it had been my intention to go on to-morrow in the discussion of the pending joint resolution, but unfortunately I find the situation such that, without due preparation, I am compelled now to present in rather rambling fashion the views which are mine upon this matter.

Mr. President, there is one song which has been shudderingly heard all over the land during the last couple of years. It is a song with which Americans in business, who have had small competencies, those who felt that in the twilight of their lives they had the comforts so gratifying to declining years, never expected to hear, but the bankers all over the land in the last couple of years have sung again, again, and again to faltering Americans, "I am calling you." It has become so familiar with those whom I know and whom I love in the State of California that while they have responded to the dread tune "I am calling you" to-day nearly every one of the men with whom I have associated for 40 years or more, nearly every one, just a leap ahead of the sheriff, notwithstanding the tones spell ruin, is holding his head high, smiling as he goes on—smiling, yet facing in his later years, and in the end of his life, catastrophe and ruin. Never in our lives have our people in the same degree been required to face such disaster.

Mr. President, we had a mass disaster once in the city from which I come. We learned what it was to have a cataclysm that ruined nearly all our people. There was a singular and a strange psychological reflex we found in that mass disaster, a singular reflex, sir, that we find to-day in what has come in the matter of loss of property, of income, and of that for which men have struggled all during their lives.

In San Francisco, after the fire and the earthquake, when men and women whose homes were burned, when men who had little businesses that they had built up by a lifetime of industry and endeavor had seen those businesses go up in smoke and in the roar and in the dreadful fall of buildings we saw them marching along smiling, never whining, meeting mass disaster, meeting it in that spirit which is the spirit of the West, meeting it with never a bit of repining, but starting at once rebuilding for the future.

The only people who whined, the only people who cried, the only people who had little courage and slunk about prating of their losses were those who had $10,000,000 or $15,000,000, $20,000,000 or $25,000,000, $30,000,000 or $40,000,000, as the case might be, and found themselves after the disaster with only $5,000,000 or $6,000,000, $8,000,000, or $10,000,000. They did all the whining during that period.

I see the same psychological reflex in the United States to-day. I see those with whom I have had a lifetime of friendship and of affectionate intimacy, without repining, striving to build again in the few years that are left to them, but never whining, thanking God they have lived their lives and have had the little things that have made life comfortable, that have made life worth living, carrying on and looking forward to the end, looking forward to a different and more circumscribed life with their heads up and smiling.

The only people who are crying and whining and howling and raising Cain to-day and endeavoring to justify themselves by prating of their own extraordinary acuteness and talents are those who may have had $100,000,000 or $200,000,000, $50,000,000 or $60,000,000, $20,000,000 or $30,000,000, and find themselves with only $1,000,000 or $2,000,000 left now upon which to subsist.

As I have listened to distinguished bankers who testified before the Finance Committee and as I heard their statements—statements uttered with a prescience of wisdom that it is impossible for me to describe, uttered when we sat at their feet to drink in their words as if they were inspired—I looked at those gentlemen and I thought that this day, this time, this hour, we are liquidating something else than the debts which Europe owes us. We liquidated at the treaty of Versailles the statesmanship of the world. The statesmanship of the world in the making of the treaty of Versailles showed itself to be absolutely bankrupt. It left us this horrid legacy which during the years since that treaty was executed has led to many difficulties, and that statesmanship of which we used to boast wrote for the world not a treaty of peace but an irritant for war.

Since October, 1929, we have been liquidating the wisdom and the omniscience of our great banking institutions and of those masters of finance who were supposed to be supermen before that time and who have been shown since that time to be very, very common clay.

We have been liquidating not only their unwisdom but we have demonstrated beyond the possibility of a doubt that those men who were thought to be financiers who by the slightest legerdemain could conjure up success and who could guide any movement wherein there were dollars were, after all, just as astute as we are and no more so, and we, some of us, belong to the debtor class still. They have demonstrated that there are no supermen financially in the United States; no supermen who could deal with great financial problems and solve them for a people.

To-day, realizing that we have liquidated our statesmanship in the treaty of Versailles and find it to be bankrupt, realizing that we are liquidating now the astuteness and the wisdom and the omniscience of our great financial giants, and finding them to be bankrupt, we may understand that we are dealing here with something that is not alone a sort of academic question respecting a moratorium, but we are dealing with something far more important affecting our future.

The reason I take the interest in this question that I do is not alone because of its immediate effect, not wholly because it has been entered into illegally and unconstitutionally, not solely because the resolution which is presented is upon its face a fraud, not entirely, sir, because it happens that this particular matter is a wrong and an injustice to the American people—although all of those reasons would be sufficient and ample to have any man of my views object to the resolution before us; but I am interested also in it because of the effect it will have upon the future, because, sir, to-day, or whenever this resolution shall be voted upon, we will determine in reality what is the future course of the United States in dealing financially with those countries across the seas.

For 15 years we have been departing from the old doctrine and the old tradition of the American Republic. For 12 years we have been departing from the doctrine of the Republican Party that gave it success and power in the United States. For 12 to 15 years we have been bending our eyes, not to our own and not to America, but we have been looking beyond the sea; and we have our lesson now. We have before us the effects of that which we have done and we understand that dealing as we have with the nations across the sea redounds only to the detriment of America and in loss to American citizens. If we do nothing else than to arouse our people in this contest, arousing them so they may return to the old traditional policy that was ours before our drunken European orgy, we will have served a very useful purpose and our effort will not have been wholly in vain.

Mr. President, the peculiar situation which presents itself to us now is one that I have seldom seen in the Senate. To-day we stand here with another branch of the Government shaking in the faces of the Members of the United States Senate their pledges—68 in number, says a representative of the administration. Sixty-eight in number have signed upon the dotted line "and we have no doubt," says he, "of the result in this body." That may be true. I do not know and I do not care. The only thing I do know—and that relates to me alone, just as your attitude and what you have done relates to you alone—is that I have done no such thing. I neither criticize nor do I indulge in animadversions concerning what you have done. I only know that one man would not sign his name upon the dotted line on the 20th day of June, 1931, and pledge himself concerning something about which he knew nothing and then continue to believe that he was bound by a pledge that was not consummated in fact and the consummation of which was of something very different from that to which he pledged himself. I propose first to demonstrate to this body, so there may be no mistake upon that subject, exactly what has transpired, exactly what the original pledge was that was made by those 68 in number who signed the original agreement to carry out the President's wish.

It was the fateful 20th day of June that our leaders met in the White House in secret session with the President of the United States—not the Congress of the United States, not you nor you nor you nor me, but your leaders and mine—not the men that were chosen in the districts that were far away, but the men who were the leaders of the Democratic Party, of the Republican Party, and forsooth of the Progressive wing of the Republican Party. Those leaders, meeting on the 20th day of June, 1931, agreed with the President of the United States upon a specific and a particular course. What was it? What was it, I ask you? Let us see as we progress whether those who then met agreed to what was ultimately consummated by the President, and let us see whether what is written in this resolution is what those leaders of ours agreed upon on June 20, 1931, at that fateful meeting at the White House.

On the 20th day of June, 1931, the President gave forth this statement:

> The American Government proposes the postponement during one year of all payments of intergovernmental debts, reparations, and relief debts, both principal and interest, of course not including obligations of governments held by private parties.

Of course I recognize that the Government could not violate the contracts of private parties, but the thought has ever been present with me: If you are to take from all the people of this land that which is theirs, at least in precatory fashion you might invite a few of the people of this land who had their private obligations to forego them as well. But that is not our system to-day, Mr. President, and so nothing of the sort was attempted.

> Subject to confirmation by Congress, the American Government will postpone all payments upon the debts of foreign governments to the American Government payable during the fiscal year beginning July 1, next, conditional on a like postponement for one year of all payments on intergovernmental debts owing the important creditor powers.

There is not any mistake as to the English of this paragraph. Indeed there is not any mistake as to the intention of the parties when this document was given forth to the people of this land and to those of other lands as well. It is perfectly obvious, sir, that the intent of those who then agreed was to agree, as the statement reads, that payment on all intergovernmental debts should be postponed for a period of a year, and that that postponement should relate to every kind of intergovernmental debt among any of the parties.

> The purpose of this action—

This particular statement proceeds—

> is to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

How we Americans love phrases, do we not? How we love to mouth certain phrases, and then having mouthed those phrases, reap our reward in the moronic applause of those who listen to us. To-day any man may be a wise statesman if he simply weeps tears that are big enough and cries that he is for peace, as if everybody did not want peace! To-day any man may be a great statesman if he stands up and, with his fist raised, yells in stentorian tones, "I demand economy," as if any man in office ever dared preach extravagance! To-day if we do certain other things of like character, and mouth certain other phrases, how great we are; and how our audiences say, as they listen to us and as they weep with us, "What a marvelous statesman is this; he is for peace and he is for economy"; and when you have convinced your audience that you are for peace and for economy, then your way is smooth. Do not ever roughen it, sir. Let me give to my younger friends who are upon this side and the younger Members of this body on the other side a little advice: Do not roughen the way by any independence, by any thought of your people, by standing, if need be, alone in behalf of your own, and fighting for them. Do not do it; the other is the easier path. It is the path of preferment. Mediocrity never yet was able to reach political preferment except by these common and these easy paths, by persistent and conventional regularity. So beware, my friends; beware of stepping across the line and getting upon the rougher road, the road of independence. A glorious road it is, even if you walk it alone; it is a glorious thing to have walked your whole life along that rough path, and walked it just as God gave you the light to see and to walk it, fearing no man, no matter where he is, and no party, whatever that party may be. It is a glorious thing; and if you can write as the epitaph of any man who has been in public life, "He walked the road of independence and dared to do what he thought was right when all his fellows were against him," then you have written for him an epitaph that is more glorious than all the epitaphs that could be carved by the most renowned of artistic genius. So walk the easy path, and go not down this rougher road, my friends who are new in this game and new in our political life. Walk the easy way, and it will be a splendid thing, because you will have little or no political difficulties.

We read in this communication that—

> The purpose of this action is to give the forthcoming year to the economic recovery of the world.

It sounds as if somebody were writing satire, does it not?

> And to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

"Recuperative forces" in the United States! What are these "recuperative forces" in the United States? I know what they are. I have felt them during the nine months I have been in that city from which I come and which I love. I have seen these recuperative forces, with every bank there calling loans and every man who had a bit of collateral being sold out and sent out to begin life all over again. I have seen these "recuperative forces" for the past six months, and I know and you know, Mr. President, that, although this letter was written on the 20th day of last June, Germany is to-day in a worse condition than Germany then was.

However, sir, let me proceed with this affecting communication to which so many of our brethren gave their acquiescence and consent:

> The world-wide depression has affected the countries of Europe more severely than our own.

I deny it. I recognize all that has happened over in Europe; I recognize the difference relatively in conditions which exist there and which exist here, but I deny that they are in any worse fix than are we. Our farmers can not pay the mortgages upon their farms; their homes are being daily taken from them. Our merchants can scarcely keep their businesses alive. We have a deficit that is appalling and taxes are sought to be enacted more severe than any ever levied in peace time. Our people, to the number of 7,000,000, are walking the streets; there is to-day the tramp, tramp, tramp of men begging for work.

Conditions in this country are such that we hear with little patience we are so much better off than is Europe, and,

then using this as a predicate that we are better off than Europe, who can blame our people, so sorely pressed, for resenting the effort of their Government, soon to be successful, alas, to take from them $250,000,000 belonging to them and give it to Europe.

The fabric of intergovernmental debts—

The statement proceeds—

supportable in normal times, weighs heavily in the midst of this depression.

From a variety of causes arising out of the depression, such as the fall in the price of foreign commodities and the lack of confidence in economic and political stability abroad, there is an abnormal movement of gold into the United States which is lowering the credit stability of many foreign countries. These and the other difficulties abroad diminish buying power for our exports and, in a measure, are the cause of our continued unemployment and continued lower prices to our farmers.

Oh, you Senators who represent the farming districts, who know conditions there, who have been out in the Dakotas, in Nebraska, in Iowa, in Minnesota, and in other States where farmers have found themselves not only depressed but ruined, note with sympathetic interest the statement here concerning the lower prices the farmers have received because of the debts due to us from Europe. Take your comfort out of it, because the implication is plain—relieve Europe of her debts and immediately the farmers of the United States will have increased prices and again prosperity will be theirs.

The statement proceeds—

Wise and timely action action should contribute to relieve the pressure of these adverse forces in foreign countries and should assist in the reestablishment of confidence, thus forwarding political peace and economic stability in the world.

Authority of the President to deal with this problem is limited, as this action must be supported by the Congress. It has been assured the cordial support of leading Members of both parties in the Senate and the House.

Abolish the Senate! If we stand by this sort of thing in the matter of legislation, why do we need a representative body at all? Who cares what a representative body shall do if certain leaders may be taken into the White House in secrecy any night of the year, and upon their ipse dixit legislation shall be predicated and legislation passed? Why have a legislative body? Why not abolish it? I know many good people in this country who believe in a dictatorship, who insist that what we need now at the helm is one of the strongest of humankind, who will have the power of disposition not only of men's lives but of their property. I recognize there are many of that sort. From them I dissent, but this is the sort of thing that makes dictatorships, and this is the sort of thing that arouses revolution.

Look at your history, Mr. President, and study it. Go back and see what happened in the great World War. See then statesmanship at Paris bankrupt in the formulation of the treaty of Versailles. See now the great captains of finance finally stripped bare until they show themselves of little or no consequence. These are the symptoms that always precede upheavals of peoples; and you may look forward in the near or far future, if things do not change in some degree, to some of the upheavals with which history teems, among ourselves.

Recently we saw a peculiar sort of "hunger strike" with which you, Mr. President, and others of us probably had little sympathy, marching down to the Capitol. The significance of that march was not in those men and those women who were out in the Capitol grounds; the significance of it was that there was any such thing at all in a free government. It was not a pretty sight; and not only was it not a pretty sight but it was not a healthy sight.

I resume reading further from this marvelous document:

Wise and timely action should contribute to relieve the pressure of these adverse forces in foreign countries and should assist in the reestablishment of confidence, thus forwarding political peace and economic stability in the world.

Authority of the President to deal with this problem is limited, as this action must be supported by the Congress. It has been assured the cordial support of leading Members of both parties in the Senate and the House.

Perhaps he should have said "three parties."

The essence of this proposition is to give time to permit debtor governments to recover their national prosperity.

"Debtor governments to recover their national prosperity!"

What debtor governments? Not France, because France sits upon the top of the world to-day; not Britain, because Britain, with the dogged persistence which she has, and which is her most admirable trait, is fighting her own battle and is asking no odds at all; not the eight countries that have nothing to do with Germany or with reparations but which, for good measure, were included in this bill—not them I am sure. So it is only Germany to which he refers, and as to her the events of the past six months have shown us that the moratorium is worth literally nothing.

I wish to take this occasion also to frankly state my views upon our relations to German reparations and the debts owed to us by the allied governments of Europe. Our Government has not been a party to, or exerted any voice in determination of reparation obligations. We purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advance for war and reconstruction was settled upon a basis not contingent upon German reparations or related thereto. Therefore, reparations is necessarily wholly a European problem with which we have no relation.

That, my friends, is, to say the least, an unwittingly disingenuous statement. It is perfectly absurd; and men who have heads upon their shoulders that the Lord put there for some other purpose than mere ornament can understand that when we deal with German reparations and say that those reparations shall not be paid to France in return for our forgiving France a debt, why, of course, so inextricably commingled are reparations and debts that we never can unravel them; and after this moratorium it is perfect nonsense to say that reparations and debts have no connection whatsoever. We gave them a connection when we subscribed to the moratorium, and we gave them such an intimate connection that the doctrine we have so long proclaimed is set wholly at naught.

And then follow these words:

I do not approve in any remote sense of the cancellation of the debts to us.

I am coming to that in a moment, when I take up the message.

World confidence would not be enhanced by such action.

"World confidence would not be enhanced by such action!"

None of our debtor nations have ever suggested it.

I can not fathom what is meant by a statement of that sort, when there is not a responsible statesman in Europe to-day who has not publicly declared in favor of cancellation of the indebtedness that is due to our country. I have at some place here—and before I conclude I will read them—the very few remarks that were made by Ramsay MacDonald when he spoke to his constituency at Seaham during his campaign, in which he said, in substance, "The moratorium now ends forever the debts that are due to the United States."

The President says:

But as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay, and it is our view that broad vision requires that our Government should recognize the situation as it exists.

If that is not a brief for scaling down debts, I am unable to understand the English language. If it is not a statement in so many words that we should stop and consider and do what is essential in the matter of scaling debts, it has no meaning at all and no place in this document. Here it is, as plain as plain can be, what was in the mind of the writer of this particular statement, and it is perfectly plain to-day

what is in the minds of those in power in this Government who are demanding of us this moratorium.

This course of action—

He says—

is entirely consistent with the policy which we have hitherto pursued. We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one. It represents our willingness to make a contribution to the early restoration of world prosperity in which our own people have so deep an interest.

I wish further to add that while this action has no bearing on the conference for limitation of land armaments to be held next February, inasmuch as the burden of competitive armaments has contributed to bring about this depression, we trust that by this evidence of our desire to assist we shall have contributed to the good will which is so necessary in the solution of this major question.

I have read this statement of the President of June 20 last because it is necessary to a full understanding of what has transpired and what has been done; to a full understanding of this peculiar joint resolution which has been presented; and it is necessary, too, in order that intelligently we may act upon this question which thus comes before us.

You have heard here to-day discussed upon this floor the necessity for haste, and how it was absolutely essential, absolutely necessary, that we should pass immediately this particular moratorium. So necessary was it that the Finance Committee met and reported what came from the House before it ever had it; and the message from the House came over here while the report from the Senate Finance Committee was in the hands of the chairman, ready to present. I complain not of that mode of doing business; but haste is so necessary! This was only Saturday last—do you realize that, just Saturday last, the very last legislative day?—when this thing was reported; and then on Monday it is absolutely necessary that we sit here all night, if we can believe these gentlemen—sit here all night, and then vote in the early hours of the morning upon this moratorium. "Haste! Haste! Haste!" they say.

I will tell you why they want so much haste. Now, over in Switzerland the representative of the United States is sitting there with the representatives of three neutral countries and those of France, Germany, and Great Britain. They are determining over there what ought to be done in the future. Already, from the press dispatches, they have decided that two years more moratorium must be granted. Already, according to the press, they have determined it; and these gentlemen do not want this discussion of their moratorium here when that report becomes public, and do not wish you to know you are up against two years more of moratorium or scaling down these debts. That is the haste.

Haste? Haste? Why haste when six months have elapsed since the moratorium substantially was declared? Mind you, the dates:

June 20, 1931, the moratorium was practically declared, when our leaders met—the leaders of the Republican Party, the leaders of the Democratic Party, the leaders of the Progressive Party—when they all met and determined that they would agree to a moratorium, a moratorium of all intergovernmental debts. That was June 20. The haste was so necessary then that it was impossible to follow the Constitution, and it was utterly impossible to have the orderly processes of our Government and the spirit of our laws followed, so that we could act upon it in Congress. Haste! Haste! And what happened then?

Immediately the matter was taken up with France. Haste, you say? So much haste that you could not call the Congress of the United States in session; and yet the Government of the United States dickered with the Government of France from the 20th day of June to the 6th day of July, a period of 16 days!

Why, within four days after this moratorium was given to the world Congress could have been called in session, and would have acted. It could then have determined exactly what it would do; but mind you, now, the fact: France would not agree that all intergovernmental debts should be accorded a moratorium. Get that in your minds, please, you gentlemen who constitute the brave galaxy of 68 that Mr. Mills prates about and shakes in the faces of the House and in the faces of the Members of the Senate. Remember June 20–July 6. France would not consent; she declined absolutely and unequivocally to consent to the moratorium that was proposed by Mr. Hoover; and then what happened?

Then the United States Government and France practically entered into a treaty. It was an agreement in writing concerning the moratorium. They entered into an agreement in writing. After you had agreed to one kind of moratorium, France and Mr. Hoover agreed to another kind.

How many of you were advised who signed as the 68—how many of you were told, after you had sent back your wire and said that you would agree to the moratorium—how many of you were told, "This is held up by France, and the moratorium that we are about to agree to is a different thing from the moratorium you consented to by telegram"? How many? Who knew it?

Maybe our leaders knew it. I do not know. Maybe our leaders were called into another conference at the White House and told. But we, sir, who have not reached yet the stature of leadership; we, sir, who constitute only the hoi polloi of the Congress of the United States—none of us was notified at all; and none of us knew, and I doubt if even our leaders knew, that France entered into an entirely different arrangement from that which we were told was entered into and that to which you assented.

What was it that France agreed to?

The following is the text of the agreement reached by American and French negotiators at Paris, France, June 6, 1931.

You could not call the Congress of the United States in session, though you had 16 days, my friends. You could not do that. "The representatives of the people of the United States be damned! We do not need them. They will not be called in consultation in this matter"; but for 16 days the Government of the United States permitted France to determine what should be done and finally agreed to France's terms.

Upon what theory, upon what rational conception of official duty, is it that you may take 16 days to deal with France, and you can deal with the United States Senate only by a Western Union Telegraph blank? Upon what theory is it that France may alter as she sees fit a moratorium to which you agree, and you—you, you, just Senators of the United States who are not leaders—shall not be consulted at all, and this in the very teeth of the Constitution of the United States, that gives the power and indeed makes it the duty of the President of the United States in emergency or crisis to call the Congress together?

But France and the United States agreed after an exchange of views:

The French Government states that it is in agreement with the United States on the essential principle of President Hoover's proposal and on the following propositions, which may be expressed thus.

I do not know whether you gentlemen remember all that we used to hear about diplomatic exchanges. I recall during the great arms conference here in Washington how whenever a foreign nation desired to express itself with such ambiguity that it could do anything in the future it would say that it agreed "in principle" with what was advanced and would subsequently fix the details.

Always the language of diplomacy is, "We believe in principle with what is suggested, but we will agree on the details hereafter." So France agreed in principle with what was suggested by the American Government.

But on the following proposition, which may be expressed thus—I am reading the text of the agreement now—

The payment of intergovernmental debts is postponed from July 1, 1931, to June 30, 1932.

There is a perfectly plain statement. None can misunderstand it.

2. However, the Reich—

That is, the German Government—

will pay the amount of the unconditional annuity. The French Government agrees, in so far as it is concerned, that the payments thus made by the Reich shall be placed in the B. I. S.—

That is, the Bank for International Settlements—

in guaranteed bonds by the German railways.

3. All suspended payments shall be subject to interest in accordance with the conditions suggested by the American Government.

There are two kinds of reparations which are received by France. I take it all Senators know these facts. One class is called conditional reparations. Senators have the Young plan, I presume, and from it they can see the details, and, following me, tell whether or not I am accurate in what I say. The others are called the unconditional payments.

France stipulated—not that all intergovernmental debts should have a moratorium—but France stipulated, "You have to pay the unconditional reparations." It is true France said, "We will deposit them in the Bank for International Settlements, and we will lend them to your railroad, but upon the security of your railroad backed by your Government." That was the moratorium to which France agreed. France was thus made a preferred creditor. That was a very different thing from what originally was proposed.

Do not Senators recall, or are our memories exhausted by a short six months, all that was said during the time after June 20, when the Government of the United States was dickering with the Government of France? Can you not remember when the administration was asking the Government of France to join in the moratorium and our Government expressed its displeasure that it did not do it? Again and again we saw the items published as to how all the psychological effect of the moratorium was being lost by France's action and France was preventing the recovery of the world.

Finally, the administration had to accept in order to get anything, and in order to justify our 68 subscribers of the 20th of June they had to agree to France's terms and let France take the unconditional reparations.

Mind you, now, that is not all. It was in August that the rest of the nations met and met over in London. I have forgotten the date, but I think it was August 4, although it may have been a little later than that. They all agreed to the "protocol" which existed between the United States and France in relation to the moratorium.

Just think of the position we are in here in Congress. Here was a moratorium concerning which Congress should have been consulted. No one denies that, so far as I am able to understand. There was ample time to call the Congress in special session and have the Congress act. No man denies that, so far as I know. Then there was substantially a treaty entered into between France and the United States concerning the moratorium and concerning the reparations to be paid by Germany. Nobody denies that. Then the nations of the earth which were interested met in London and they subscribed to the protocol which was executed between France and the United States, all this being done upon the faith, we are assured, of various telegrams which had been sent by Members of the United States Senate and the House of Representatives agreeing to a moratorium expressed as of June 20, relating to all intergovernmental debts, and a moratorium was finally agreed to July 6 by the administration and France which was of vastly different character from that which had been stated on June 20.

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

Mr. JOHNSON. I yield.

Mr. CUTTING. Can the Senator from California inform me as to whether the 68 Senators agreed to a moratorium "in principle" or to the details?

Mr. JOHNSON. If they possessed the diplomatic skill which I think is possessed by some of my brethren here—and I say that in complimentary fashion—they would have agreed in principle and not in detail. But it is assumed that they agreed in detail; and assuming that they agreed in detail, the moratorium has gone on.

Mr. President, now I am going to move that we adjourn until 12 o'clock to-morrow. It will take me about an hour to conclude.

Mr. SMOOT. Mr. President, would the Senator agree to a unanimous consent that the Senate——

Mr. JOHNSON. I can not agree to unanimous consent. I have said to those who were interested in this matter that this debate was going on legitimately. It will be concluded, in my opinion, to-morrow or the following day; but I can not do more than express an opinion, and I can not agree to a particular hour.

Mr. SMOOT. It is not 5 o'clock yet.

Mr. JOHNSON. It is 10 minutes to 5, and I move that we adjourn until 12 o'clock to-morrow.

Mr. WALSH of Montana. Mr. President, will the Senator withhold that motion for a moment, until we inquire whether there is anybody else who wants to talk this afternoon?

Mr. McKELLAR. Mr. President, I do not want to speak this afternoon; I am not prepared to at this time; but I do want to address the Senate to-morrow for a short time.

Mr. WALSH of Montana. It does seem that gentlemen who want to speak upon this matter ought to be prepared. As far as I am concerned, I would like very much to accommodate the Senator from California, who has been talking now for quite a while, but if the Senator is not prepared to go on, I should think that somebody who wants to speak upon this subject could take the floor, for a while, at least.

Mr. JOHNSON. If it is necessary, I will go on; but I say to the Senator from Montana: No; I ask no favors. If I have to go on, I will go on; but I would like to have the Senate adjourn.

Mr. SMOOT. I wanted to ask the Senator how many Senators are going to speak.

Mr. JOHNSON. I think but three; but I do not know. I made no effort to ascertain until after lunch to-day. I think there are three or four on this side who are going to speak, and then the Senator from Tennessee [Mr. McKELLAR] is going to speak.

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

Mr. JOHNSON. I yield.

Mr. COUZENS. Would the Senator mind amending his motion to have the Senate meet to-morrow at 11 o'clock?

Mr. JOHNSON. I do not care; I would not object to that.

Mr. COUZENS. That will be just as good as going on another hour now; in fact, it would be better.

Mr. SMOOT. I wanted to see whether the Senator from California would not agree to voting on the joint resolution before 12 o'clock to-morrow night.

Mr. JOHNSON. I will not; I can not. I will take my medicine, if that entails going ahead. It does not make any difference. I will go on if I have to, although I do not want to go on at this time.

The VICE PRESIDENT. The motion is not debatable.

Mr. JOHNSON. I moved that we adjourn until 12 o'clock to-morrow. Does the Senator from Michigan ask me to make it 11 o'clock?

Mr. COUZENS. I would like to have the Senator make it 11 o'clock. I think that would be better than going on an hour now.

Mr. JOHNSON. I am ready to make it 11 o'clock.

Mr. HARRISON. Mr. President, will not the Senator withhold his motion just a moment?

Mr. JOHNSON. I do.

Mr. HARRISON. The Senator from California says he has no desire unduly to prolong the debate. He says there are only three or four more to speak in opposition to the joint resolution, and I do not think there will be many speakers for the proposal. It seems that if we should meet to-morrow at 11 o'clock, we ought to be able to get through with the matter to-morrow.

Mr. SMOOT. I was just going to suggest to the Senator from California that we meet at 10 o'clock.

Mr. JOHNSON. Please make it 11 o'clock. Eleven o'clock is early enough.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Will the Senator from California withhold his motion so the Senator from Oregon can made a statement?

Mr. JOHNSON. Certainly.

Mr. McNARY. I was going to suggest that if we are about to conclude the session to-day, we take a recess until 11 o'clock to-morrow, rather than adjourn, in order to save the morning hour.

Mr. JOHNSON. I have no objection to amending the motion I have made so as to move that we take a recess.

Mr. SMOOT. I would like to have some understanding in relation to to-morrow. The Senator would not want to adjourn to-morrow about 5 o'clock or 6 o'clock, would he?

Mr. JOHNSON. It would depend on what happened in the debate. I am not prepared to say what will happen. I am not able to answer for all the Senators opposed to this measure. My own opinion is that we will get through to-morrow, or the following day, at the very latest. But that is a mere opinion of mine, and I do not want to be bound to a guaranty. This debate is going on all right.

Just think of what we have here when this is asked by the Senator from Utah. We have here, in a matter which involves $250,000,000, a statement by the Finance Committee of three minutes' duration; that is all. They dare not argue this matter before the Senate. They make a statement of three minutes, and then, because we are arguing here—and there is not a word I have said that is not pertinent to what is before the Senate—they want to cram us and jam us, when the debate is proceeding and will proceed and be speedily concluded.

It is an outrageous situation. There is only one character of thing in which you can do that in the Senate, and that is for a foreign nation. You can not do it for an American or for Americans. The only ones for whom you can do it are foreigners and foreign nations.

Mr. WALSH of Montana. Mr. President, am I right in assuming that the pending question is a motion to recess until 11 o'clock to-morrow morning?

Mr. JOHNSON. That is correct.

Mr. SMOOT. I have no objection.

EXECUTIVE SESSION

Mr. McNARY. Mr. President, I assume we are now in general accord that we will recess until 11 o'clock to-morrow. So I shall make a motion to that effect, but before that I want a short executive session. I move now that we proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

THE CALENDAR

The VICE PRESIDENT. If there are no reports of committees, the calendar is in order. The Secretary will report the first nomination on the calendar.

COMMISSIONERS OF IMMIGRATION

The Chief Clerk read the nomination of Edward Corsi, of New York, to be commissioner of immigration, port of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Alexander Maxwell, of Philadelphia, Pa., to be commissioner of immigration, port of Philadelphia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Walter C. Mendenhall, of Ohio, to be Director Geological Survey.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ezra P. Monson to be register of land office, Blackfoot, Idaho.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harry W. Hill to be register of land office, Billings, Mont.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert J. Carsner to be register of land office, The Dalles, Oreg.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

IN THE NAVY

The Chief Clerk read sundry nominations in the Navy and in the Marine Corps.

Mr. HALE. Mr. President, I ask that the nominations in the Navy and the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

INTERSTATE COMMERCE COMMISSION

Mr. COUZENS. Mr. President, earlier in the day I made a report for the Executive Calendar from the Interstate Commerce Committee on the reappointment of two Interstate Commerce Commissioners. With the probability that we shall not have another executive session before we adjourn for the holidays, I ask unanimous consent that these nominations be confirmed at this time.

The VICE PRESIDENT. Let them be reported.

The Chief Clerk read the nomination of William E. Lee, of Idaho, to be an Interstate Commerce Commissioner for the term expiring December 31, 1938.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Balthasar H. Meyer, of Wisconsin, to be an Interstate Commerce Commissioner for the term expiring December 31, 1938.

Mr. JONES. Mr. President, I want to ask the Senator whether he understands the attitude of my colleague [Mr. DILL] with reference to these confirmations?

Mr. COUZENS. Yes; the Senator's colleague was at the committee meeting which passed on them.

Mr. JONES. Did he agree that they might be called up without going to the calendar? He has always insisted heretofore upon such nominations going to the calendar for at least one day.

Mr. COUZENS. The emergency of the case was understood, that their term of office expires at the end of the year, and if we do not have another executive session before we adjourn and they are not confirmed they could not hold office until after the first of the year.

Mr. JONES. Very well.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

JOHN WILLIAMS

The Chief Clerk read the nomination of John Williams, of California, to be a member of the Board of Mediation for a term expiring five years after January 1, 1932.

The VICE PRESIDENT. Without objection, the nomination is confirmed. That completes the calendar.

SAMUEL PURVIS

Mr. ASHURST. Mr. President, from the Committee on the Judiciary, I report back favorably the nomination which I send to the desk, and I ask the attention of the Senator from Georgia [Mr. GEORGE].

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

The Chief Clerk read the nomination of Samuel Purvis, of Georgia, to be United States marshal, middle district of Georgia.

Mr. GEORGE. Mr. President, I ask for the immediate confirmation of the nomination.

Mr. JONES. Mr. President, I have no objection myself, but my colleage Mr. DILL has always insisted on these nominations going to the calendar for one day unless there was some special reason to the contrary. Would the Senator have any objection to letting this go over until to-morrow?

Mr. GEORGE. I have no objection if we are to have an executive session to-morrow.

Mr. JONES. We can certainly have an executive session to-morrow.

Mr. GEORGE. Very well.

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

NOTIFICATION TO THE PRESIDENT

Mr. COUZENS. Mr. President, I am informed that unless we have unanimous consent to notify the President of the confirmation of the nominations to the Interstate Commerce Commission and the Board of Mediation, those gentlemen whose nominations were to-day confirmed can not hold office until after two executive sessions shall have been held.

The VICE PRESIDENT. The Senator from Michigan is correct.

Mr. COUZENS. I ask unanimous consent, then, that the President be notified of those confirmations.

Mr. McNARY. Mr. President, if the Senator will withhold that request just a moment——

Mr. COUZENS. Certainly.

Mr. McNARY. I wish to move that all confirmations made on the 17th and 18th and to-day be released and the President be notified. That will cover them all.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The order includes the confirmations of to-day. The President will be notified. The Senate resumes legislative session.

RECESS

Mr. McNARY. Mr. President, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, Tuesday, December 22, 1931, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 21, 1931

MEMBERS OF THE INTERSTATE COMMERCE COMMISSION

William E. Lee to be a member of the Interstate Commerce Commission.

Balthasar H. Meyer to be a member of the Interstate Commerce Commission.

MEMBER OF THE BOARD OF MEDIATION

John Williams to be a member of the Board of Mediation.

DIRECTOR OF GEOLOGICAL SURVEY

Walter C. Mendenhall to be Director of Geological Survey.

REGISTERS OF LAND OFFICES

Ezra P. Monson at Blackfoot, Idaho.
Harry W. Hill at Billings, Mont.
Robert J. Carsner at The Dalles, Oreg.

COMMISSIONERS OF IMMIGRATION

Edward Corsi to be commissioner of immigration, port of New York.

Alexander Maxwell to be commissioner of immigration, port of Philadelphia.

PROMOTIONS IN THE NAVY

To be Chief of the Bureau of Ordnance

Edgar B. Larimer.

To be Engineer in Chief and Chief of the Bureau of Engineering

Samuel M. Robinson.

To be Advocate General

Orin G. Murfin.

To be rear admirals

William C. Watts.
Yancey S. Williams.
Joseph K. Taussig.
Claude C. Bloch.
Edward C. Kalbfus.
Clark H. Woodward.

To be captains

Thomas Withers, jr.
Harry L. Pence.
Frank H. Roberts.
Andrew S. Hickey.
Charles C. Hartigan.
George A. Alexander.
Roland M. Brainard.
John T. G. Stapler.
John S. McCain.
Sherwoode A. Taffinder.
Lesley B. Anderson.
Matthias E. Manly.
Alexander Sharp, jr.
Hollis M. Cooley.
Aubrey W. Fitch.
Edward D. Washburn, jr.
Fred F. Rogers.
Claude A. Bonvillian.
Edwin A. Wolleson.

To be commanders

John H. Wellbrock.
Clarkson J. Bright.
William D. Kilduff.
Stewart A. Manahan.
Herbert O. Roesch.
John F. Donelson.
Webb Trammell.
Charlton E. Battle, jr.
Robert M. Griffin.
Robert H. Skelton.
Alfred G. Zimmermann.
Roger W. Paine.
Delavan B. Downer.
Oliver L. Wolfard.
Ellis S. Stone.
Harry L. Merring.
Francis S. Craven.
Lybrand P. Smith.
William D. Chandler, jr.
Harry W. Hill.
Bernhard H. Bieri.
Oscar C. Badger.
James C. Byrnes, jr.
Robert K. Awtrey.
Howard S. Jeans.
Edward W. Hanson.
Daniel J. Callaghan.
Frank J. Lowry.
Thomas Baxter.
Walter A. Riedel.
Edgar R. McClung.
John H. Magruder, jr.
Lewis W. Comstock.
Thomas S. McCloy.
Lyell St. L. Pamperin.
Frank C. McCord.
Herbert R. Hein.
Thomas S. King, 2d.
Scott D. McCaughey.
Frank Loftin.
George B. Ashe.
John C. Thom.
Ralph F. Wood.
Ames Loder.
John W. Reeves, jr.
Robert P. Hinrichs.
Elliott B. Nixon.
Sherwood Picking.
George A. Rood.
Pat Buchanan.
John W. McClaran.
Carlos A. Bailey.
Wells E. Goodhue.
Wallace B. Phillips.
Frederick L. Riefkohl.
John W. Gates.
William C. Barnes.
Van Leer Kirkman, jr.
Harry D. McHenry.
Alfred S. Wolfe.
Richard S. Field.
Robert P. Molten, jr.
Jay K. Esler.
George D. Murray.
Harry R. Bogusch.
Robert H. English.
Oliver M. Read.
George J. McMillin.
Howard F. Kingman.
James G. B. Gromer.
William M. Quigley.
Calvin H. Cobb.
Robert B. Simons.
Donald C. Godwin.
Howard D. Bode.
Richard H. Booth.
Robert M. Hinckley.
Charles H. McMorris.
Guysbert B. Vroom.

To be medical directors

James F. Leys.
Charles P. Kindleberger.
Myron C. Baker.
Howard F. Lawrence.
Ernest W. Brown.
Harry H. Lane.
Ralph W. McDowell.
George C. Thomas.
Alfred L. Clifton.
Lucius W. Johnson.
George F. Cottle.
William L. Mann, jr.
John G. Ziegler.

To be pay directors

Charles E. Parsons.
Robert K. Van Mater.

To be professor of mathematics

Theodore W. Johnson.

To be naval constructor

James O. Gawne.

To be civil engineers

Norman M. Smith.
Glenn S. Burrell.
Ralph Whitman.

MARINE CORPS

To be brigadier general

Frederic L. Bradman.

To be assistant quartermasters

Percy F. Archer.
Seth Williams.

To be colonels

Gerard M. Kincade.
Jesse F. Dyer.
James J. Meade.

To be lieutenant colonels

William W. Buckley.
William D. Smith.
Harold B. Pratt.
Randolph Coyle.
Philip H. Torrey.
Robert L. Denig.
Charles F. B. Price.

To be majors

Thad T. Taylor.
James M. Bain.

To be captains

Moses J. Gould.
George R. Rowan.
Richard H. Schubert.
George W. Walker.
Theodore H. Cartwright.
William J. Whaling.
Herman H. Hanneken.
Daniel R. Fox.
William Ulrich.
Ralph W. Culpepper.

To be first lieutenants

Walter I. Jordan.
Arthur W. Ellis.
Edwin C. Ferguson.
Homer L. Litzenberg, jr.
Wilburt S. Brown.
Theodore B. Millard.
Floyd A. Stephenson.
Albert L. Gardner.
Samuel S. Ballentine.
James P. S. Devereux.
Edward J. Trumble.
Martin S. Rahiser.
Frank J. Uhlig.
Adolph Zuber.
Robert E. Hogaboom.
James Snedeker.
John D. Blanchard.
John N. Hart.
Lionel C. Goudeau.
Hawley C. Waterman.
James O. Brauer.
Thomas C. Green.
Andrew J. Mathiesen.
Joseph C. Burger.
David L. Cloud, jr.
Calvin R. Freeman.
Francis J. Cunningham.
Verne J. McCaul.
Leslie F. Narum.
Ion M. Bethel.
John F. Hough.
Robert L. Griffin, jr.
Glenn M. Britt.
Archie V. Gerard.
Edward L. Pugh.
William M. O'Brien.
Lawrence Norman.
Granville K. Frisbie.
Earl H. Phillips.
Paul A. Putnam.
Matthew C. Horner.
James M. Ranck, jr.
Presly M. Rixey, 3d.
Lee N. Utz.

To be second lieutenants

Richard W. Hayward.
Austin R. Brunelli.
Lewis C. Hudson, jr.
Edmund B. Games.
Albert J. Keller.
Luther S. Moore.
Harry S. Leon.
Nelson K. Brown.
Charles R. Jones.
Clifford H. Shuey.
Wayne H. Adams.
John H. Cook, jr.
Edward H. Forney, jr.
John A. White.
Samuel G. Taxis.
Edward J. Dillon.
Harold I. Larson.
Clifton R. Moss.
Bankson T. Holcomb, jr.
Frederick L. Wieseman.
Robert S. Brown.
Harlan C. Cooper.
Robert E. Fojt.
William K. Pottinger.
Billy W. King.
James H. Brower.
George R. Shell.

To be chief quartermaster clerk

Joseph C. Brochek.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 21, 1931

The House met at 12 o'clock noon.

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

Glory to Thee, O Lord, most high—we praise Thee for the anticipation of Him who increases the sum of human joy and happiness. We are now in the foreglow of that day when the sound of the market will die out in the street and men will strike the truce of battle. Yes; He is coming again. The One who smiled at the lure of riches and the embarrassment of penury. At His gentle footfall the citadels of iniquity trembled, and as He passed by He endowed the meanest thing with interest and beauty. Oh bless us, Lord God, with an impulse of a new love—to be a friend to the friendless, a benefactor to the homeless, and a refuge to those who are smitten. Let us forget past wrongs and mistakes and bless us with the golden glow of a generous mind, with the healing love of a big heart, and with the bracing energy of a courageous spirit. May we live for men for whom he died and pledge ourselves to labor for a justice-loving, a freedom-loving, and a warless world. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Saturday, December 19, 1931, 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 a bill of the following title, in which the concurrence of the House is requested:

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P. Hays.

The message also announced that the Senate had agreed to the amendment of the House to the amendment of the Senate to the joint resolution (H. J. Res. 142) entitled "Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932."

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. HARRISON members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

COL. ANDREW SUMMERS ROWAN

Mr. SHOTT. Mr. Speaker, I ask unanimous consent to print in the RECORD an address I made at the dedication of a bridge which was named in honor of the man who carried the message to Garcia, Col. Andrew Summers Rowan.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHOTT. Mr. Speaker, I feel that the great service rendered the Nation in the Spanish-American War by Col. Andrew Summers Rowan, a native of the district I have the honor to represent, makes the tribute accorded him on Thursday, October 29, 1931, when many thousand Virginians and West Virginians met on New River and dedicated a bridge which was named in honor of the man who carried the message to Garcia, worthy of a place in the CONGRESSIONAL RECORD, and I am therefore, under permission given me to extend my remarks, inserting an address I made on the first public remembrance occasion recognizing the heroism and fidelity to duty of this famous son of West Virginia and soldier of the Republic.

The address is as follows:

One of the most outstanding spiritual incidents of our civilization is the grateful remembrance of those who strive, suffer, and sacrifice for the good of their fellow countrymen and humanity. The spirit that embalms the heroes of war and peace time in the hearts of men and women urges that some undying embodiment of their homage be placed so that physical vision may ponder and remembrance be kept alive for the generations that are to come after, and so it is that men's hands raise memorials of imperishable bronze and marble that the tooth of time may be stayed and veneration and thanksgiving endure through the dissolving years.

Monuments and obelisks and spires, mute in their lonely and solemn grandeur, may impress, but the great utility we call a bridge is the most fitting of all objects of remembrance and emblems of honor, because in its usefulness it bears the burden of commerce and communication of States and neighborhoods, and lifts the feet of countless men and women from the muck and mire of swamp and stream, makes easy the way of those who must cross, and fulfills man's highest hope—passing safely over the pitfalls and obstacles that lie before him in every path he uses in the journey of life.

From early time down to the last war, bridges and roads have been the most important facilities in the struggle of nations, and their control the high point in the peace conferences of the world.

It is fitting, then, that these graceful spans that bridge this great mountain stream should be dedicated in honor of a man born and reared among the neighboring hills, and who in a crisis of our national life distinguished himself by bravery and fidelity to duty, the story of which has been told 'round the world in every tongue, to inspire in men and youths those higher obligations of citizenship that are the most glorious and enduring adornment of mankind.

The great bridge we dedicate to public usefulness to-day and name in honor of Col. Andrew Summers Rowan, a native of the hills overlooking the winding course of New River, is the connecting link between Virginia and West Virginia in a section where the two States border on this swiftly flowing mountain stream, in which is the unharnessed power to drive the factories and light the homes of a State.

The completion of the splendid highway and linking its two great stretches of many miles by the construction of this bridge had long been a dream of the Virginias and its consummation the sunrise of a great new day in our local development.

I congratulate the people of the two States and extend through Lieut. Gov. James Price, officially representing Virginia, the thanks of the people of the section to the Old Dominion and its officials, and through Senator George E. White, the official representative of the Mountain State, the thanks of all who live amid the West Virginia hills.

We of West Virginia claim a heritage in the history and an enduring heirship in the traditions of the mother State, of which we are proud. The people of West Augusta contributed to the glorious history of colony and commonwealth, and the names and deeds of mountain men are spread side by side with those of the eastern section across the flaming pages of the country's early history. Washington, when the men of the eastern seaboard colonies who made up the soldiery of his patriot army, were discouraged and almost ready to give up, heard that the mountain mothers of West Virginia were sending their young sons to join their fathers in the battles for liberty, said:

"Leave me but a banner to plant on the mountains of Augusta, and I will rally around me the men who will lift our bleeding country from the dust, and set her free."

The man we honor to-day by giving his name to this bridge is as near as one man may be a citizen of both Virginias. Born in Monroe County when it was Virginia, he spent his early life in the same county after it became a part of West Virginia, and both States may claim him as a son, just as both share to-day in doing him honor. Like a tale of thrilling fiction reads the story of how Lieut. Andrew Summers Rowan, a young geographical expert of the United States Army, disguised himself as a British hunter and carried a message from President McKinley to Gen. Calixte Garcia, a Cuban rebel leader upon whom the United States depended for aid at the outbreak of the Spanish-American War. His daring feat inspired Elbert Hubbard to write his famous Message to Garcia, which first appeared in 1899, and which has had a phenomenal circulation throughout the two hemispheres. A Message to Garcia has been translated into every written language and more than 40,000,000 copies have been printed, which is said to be the largest circulation of any literary production attained during the lifetime of its author.

Colonel Rowan was born in 1858 at Gap Mills, Monroe County, being the son of John M. Rowan, who settled in that county in 1844 and who was treasurer of West Virginia from 1892 to 1896.

Young Rowan entered the Naval Academy at Annapolis about 1874, but after three years at the institution he resigned and through Senator Frank Hereford secured an appointment to the United States Military Academy at West Point. Graduating from West Point in 1881 Rowan was commissioned a second lieutenant in the Fifteenth United States Infantry and for several years saw service on the western frontier. He was then detailed to survey duty in Central America, where he acquired a fluent knowledge of Spanish. It was this familiarity with that language, his sagacity, and his skill in map drawing that led to his selection by the Bureau of Military Information to carry a message from our Government to General Garcia, the leader of the Cuban insurgents.

When all efforts to arbitrate the differences with Spain had failed and it became only a matter of days until war would be declared, the United States realized that it had little, if any, authentic information regarding the Spanish forces in Cuba.

General Garcia, who had long urged the Cubans to rise against the Spanish authorities, then governing the island with a high hand, was decided upon as the one man who could supply the necessary information, but, as he was hidden deep in the mountains of the interior, it was doubtful if he would learn until too late that hostilities were impending.

Rowan in the meantime had been sent to Kingston, Jamaica, in preparation for the dash. Late one night a coded cable message from Washington instructing him to "join Garcia as soon as possible" started him through the enemy lines on the perilous expedition, which Rowan, as well as everyone familiar with the conditions, believed would end in his death.

Procuring the regalia of a British hunter and small sailboat, he crossed to Cuba under cover of the inky darkness and entered the Spanish patrol lines just before dawn. Eluding the first outpost, he was soon on the edge of the thick, jungle-like wilds through which he was to travel on foot for a week.

Under hardships which later caused even the most calloused Army scouts to wonder how he survived, Rowan continued breaking through the tropical growth and making his way across the treacherous Sierra Maestra Mountains, and on May 1, 1898, reached Garcia with his message later immortalized by Elbert Hubbard.

The rebel general upon learning that the United States was at war with Spain and desired his cooperation not only supplied Rowan with all the military information at his command but selected three of his most trusted officers to make the dangerous trip back to Washington to help the American authorities prepare their campaign.

Rowan was asked if he could start back the same night, and upon his reply that he would not be satisfied to do anything else the four left Bayamo, where Garcia was hidden, and a few minutes later were swimming the Cauto River a short distance above the Spanish post.

They made their way to the coast, obtained a small boat, and after passing under the Spanish guns late at night proceeded to Nassau. One of the rebel officers selected by General Garcia to accompany Rowan had to remain on the Cuban shore, as there was no room in the boat for him.

From Nassau the three hurried to Washington, where President McKinley and Secretary of War Alger extended public congratulations to the young lieutenant who had braved death countless times in carrying out his official orders.

Rowan was promoted to a captaincy shortly after his return, but it was more than 24 years before Congress recognized his valor and voted him a distinguished-service cross with a silver-star citation.

After the cessation of hostilities in Cuba the man who carried the message to Garcia was transferred to the Philippines, where he saw much active service. Subsequently Rowan was promoted to the rank of major, and a few years later to that of lieutenant colonel, which rank he held when he resigned from the Army in 1909 because of his health.

So, today, in the name of both Virginias we pay tribute to him, because under the urge of patriotism and a high devotion to duty as an American and a soldier of the Republic, he carried a message; and we rejoice that under the charm of remembrance, appreciation, and love for his native home, friends, and kindred, he has sent a message because his infirmities of age hold him reluctantly from attendance on this occasion. The message of Colonel Rowan, which he has asked me to read to you, is as follows:

"To my old and new friends, greetings; I was born in Virginia, but with the division of the State I found that I belonged to both sections. So I seem to be a sort of connecting link between the two, as this vast structure flung across New River once more connects them. I am honored by the request to send you a message and deeply regret that I can not be with you on this auspicious occasion.

"As a native son of the two Virginias (born in Old Virginia and reared in West Virginia) permit me to add my enthusiastic plaudits at the dedication of the steel bridge connecting the two States across New River, near the scene of my birth and childhood.

"The New River, 900 miles long, a succession of pools, cauldrons, and rapids, which erodes its way through three States, where its babbling echo mocks the hounds and bids defiance to all who would try, with 'thus far and no further,' has at last received its answer in this beautiful and enduring structure, a landmark on the new highway.

"To one who has been trained as a soldier nothing speaks louder in the interest of preparedness than a system of well-devised and well-built highways. So in building the great system of interstate routes the States may be building better than they know. The Romans knew their roads.

"I wish to thank you all for the interest you have taken in my career, which has sustained me in many trying hours and on far-distant fields.

"This is my handclasp across the continent to all the loyal sons and daughters of the two Virginias.

"ANDREW SUMMERS ROWAN."

Elbert Hubbard, whose story of the man who "carried the message to Garcia," immortalized Colonel Rowan, gave up his life in the tragedy of the *Lusitania*. The inspiration for the famous article came from his son, Elbert Hubbard, 2d, who sends the following message:

"I regret that I am unable to be with you, much as I would like to. I think it is very splendid of you to dedicate your bridge in honor of Colonel Rowan. He bridged the gap between President McKinley and General Garcia, thus rendering a great service. You are now bridging the gap between your various countrysides, thus making history and bringing neighbors closer together. My congratulations to you and all the folk in your neck of the woods."

In the lifetime of Colonel Rowan, the Nation has grown from 30,000,000 population to 125,000,000; its territory has increased 626,000,000 square miles; its national wealth increased from $30,000,000,000 to $500,000,000,000; it has seen over 20 wars; the map of the world changed and the rise and fall of many governments. In that time the field of invention has filled the world with utilities of convenience and pleasure. The greatest change has taken place, however, in our political and economic outlook and we face to-day many new and difficult problems.

These problems are so far-reaching and important that they will give the fire test to the faith and courage and strength of every citizen. The fathers and mothers who made America left us inspiration in the way they met the challenge of their time. With hearts and souls attuned to veneration for the example they gave and the heritage they left the generations, we must meet the problems of to-day with that high heart typical of those who gained and kept the faith in that far day—the faith that wrote a legend above the sunrise—that has guarded through all the years the way of liberty and law. It was not only the faith of those who fought the Revolution, but the faith of those who gave

us the Bill of Rights, the Declaration, and our Constitution, and left to us the richest heritage between creation and to-day.

"Faith of our fathers! Living still
In spite of dungeon, fire and sword;
O, how our hearts beat high with joy
Whene'er we hear that glorious word!
Faith of our fathers, holy faith!
We will be true to thee till death."

I would be unmindful of an outstanding inspiration of this occasion if I failed to consider the underlying cause of the attendance of many thousands here to-day.

It springs from the fact that the true measure of the strength and fiber of a people is the esteem and veneration in which they hold those who have contributed to their glory as a nation. It shows that in spite of the ebb and flow of new and vicious doctrines and subversive activities; in spite of stress and economic disturbance—the American people, from the gray-haired mothers and fathers, who have seen history unfold, to the boys and girls who thrill us with the confidence and hope of their youth—that the real heart of the Republic is safe in the keeping of such sons and daughters as these.

RELIEF OF DESTITUTE INDIANS IN NEBRASKA

Mr. HOWARD. Mr. Speaker, I ask the Speaker's consent to address some remarks to the chairman of the Appropriations Committee at the present moment.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, I have made this request for the purpose of interrogating the chairman of the Appropriations Committee with reference to how soon he may be able to present an urgency appropriation in behalf of relief for the destitute Indians over the country in general, and particularly in Nebraska.

Mr. BYRNS. I will say to the gentleman it is expected that the first deficiency bill will be ready for consideration in the House either on the first or second day after the holidays. We are practically through with the hearings and will have the bill completed by that time.

Mr. HOWARD. Mr. Speaker, if the gentleman does not know the urgent character of the situation, I would tell him that both the United Press and the Associated Press have recently carried accounts of the actual death by starvation of some little children out in the Ponca Indian Reservation, in Nebraska. Ever since last July I have been pleading with the Indian Bureau to get ready to take care of those unfortunates during the winter, that particular locality being within the drought and grasshopper zones. The commissioner tells me that he is trying, but he has not enough money. I plead with the chairman of the committee to get that emergency legislation before the House the first day possible.

Mr. BYRNS. I will say to the gentleman that the committee has already presented two resolutions involving the Employment Service and loans to veterans which were represented to the committee as being extremely urgent and necessary to be passed before the first of the year. Everyone is aware of the very great activity of the gentleman from Nebraska and his very earnest efforts to secure an appropriation for the relief of these Indians at the earliest possible moment, but the bureau did not request or recommend an immediate appropriation, feeling, no doubt, that it would come along in due course and, as I have already stated, the committee will have the bill ready on the first or second day after Congress convenes.

[Here the gavel fell.]

A GREAT MAN'S ANNIVERSARY

Mr. COYLE. Mr. Speaker, I ask unanimous consent that my colleague from Pennsylvania, Mr. CLYDE KELLY, may have permission to print in the RECORD an address made by him at Alexandria, Va., on the 13th of December, in honor of the anniversary of Dr. James Craik, the friend of Washington.

The SPEAKER. Is there objection.

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Speaker, in accordance with permission granted me through my colleague, Maj. WILLIAM R. COYLE, himself a direct descendant of Dr. James Craik, I publish herewith the address delivered by me at the services held December 14, 1931, in memory of the two hundred and first anniversary of the birth of General Craik.

The services were held in the old Presbyterian meetinghouse in Alexandria, Va., under the auspices of the Washington Society of Alexandria. Present on the occasion were descendants of General Craik and members of the following organizations: Society of the Cincinnati, Society of the Descendants of the Signers of the Declaration of Independence, Sons of the Revolution, Sons of the American Revolution, Society of the Colonial Wars and the Colonial Dames of America, Daughters of the American Revolution, Children of the American Revolution, grand lodges of masons in Virginia and the District of Columbia, St. Andrews Scottish Society, the American Legion and Auxiliary, World War Mothers, Federation of Huguenot Societies in America, the Virginia Medical Society, and the Daughters of the Founders and Patriots of America.

The address was as follows:

Mr. Chairman, descendants of Doctor Craik, members of patriotic societies, and fellow Americans, it is an inspiring thing that this memorial service should be held here in the old Presbyterian meetinghouse in Alexandria, one of the most beautiful and historic colonial churches in this country. There is an inspiration in the place, in the audience here gathered, and the memories here invoked. For many of us this gathering will be one—

"That never grows dim and is never forgot,
Like an unfaded leaf in a dead bouquet."

In time of confusion, doubt, and uncertainty it is of preeminent importance that we have a standard by which we may judge and measure events and currents of action. If the yardstick were a varying measure or the pound a fluctuating weight there would be chaos. The great United States Bureau of Standards is created and maintained because of the necessity of true standards in the manifold processes of business and daily life.

There are those who sneer at the tributes paid to men who have been adjudged great by succeeding generations. These cynical ones say there have been no great men, only ordinary individuals who happened to profit from fortunate circumstances.

In trying to search out a definition for a man who might justly be termed great I have evolved one which satisfies me, at least. It is this: A great man is one who, with cheerful, steadfast courage, gives himself to a noble cause.

Not one of these qualities can be omitted. Steadfastness is not the test of greatness, for a man may be utterly determined as he treads the path of evil and injury. Cheerfulness is not enough, for a Nero, fiddling happily while Rome burns, can not measure up to greatness.

Courage may be the possession of a traitor, like Benedict Arnold. Nor can giving one's self be the final test, else a Charles the Second, dying on the scaffold for tyranny and autocracy, would have his place on the roll of the great.

All of these qualities must be enlisted for a noble cause. Given that, the steadfastness, cheerfulness, courage, and self-sacrifice make the character of the truly great man glow with a radiance which can be recognized by all except those jealous and jaundiced souls whose eyes are fixed upon the mud and dirt at their feet.

Judged by the standard thus suggested, Dr. James Craik was a great man. If for no other reason, the patriotic societies represented in this service would be of supreme value because of their work in emphasizing and upholding time-tried standards of patriotism. They furnish the antidote to those cynical, destructive influences which would sweep away, if they could, the ancient landmarks and eliminate all the lessons learned in the past. Everything that is new is not necessarily dangerous, and everything that is old is not necessarily sacred; but he is an enemy of America who would blot out the memory of the great men and the great deeds of our past.

We have just heard read those passages from Doctor Craik's Bible wherein the brave old prophet Micah laid down the standard of true religion for all mankind. "What doth the Lord require?" he asked his people in a time of anarchy and distress. His answer can not be excelled for its conciseness and its all-inclusive truth. "Do justly, love mercy, and walk humbly before thy God" was the standard laid down and America has never produced a really great man who did not endeavor to shape his life to that standard.

You remember how another great prophet, Jeremiah, called upon his people in their time of distress and despair. "Set ye up a standard in the land" he proclaimed as the first step toward escape from the slough of despond. In every land and in every time of testing that is still the fundamental requirement.

It was true in 1787, when dissolution seemed about to come to the thirteen Colonies, which 11 years before had dared to defy the mightiest empire on earth, in the name of unity and cooperation. The great emotional desire for liberty and independence had lost its force after Yorktown. Each colony was jealous of its own rights and privileges. Misunderstandings arose and anarchy reared its head.

George Washington was the only true symbol of nationality in all the colonies. It was to his mighty influence we owe the assembly of the Constitutional Convention and the charter which was there evolved. Hear his ringing call to the delegates: "Let us raise a standard to which the wise and honest may repair. The event is in the hands of God."

There can be no defeat in such a cause. You remember the experience of the two devoted friends, George Washington and Dr. James Craik, at the Battle of the Monongahela in 1755. General Braddock's army was overwhelmed and the brave but misguided general died in Doctor Craik's arms amid the rout and disorder of his shattered military forces.

In the long view of events, that battle on the site of the present city of Braddock was the first victory in the War of the American Revolution. When I presented the measure in Congress providing for the appointment of a United States commission to join in the celebration in 1930 of the one hundred and seventy-fifth anniversary of the Battle of the Monongahela, I was met with the question, "Why celebrate a defeat?" I answered then as I answer now, that that battle in the western wilderness led straight to the victory at Yorktown.

When the colonists learned that the supposedly invincible British regiments had been totally overthrown by the French and Indians, but that Col. George Washington and his colonial associates had given a good account of themselves, they learned that the Americans were superior to European soldiers on their own ground, and that they must take the responsibility of defending themselves.

Had Braddock's army won the victory on that far-off July day, it is altogether probable that Pennsylvania, Maryland, Virginia, and the other Colonies would have continued to trust their defense in the hands of the British Army. They would have organized no forces of their own, would have gained no confidence in their own troops, and the whole course of history would have been changed.

Out of such an experience came the Declaration of Independence, which is the immortal standard of this Nation. The test of every action since 1776 is, "Does it help or hinder equality of opportunity?"

In spite of pessimists and cynics, any fair-minded survey of our progress must bring the conclusion that we have advanced steadily toward the goal in many lines. There is equality of political opportunity such as was never dreamed of by the founding fathers, and it has been secured step by step through the years. To-day the normal American man and woman have the right to express their opinions where they count most—with the pencil in the voting booth on the day of election.

There is equality of religious opportunity until at the last presidential election we saw two men asking for the highest office within the gift of the citizenship and both of them were members of faiths which were proscribed and forbidden in many of the colonies at the time of the Declaration.

There is equality of educational opportunity. Public schools, where every child, rich and poor, has equal rights, were unknown in 1776. To-day the public-school system extends from the primary grades to the great State universities, all of them maintained through tax funds place the burdens upon every member of the community.

These great strides toward equality of opportunity have been taken. Their benefits and blessings are in the sure possession of Americans. One great realm remains unconquered, and it furnishes the mightiest challenge to this generation if we are ever to attain the goal established in the declaration. It is equality of economic opportunity.

The right to the vote, to education, and to worship God at the dictates of one's conscience are admitted as inalienable rights of American citizens. There must come acknowledgment of the right of every American, able and willing to work, to a place in the American economic system, through which he can earn a livelihood for himself and his family.

With perhaps 7,000,000 Americans vainly seeking a place in the task of producing wealth, the tragic situation of to-day can not be exaggerated. This unemployment confronts us at every turn and scarcely a family in the land but is paying part of the price for such a situation.

This preeminent problem must and will be solved. It demands the spirit of cooperation rather than the spirit of destructive, cutthroat competition, which has been all too prevalent in our industrial and commercial system. We must learn to balance production and consumption, so that never again shall we witness the spectacle of great surpluses of wheat on one side and little children crying for bread on the other. If solving this problem means a change in our former methods of uncontrolled production and uncontrolled distribution, that change must come. Like the Sphinx of old, this problem confronts us with the challenge, "Answer my riddle or you perish."

We need no alien philosophies to point the way to action. Neither the pathway of fascism, with its dictatorship of one man, nor the pathway of communism, with its dictatorship of the proletariat, will be followed. We shall simply advance on the American pathway of equal opportunity, through democracy, taking the action necessary to put the foundations of reality under the old-time dream.

It will require enlightenment and participation on the part of every American and it will require loyalty to true standards. In the clouds to-day may be seen the black banner of corruption, the yellow banner of surrender, and the red banner of violence. They must not prevail and they shall not prevail. The American standard, upheld by patriotic hands, will lead the way to triumph in this greatest of all contests for equality of opportunity.

My friends, we do well to honor men like Dr. James Craik, who lived and died by true standards, which never changed, no matter how troublous the times. He was a bridge builder in a time when it seemed the quicksands had covered the solid ground. Of him it may well be written:

An old man, going a lone highway,
Came in the evening, cold and gray,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
The old man crossed in the twilight dim,
The sullen stream had no fears for him.
But he turned, when safe on the other side,
And built a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting strength by building here.
Your journey will end with the ending day,
You never again must pass this way.
You have crossed the chasm, deep and wide—
Why build you a bridge at the even tide?"

The builder lifted his old, gray head,
"Good friend, in the path I have come," he said,
"There followeth after me to-day
A youth, whose feet must pass this way.
This chasm that has been as naught to me,
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim.
Good friend, I am building this bridge for him."

Out of this memorial service for this great figure of another day, we ought to highly resolve that we, too, shall help to build a bridge over the swamp of present-day conditions, sinking the piers to solid rock, and building the span so wide and sure that the youth of to-day may cross to firmer land that we ourselves have known.

I am confident that this gulf of our own time will be bridged with sound construction. The pathway through the past shows such enduring structures and the courage and the consistency of men like Dr. James Craik, and his fellow builders, bid us proceed to the task in confidence that the pathway through the future will lead us on to the goal of America.

THE CONSENT CALENDAR

The SPEAKER. The Clerk will call the Consent Calendar.

The Clerk called the first bill on the Consent Calendar (H. R. 4577), to extend hospital and home facilities to veterans of the Confederate Army and Navy.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RAINEY. Mr. Speaker, this bill may prove to be controversial, and I ask that it be passed over without prejudice.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

FISCAL RELATIONS BETWEEN THE DISTRICT OF COLUMBIA AND THE UNITED STATES

Mr. MAPES. Mr. Speaker, all the bills that were reported by the Select Committee on the Fiscal Relations between the District of Columbia and the United States have been passed by the House of Representatives.

I now call up the report of the committee, which is House Report No. 1, and ask that the same may be considered in the House as in Committee of the Whole.

The Clerk read the report, as follows:

Mr. MAPES, from the Select Committee on Fiscal Relations Between the United States and the District of Columbia, submitted the following report (pursuant to H. Res. 285, 71st Cong.):

The Select Committee on Fiscal Relations between the United States and the District of Columbia appointed pursuant to House Resolution No. 285, Seventy-first Congress, has completed its work and submits the following report:

The substantive part of the resolution creating the committee is as follows:

"*Resolved*, That the Speaker is authorized and directed to appoint a select committee to be composed of seven Members of the House, whose duty it shall be to investigate the various elements, factors, and conditions which may be deemed pertinent and essential to the accumulation of data and information bearing upon the question of fiscal relations between the United States and the District of Columbia and to recommend to the House what amount, in their judgment, the United States should contribute annually toward the development and maintenance of the municipality.

"SEC. 2. Such committee is also authorized and empowered to investigate fully the various forms of municipal taxation and sources of revenue of the District of Columbia and to recommend

to the House such new forms of taxation and sources of revenue and/or such changes in existing forms of taxation and sources of revenue as to them may seem just and fair.

"SEC. 4. The committee shall have the right to report to the House at any time by a bill or bills, or otherwise, the results of its investigations."

Soon after its appointment, beginning December 3, 1930, and ending December 20, 1930, the committee held public hearings at which representatives of various civic organizations and public officials of the District of Columbia and others who desired to do so appeared before the committee and presented their views as to what they respectively considered to be a solution of the problem of the fiscal relations between the United States and the District of Columbia.

For the purpose of aiding the committee in its work it engaged the services of Mr. George Lord, of Detroit, who has had many years' experience in tax-research work and who enjoys a national reputation in the field of taxation. With the appointment of Mr. Lord the assembling of comparative data relating to assessed valuations, etc., was immediately started. A questionnaire was prepared and sent to cities in the United States of comparable size with the District of Columbia, ranging in population from 252,981 to 900,429, asking for detailed information concerning the taxation of the various forms of taxable property within their respective jurisdictions.

All the cities consulted, with one or two exceptions, cooperated with the committee to the fullest extent in their endeavor to furnish the information called for. For this uniform courtesy the committee extends its appreciation to the officials of these municipalities.

In addition to the information furnished the committee by means of the questionnaire a large amount of data was obtained by correspondence, also valuable information was gained from consultations with noted authorities on taxation and finance. The statistical information obtained will be found in a condensed form in the statistical tables embodied in this report.

A BRIEF HISTORY OF THE FISCAL RELATIONS BETWEEN THE UNITED STATES AND THE DISTRICT OF COLUMBIA

The governmental set-up of the District of Columbia is unlike that of any other city in the United States, and so far as this committee knows it is unlike that of any other in the world. The constitutional provision requiring Congress "to exercise legislation in all cases whatsoever over such District * * * as may * * * become the seat of the Government of the United States" has led, starting almost from the beginning, to constant controversy both as to the form of the government of the District and as to how the expenses of the District government should be met, what proportion of them, if any, should be borne by the Federal Government and what proportion of them should be borne by the people and the privately owned property within the District.

As stated by Bryan in his History of the National Capital:

"The decade that came to an end in the early thirties * * * was * * * marked by an almost continuous agitation for a change in the government." (II Bryan 150.)

This agitation in varying degrees of intensity has continued down to the present time.

From time to time, as different phases of the controversy have become acute, committees of Congress have been appointed to investigate and report upon them. The reports of these various committees have, each in its turn, had a tendency to quiet the agitation for a time, but only for a time.

There is little that can be said about the relationship between the Federal and District Governments that has not already been said by one or another of these various committees. Nearly every phase of the problem has been investigated and reported upon by one or another of them, and this committee has no desire to review or rehash the same subject matter that has been heretofore thoroughly considered and reported upon. In undertaking the task assigned it, however, it did feel that no thorough and satisfactory study had ever been made of the comparative tax burden of the people within the District with those who live in other cities of comparable size and advantages, and that such a study should be made in order to determine what would be a fair and just tax for the people of the District to pay. It therefore set out to make such a study.

Up to the time of the adoption of the present form of government for the District in 1878, there had never been any uniform or consistent policy as far as making contributions by the Federal Government to the expenses of the government of the city of Washington or of the District of Columbia is concerned. It will be recalled that during the early history of the District there were five separate and distinct governmental units within its boundaries, namely: On the Virginia side of the Potomac, Alexandria, and the county of Alexandria; on the Maryland side, Georgetown, the levy court of the county of Washington, and the city of Washington. These were reduced to three in 1846 when the Virginia side of the District was re-ceded to the State of Virginia. In 1871 the charters of the corporations of the city of Washington, Georgetown, and the levy court were revoked and a single municipal government named the District of Columbia was established in their place. Since 1871 the city of Washington and the District of Columbia have been one and the same, or, to be entirely accurate, since that date there has been no such legal entity as the city of Washington. There has been only the District of Columbia. The Federal Government never contributed to the expenses of any of the other governmental units in the District except the city of Washington, and never adopted any uniform or consistent policy of making contributions to the city of Washington until the adoption of the present form of government for the District in 1878. Some years it contributed liberally, some years sparingly, and some years not at all.

The Poland report submitted to the House from the Committee on the Judiciary in 1874 referring to the question "Whether some accurately defined basis of expenditure can not be prescribed and mantained by law" declared:

"There never has been, since the location of the Capital at this place, any consistency, or even intelligence, in the adjustment of these expenditures."

The government of the city of Washington, and later the District of Columbia, has never been very successful in the management of its finances when left to its own devices. As early as February 2, 1835, the Southard report declared:

"The city is involved in pecuniary obligations, from which it is utterly impossible that it can be relieved by any means within its own control or by any exertions which it may make, unaided by congressional legislation."

On June 16, 1874, the Allison report stated:

"The testimony discloses that the District treasury is practically exhausted in all its departments."

Referring to the Territorial form of government with a Delegate in Congress, which had been in effect for three years, the same report declared:

"Your committee have unanimously arrived at the conclusion that the existing form of government of the District is a failure."

In this connection, and in view of the present agitation of some of the people of the District for the ballot, it may not be out of place to call attention to the experiences of the District when the people in it exercised the right to vote.

"Indeed, when some of the older or more thoughtful residents of Washington recall the riots of 1857 and other similar disturbances they lose all enthusiasm for the new movement to restore the suffrage to the people of the District. Many of them hesitate to join in the demand for the ballot, which just now is once again agitating the minds of the people. The Federal Capital, they believe, should be forever free from the strife, turmoil, and struggle of political campaigns, its atmosphere forever undisturbed by the quarrels of political partisans. The riots of 1852 have had a tremendous psychological effect upon the people of Washington." (Washington—A Not Too Serious History, page 212, by George Rothwell Brown.)

"These riots were no make believe." Page 212.

"In 1857 the extremists were not satisfied to fight with ballots, but used bullets; there was a real crisis in Washington." Page 213.

"Six men were killed in these riots, and more than a dozen were wounded. It was a bitter and humiliating experience." Page 215.

"Washington has witnessed other disorders in her hectic voting days of the past, but the riots of 1857 will always remain the bloodiest chapter of her purely political history. They have cured many of any desire for a repetition of such scenes, and have convinced others that perhaps the preservation of a calm and serene atmosphere for the deliberation of Congress and the labors of the President is worth more than the right to vote." Page 215.

As stated in the Southard report of 1835:

"The design of the Constitution and its founders was to create a residence for the Government where they should have absolute and unlimited control, which should be regulated and governed by them without the interference of partial interests in the States, which should be built up and sustained by their authority and resources, not dependent upon the will or resources of any State or local interest."

And again in the report of the joint committee of Congress in 1915:

"This was the great plan conceived by the fathers of the Government, the wisdom of which grows more and more apparent with the coming and going of the years."

The joint select committee of Congress, of which Senator Morrill, of Maine, was the chairman, reported in 1874:

"The committee recommends as best calculated to avoid a repetition of the errors and shortcomings of the past, and to promote the interests of all who are or may be in any way connected or associated with the National Capital in the future, that Congress exercise that exclusive legislation over the District with which it is invested by the Constitution, and provide for the general superintendence of its affairs and the enforcement of the laws through officers and agents directly amenable to the supreme executive authority of the United States."

Whatever one may think of the wisdom of the provision of the Constitution referred to, there is no doubt about the fact that it imposes upon Congress the duty and responsibility of providing for the government of the District.

In 1878 the present form of government for the District was adopted, and the policy inaugurated of dividing the cost of operating the District government equally between the citizens and property of the District and the Federal Government. In other words, the Federal Government contributed 50 per cent of the cost and the taxpayers of the District contributed 50 per cent. This plan was based upon the unique method of measuring the value of Federal property with that of the privately owned property in the District. A value of 30 cents per square foot was placed upon the streets and avenues, which added approximately 50 per cent to the valuation of actual Federal property, consisting of parks, public buildings, etc. In this way a valuation for Government property

equal to the valuation of privately owned property was reached and Congress evidently was persuaded that the cost of operating the District government should be split evenly between the United States and the District.

In 1876 a joint investigating committee determined that the Federal share of the expenses of the District government should be fixed at 40 per cent. The recommendation of this joint committee, however, was not received favorably. The 50-50 law was in effect from July 1, 1878, to July 1, 1920, when a change was made from a 50 per cent proportion to a 40 per cent proportion of the total District expenses contributed by the Federal Government. This 60-40 plan continued until July 1, 1925, when Congress changed from the proportionate contribution to an annual contribution of $9,000,000. The Seventy-first Congress provided a lump-sum contribution of $9,500,000.

There has been a great deal of controversy from time to time as to the wisdom of changing from a proportionate plan of contribution to a lump-sum plan. Several of the civic organizations in the District have protested the change, setting up the claim that as the expenses of the District grew, it would be only fair that the contribution of the Federal Government should increase accordingly, and that this could only be fairly done by fixing definitely the proportion of the total expenses of the District that should be paid by the Federal Government.

The advocates of the lump-sum plan claim that it has the advantage of aiding rather than curbing the carrying out of public improvements in the District; that it tends to moderate local demands for appropriations through a realization that the increase must be locally borne; that being a definite and fixed amount it can at once be set down in the budget, thus simplifying budgetary procedure; that it makes possible an increase of appropriations needed for public improvements in the District within the limits of fair taxation without any increase of the burden upon an already overburdened Federal Treasury; and furthermore, that the economic condition of the country, together with the extraordinary burden of taxation carried by the people in the States and the condition of the Federal Treasury, is the answer to the demands for increased Federal aid to the District government.

A prominent member of the District bar and one of Washington's foremost citizens, Mr. George E. Hamilton, in a communication addressed to the joint select committee of Congress in 1915, expressed himself as follows:

"My observation of and contact with the affairs of the District forces me to the conclusion that the half-and-half plan has hindered rather than promoted the growth and development of the National Capital.

"It has tended to create in the minds of Congress the feeling that the interests of the District and the interests of the Government are separate and distinct, and even at times opposite if not antagonistic, and that in the matter of District appropriations the Government needed to be protected against the efforts of the citizens, who, in the opinion of some Congressmen, were paying too little taxes and seeking always to avoid proper taxation.

"It has created in the minds of some citizens the fear and feeling that Congress intended to overtax the citizens of the District to a point where Government contribution will cease, and these countertendencies thus created have been productive of criticism, of charge and recrimination, at times unseemly and always injurious.

"Fundamentally I believe the half-and-half plan is unjust.

"I believe, and have for years believed, that the growth of Washington along the lines intended by its founder, desired by the Government and hoped for by its residents has been delayed, if not dwarfed, by the half-and-half rule, and the feeling and contention by it engendered between Congress and its citizens; and I believe that further limitation to growth and prosperity will follow a continuance of that rule, or any other rule, of fixed proportions in contribution to the expenses of government.

"If Congress can be relied on to fairly consider, protect, and sufficiently appropriate for the larger and more important national interests and purposes, may it not be relied upon to consider and protect, to provide and appropriate for the support of the Nation's Capital and its development, especially if the full responsibility for the same is committeed to and assumed by it; and if Congress is determined not to give a fair and liberal treatment to the District, can it, in its absolute power, be coerced and driven thereto by a rule which may be repealed at its will and pleasure?

"Protect the District by providing a fair and equal assessment and a full but fair rate of taxation, to be levied only on privately owned real estate and improvements and on tangible personal property; avoid proportionate contribution to the expense of government, which of necessity creates a division and separation of interests and views and breeds contention; and let Washington be in fact what the framers of the Constitution intended it to be—the great Capital of a great Nation, to be nourished, expanded, and made beautiful by and for all people of the United States, the people of the District of Columbia contributing their fair share only."

At best, as was well stated by the joint committee of Congress in 1915, the half-and-half plan "was conceived as an economic necessity to lift the burden of debt from the oppressed District and its taxpaying citizens." And again, "This arbitrary rule—a rule of then seeming necessity—need no longer be applied to District appropriations."

The committee has given careful consideration to all arguments used for and against the lump-sum plan and has come to the conclusion that it is the preferable one.

GENERAL TAXATION

In the study of the taxation of general properties in the various cities of the United States having a population reasonably comparable with the population of the District of Columbia, it has been disclosed that in all these cities the people are groaning under the burden of taxation which they have been compelled to carry. That is particularly true of the taxes levied upon real property. This condition is made prominently evident by the extraordinary amount of delinquent taxes. The levy of taxes has become so large that a great many people have been unable to raise sufficient money to pay them, and the result has been an enormous amount of real property returned to governments delinquent for taxes. In a great many instances it has resulted in the loss of homes, farms, and other classes of property to those who have worked almost a lifetime in order to acquire them. A similar economic condition obtains in the rural sections of the country, if anything, to a greater extent than is found in urban districts. The committee calls attention to this fact in order that it may be given mature thought in the consideration of the comparative tax burden carried by the people of the District of Columbia with the tax burden carried by the people in other municipalities. Only in that way can a proper conclusion be reached as to the relative tax burden carried by the people in the District with that carried by people elsewhere.

Another thing that should not be forgotten in a study of this matter is that there has been a decided depreciation in realty values everywhere during recent years, particularly in the industrial urban centers. Notwithstanding this depreciation in values, the assessed valuations have not been reduced to any considerable extent and the public expenditures have been constantly on the increase, resulting in an increase in the levy of taxes. As a matter of fact, public expenditures in most of the cities have increased much faster than taxable wealth, which this committee thinks is anything but a healthy economic condition. This has been going on for many years and is one of the prime causes of the tremendous increase in tax levies, a condition that will get worse instead of better unless public expenditures are kept within reasonable bounds, and not in excess of the amount that the taxpayers can reasonably afford to pay.

ASSESSMENT OF PROPERTY—THE RATIO OF ASSESSED VALUES TO ACTUAL VALUES

In making a comparison of assessed valuations of property in the various cities it was necessary, of course, to ascertain at what ratio to actual value property was being assessed. In its study of this matter the committee found that various methods are used to arrive at a determination of the relation of assessed valuation to actual values, none of which determines such relation with absolute accuracy.

"The realm of science boasts no subject more elusive—more controversial—than value." Assessment Manual, City of Rochester, N. Y., 1930, page 1. There are so many factors to be considered in arriving at the valuation of property, such as the use, income, location, construction costs, reproduction costs, depreciation, etc., that no two minds will get to a very near approach to uniformity in determining such valuation. That is particularly true of those charged with the administration of assessment laws.

Although it is difficult to determine the relation of assessed values to actual values, the committee believes that the ratios as they appear in the statistical tables, attached hereto, are as accurate as it is possible to obtain. These ratios were obtained from the administrative officers of the municipal governments who actually make the assessments, and from such organizations as real-etsate boards, chambers of commerce, and individual citizens familiar with property values. These administrative officers, organizations, and citizens, being familiar with property values in their respective communities, are more competent to determine the actual ratio of assessed valuations to actual value than anyone else and, therefore, the information they furnished the committee is the most reliable that could be obtained for adjusting tax rates. That is particularly true where in the various assessment units a scientific method is employed of measuring the cubic contents of buildings, or the ascertaining of the square footage of such buildings, or where a scientific method of determining land values is employed.

The committee has found that one method of finding the ratio of assessed values to actual values frequently used to compare the assessed value of property with the price paid for it at voluntary sale. This the committee feels is not a safe method for the reason that most of the sales of real property are made on land contracts, in other words, on the installment plan. Sales of this character are frequently made at a substantial amount in excess of actual value. That is evidenced by the fact that these contracts are often discounted to finance companies and others dealing in such securities at anywhere from 10 to 40 per cent.

Another novel method employed by some to determine relative assessed valuations to actual values, relative tax rates, tax levies, etc., is the per capita basis of assessments. This is done by taking the assessed valuation of a given city and determining the per capita of that assessed valuation. The assessed valuation of other cities is then multiplied by this per capita and in that way it is said a true comparison can be made of the tax burden carried by the people in the different cities. This committee can not agree with this contention. Property values can not be created in excess of their actual value by any system of mathematical calculation. One city having approximately the same population as another

may have within its borders property wealth far in excess of the other city. It is impossible to arrive at a true comparison of relative assessed valuations and tax levies by any such method.

INCLUSION OF FEDERAL REAL-PROPERTY HOLDINGS IN THE TAX BASE FOR COMPARATIVE PURPOSES

It is argued that no true comparison of the relation of the tax burden carried by the people in the District of Columbia with the tax burden carried by the people in other cities can be made without considering in the comparative the value of Federal property holdings located in the District of Columbia. The value of all Federal real property actually used for Federal Government purposes, it is claimed, should be embraced in the taxable real values, and this to the limit of structural costs, or present-day reproduction structural costs, irrespective of use, income, obsolescence, or market value. Evidently no consideration is given to the monetary value to the people of the District of Columbia because it is the Nation's Capital, nor to the benefits derived by the people in the District by the flow of visitors to the city who spend large sums of money while here. Neither is there any consideration given to the increment private property values, created almost solely because of the activities of the Federal Government in the District. It is perhaps needless to say that many citizens of the District have grown wealthy because of this increment value. It is only necessary to refer to the large increase in land values, as shown by the assessment rolls, to indicate to a considerable extent the truth of this statement.

The committee can not agree with the contention that the Federal real estate or property should be used in the comparison of relative tax burdens. The buildings owned by the Federal Government would be practically useless to anyone but the Government. They have practically no market value. The only value they have, except for Government purposes, is scrap value. They were not erected by anyone engaged in business for profit and can not be considered in the same class with the structures of ordinary business enterprises. Under such conditions it is decidedly unsound to use the cost or reproduction value of these buildings in any comparison of relative assessed values or tax burdens. Furthermore, much of the land value upon which these Government buildings stand was created by the Federal Government, and due consideration certainly should be given to this fact by Congress.

The principal reason advanced for including such property values in the comparative is that it is the only large industry in the District of Columbia, and that this industry is fairly comparable with large industries in other cities. The committee can not agree with this contention, either. The Federal Government's activities in the District have the highest degree of stability. There is no diminishing of is activities. Indeed, they are quite generally on the increase with a corresponding increase in the Government pay roll. They are continuous, not interrupted by financial and industrial depression. On the other hand, with industries in the other cities it is quite a different story. Anyone familiar with the industrial centers of the country will understand that often in times of depression, like we are now in, industries are a liability and not an asset to the other taxpayers. In many cases corporations are located immediately outside the corporate limits of a city while most of the employees live within the corporate limits. The corporation pays no taxes to the city, but the city is obliged, through its welfare department, to take care of the families of the men who are temporarily out of employment. The cost of this care is a heavy burden upon the taxpayers.

To verify this comparison of the economic conditions in the District of Columbia with the economic conditions that obtain elsewhere, it is only necessary to refer to a recent radio address by Mr. Robert J. Cottrell, executive secretary of the Washington Board of Trade, from which address we quote the following:

"While it is perfectly true that we are not tripping along in the merry and care-free manner of four or five years ago, it is nevertheless a fact, that as far as the National Capital is concerned, in comparison with other large communities, it hasn't any idea what depression is.

"No city in this country—in fact, no city in the world—is so peculiarly situated as Washington, in that it is practically impossible for it to know depression in the real sense of the word without a complete ruin of entire national and governmental economic structure.

"Planted in the middle of our city is an industry—that of the Federal Government—which continues on, and must continue on, regardless of conditions outside, and annually pours into the community nearly $180,000,000, or approximately $7,500,000 every two weeks. Rain or shine, good, bad, or indifferent, this gold clinks out into the hands of nearly 80,000 persons on the Federal pay roll.

"The board of trade in its activities through its greater National Capital committee has analyzed the situation in respect to conventions, visitors, and tourists. Tourist travel in some of the larger cities has fallen off as much as 35 to 40 per cent, while in Washington there has been a considerable increase.

"With the exception of isolated cases, Washingtonians have no business talking of depression. They have no grounds and, in fact, they ought to be expressing their gratification at living in a community untouched by the problems which are evident everywhere outside."

The committee can not see any logic in making a comparison of Federal Government properties with the properties of industrial corporations located elsewhere.

FEDERAL AID TO STATES

In discussions of the fiscal relations between the United States and the District of Columbia a comparison has been made of the amount of Federal aid given to States with the Federal aid given the District of Columbia. This comparison has little, if any, significance for the reason that very little of the Federal aid given the States reaches the municipalities. It nearly all goes to the rural communities. Furthermore, most of this money given to the States constitutes a conditional grant in that the States are required to match the amount of the Federal grant.

INCLUSION OF FEDERAL INTANGIBLE PROPERTY IN THE COMPARATIVE

A unique method has been employed and recommended to this committee in determining the amount of intangible Federal property holdings that should be charged to the Federal Government for the purpose of comparing the relative tax burden of the District with the tax burden of other cities. It is argued that the value of intangible personal property in the hands of private owners is about equal to the value of their tangible property. The tangible property owned by the United States and located in the District of Columbia, it is said, has a value of $90,000,000 and, therefore, that $90,000,000 of intangible property should be included in the comparative so as to place it on the same basis as the tangible and intangible property holdings owned by the citizens of the District. This, it seems to the committee, is purely an arbitrary set-up. There would be just as much sense in saying that $900,000,000 of Federal intangible property should be included in the comparative as $90,000,000. By what reasoning $90,000,000 of intangible property should be allocated to the District of Columbia the committee does not know. It is a rule of law that intangible property follows the domicile of the owner and, of course, the owners of the intangible property of the Federal Government are the people of the United States. For this reason there would be just as much sense in allocating $90,000,000 of the Federal intangible property to the city of Chicago as to the District of Columbia. Under no circumstances can intangible property of the United States be considered in any comparison made of tax burdens carried by the people of the various cities. Arbitrary set-ups of intangible-property values should have no consideration when it comes to matters of taxation. The only consideration should be the actual realities of values and the taxes levied thereon.

ASSESSMENT OF INTANGIBLE PROPERTY AS A COMPARATIVE

The use of the assessment of intangible property and taxes levied thereon for comparative purposes is exceedingly difficult and unreliable. The systems of taxation employed and the rates of taxes imposed upon this class of property vary so greatly in the various taxing units that no comparison can be made that would be worth consideration. In many assessment units intangible property is not directly assessed, other forms of taxation having been substituted for a direct tax on such property. In other taxing units no attempt has ever been made to tax this class of property at all, directly or indirectly. It is pertinent to say in this connection that a very considerable portion of intangible propery, such as money and credits, is in the form of trusts often scattered all over the country, and sometimes all over the world. Trust companies report these trusts and pay the taxes. Such taxes in a per capita comparison would be exceedingly unfair and unwise.

The committee doubts that the assessment of personal property and the levy thereon can be safely used in a comparison of tax burdens. In many taxing units some classes of tangible personal property are exempt from taxation, such as manufacturing products. Other forms of taxation, such as taxes imposed on franchises and the imposition of other excise taxes, are substituted for personal-property taxation.

For these reasons the committee thinks that the most reliable comparison of tax burdens is confined to the assessment of real property and the taxes levied thereon. In this connection it should not be forgotten that real property carries not less than 80 per cent of all assessed valuations and all taxes levied on real and personal property. Indeed, the total real-estate tax for the 23 cities used in the comparison, as shown in the comparative statement relating to assessments and taxes, constitutes about 83 per cent of the total tax. This is over four-fifths of the total taxes levied on both real and personal property and is, the committee thinks, the only reliable basis for comparison of the relative tax burden carried by the people in each of these cities.

LOSS OF REVENUE TO THE DISTRICT BECAUSE OF FEDERAL PROPERTY EXEMPTIONS

One of the chief arguments made for increased Federal contributions toward the expenses of the District government is that the District has suffered loss of taxes because of the exemption of Federal properties from taxation. In estimating the loss of revenue it has been the fashion to treat the Federal properties as if they were always on the assessment rolls of the District. This, the committee thinks, is a mistake. The only possible loss of revenue would be the revenue derived from the taxation of the land and improvements thereon immediately preceding the acquisition of the properties by the Federal Government. In other words, the amount of taxes paid by the private owners of property at the time the Federal Government acquired it. In this connection it is pertinent to say that the assessing officer of the District, Mr. Richards, contends that there is no loss of revenue because of the acquisition of these properties by the Federal Government. He arrives at this conclusion because the buildings on

the land erased will be replaced by more costly structures in other parts of the city, and the improvements made by the Federal Government create an increment value in the immediate vicinities of the Federal holdings. While there may be a temporary loss of revenue, certain it is that there is a decided increment value created by the acquisition of this land by the Federal Government, the erection of costly structures thereon, and the beautification of the surroundings. To this extent, certainly, property values will increase and not decrease.

The actual value of the property acquired by the Federal Government from private owners in the last 10 years has been appraised by Mr. Richards, the city assessor, at $36,204,049, so that the loss of revenue from this valuation, based on the prevailing tax rate, would be a little over $600,000 a year. It is certain that no individual or private corporation would have made the costly improvements on the land that the Federal Government has made, and it is doubtful that improvements would have been made at all by private parties to any considerable extent. Furthermore, the appreciation in the value of land in the immediate vicinity of the Federal improvements, which appreciated value undoubtedly will be reflected in the assessment rolls of the District, will to a considerable extent offset the loss of revenue caused by the removal of this $36,204,049 from the assessment rolls, to say nothing of the replacement of the privately owned buildings in other parts of the District.

In this connection, attention may be called to the fact that the Federal Government is now engaged in a building program within the District of Columbia, to be completed within a few years, entirely at its own expense, at a total cost of over $300,000,000. Under the theory of taxing Federal property, or of including it in the comparative, the more the Federal Government improved and beautified the District with improvements and new structures the more it would be penalized or obliged to pay in taxes, notwithstanding the fact that no income is derived from public buildings that are devoted to public use. Under that system also the greater the improvements with the corresponding increase in value of the Federal property the less would be the tax on the privately owned property within the District.

COMPARISON OF TAX LEVIES PER CAPITA

Statistics have been presented to the committee to show that, based on the per capita basis, the taxes paid by the people of Washington compare favorably in amount with the taxes paid by the citizens of other municipalities, and in some instances exceed the amount paid by such citizens. Various methods have been followed in order to arrive at this conclusion, none of which appears to this committee as being a reliable basis for comparison of relative tax burdens. One city may have one-half the population of another city and still the smaller city may have within its borders much more taxable wealth than the larger city. That is particularly true in so far as personal-property wealth is concerned. To show how true this is it is only necessary to point out that there is an utter lack of uniformity in the various States and municipalities in the systems and methods employed in the taxation of personal property. In many of the cities the ad valorem system of taxation is followed, in others the millage-tax system is followed, in others income taxes are imposed as a substitute for both ad valorem and millage taxes, and in others there is either a total or partial exemption of certain classes of property. Because of this wide difference in the base of taxation no comparison of personal-property taxation on a per capita basis can be made with any degree of accuracy as to equality of burden.

If any consideration is to be given at all to per capita taxation it should be confined to the per capita taxes levied on real property. While the per capita taxes have been computed by Mr. Lord, of which mention will be found on another page of this report, for reasons already stated the committee does not believe it is a reliable basis for comparison of relative tax burdens.

COMPARATIVE STATEMENT RELATING TO ASSESSMENTS AND TAXES

Particular attention is called to the statistical compilation embodied in this report showing a comparison of assessed valuations, tax levies, etc., in each of the 23 cities used in the comparison. This statement the committee believes is as accurate a picture of the tax burden carried by the people of these cities as it is possible to obtain from the standpoint of statistical information. The valuations, tax levies, and tax rates were obtained in the first instance from the tax departments of the various cities. These data were verified by information obtained from various civic organizations, reference to reports of municipal directors of finance, and reports of comptrollers, together with the reports of the various tax commissions and special information obtained from them. The ratio of assessed valuations to the actual value of property was obtained from sources heretofore mentioned, supplemented by the knowledge of our investigator, Mr. Lord, of assessment conditions in the several cities, gained by previous investigations.

In determining the adjusted rate of taxation and the amount of taxes levied upon the specific amount of property valuation, the utmost care has been exercised. This, of course, was necessary in order that no injustice be done. There is such a wide variation in the laws governing the assessment of property and in the degree of efficiency with which actual assessments are made that if extraordinary care was not exercised injustice would result. In some of the States the statutes definitely fix the ratio to actual value at which property shall be assessed. In other States it is a constitutional as well as a statutory requirement that property be assessed at its full value, but nowhere probably is this requirement actually followed, much depending upon the efficiency with which the tax laws are administered as to how near an approach to actual value property is really assessed.

Particular attention is also called to the comparative statement of assessed valuations, tax levies, tax rates, etc., covering a 10-year period. This statistical compilation, showing, as it does, the per cent of increase in assessed valuations and in taxes levied, is exceedingly interesting and shows to what extent expenditures of tax money have exceeded the increase in taxable wealth. Furthermore, for comparative purposes this table presents a valuable study of actual general property taxation conditions that have existed in these cities during the last 10 years. The table is also of inestimable value in any study of relative tax burdens.

The statistics embraced in these two tables have been gathered after much painstaking effort, which required extensive research work. They present as accurate a picture of the relative assessed valuations and taxes levied in the various cities as it is possible to obtain.

The following remarks relating to these statistical compilations will be of interest:

The total population of the 23 cities embraced in the comparative statement is 10,959,751.

The total tax levied upon the real property in these cities amounts to $526,444,179, and the average per capita is $48.03.

Eliminating the District of Columbia, the total population of the other 22 cities is 10,472,882.

The total tax levied upon the real property in the 22 cities other than the District of Columbia amounts to $506,342,302, an average per capita of $48.35.

The population of the District of Columbia is 486,869 and the tax levied upon real property amounts to $20,101,877, or a per capita of $41.29, which is $6.74 per capita less than the average per capita for all the cities and $7.06 less per capita than the average per capita for the other 22 cities.

The total of all taxes levied in the 23 cities amounts to $637,129,676, an average per capita of $58.13.

The total of all taxes for all the cities, except the District of Columbia, amounts to $610,250,892, an average per capita of $58.27.

The total taxes levied in the District of Columbia amount to $26,878,784, a per capita of $55.21, or $2.92 less than the average per capita for all cities, and $3.06 less per capita than the average for the other 22 cities.

The total full valuation of real estate in the 23 cities amounts to $22,229,107,292, upon which was levied a tax of $526,444,179. The average adjusted tax rate for all the cities is $23.68.

Excluding the District of Columbia, the full value of real property in the other 22 cities is $20,915,259,131 and the total tax levied thereon is $506,342,302. The average adjusted tax rate is $24.21.

The adjusted tax rate in the District of Columbia is $15.30, or $8.38 less than the average adjusted rate for all cities, and $8.91 less than the average adjusted rate for the other 22 cities.

The average tax levied upon a $10,000 property is $237. Excluding the District of Columbia, the average tax on a $10,000 property is $242. The tax levied on the full value of a $10,000 property in the city of Washington is $153, or $84 less than the average for all the cities, and $89 less than the average for the other 22 cities.

These comparisons are based upon actual tax realities in the various cities, which the committee believes is the only fair comparison that can be made. In making the comparisons the committee has eliminated from consideration any and all arbitrary set-ups of values and taxes that would be levied on such values. Arbitrary set-ups of property values can be worked out to the advantage of any interests by mathematical calculations. They are not founded on facts, and therefore are not worthy of consideration.

It is the actual amount of money that the taxpayers pay into the public treasury upon their properties that counts, irrespective of what the tax may be named. That is the guide the committee has followed in its investigations, and the committee believes it is the only safe guide to follow for comparative purposes.

The committee does not deem it necessary to dwell further upon these statistics. It has endeavored to compile them in such a way as to be understandable by anyone who cares to study them.

BONDED DEBT

There will be found in this report a very interesting comparative statement showing the bonded debt of the various cities for 1921 and 1930, together with the per cent of increase, and the interest and sinking-fund charges for each of these years. It will be observed that the District of Columbia is the only city having no bonded debt.

EXEMPTIONS

Another interesting statistical statement shows the amount of real estate exempt from taxation in the various cities and the amount of contribution from any source because of such exemptions. It will be noted that the only contribution any of the cities received, outside of the District of Columbia, is the city of Boston. That city receives from the State government $32,950 annually for loss of revenue that would have been derived by the city from the assessment of the land used for State public institutions.

PARK AREA

There will be found herein a statement showing the park area in the various cities embraced in the comparative, the value of the parks, and the average annual cost of maintenance, etc. The figures given for the District of Columbia were obtained from

the office of the city assessor. The figures for the other cities were obtained from the municipal authorities of the cities.

In this connection there will also be found a statement showing the park area located in the District of Columbia owned by the Federal Government. This information was obtained from the office of Col. U. S. Grant 3d, superintendent of public buildings and parks.

REVENUE DERIVED FROM TAXATION OF PUBLIC UTILITIES

A statement is embodied in this report showing the amount of revenue derived from the taxation of various public-utility corporations in 14 of the cities embraced in the comparative. This information will be of interest to everyone interested in the taxation of public-utility corporations.

CHANGES IN DISTRICT REVENUE LAWS—GASOLINE TAX

For eight years the District of Columbia has been imposing an excise tax of 2 cents a gallon on gasoline. There was derived during the last fiscal year from this tax approximately $1,800,000. There are only four States that impose as low a tax as 2 cents a gallon on gasoline; namely, Connecticut, Missouri, New York, and Rhode Island. In the other States the tax ranges from 3 cents a gallon to 7 cents a gallon.

The average tax for all the States, excluding the District of Columbia, is a fraction over 4 cents a gallon. In the States in close proximity to the District of Columbia, Delaware levies a tax of 3 cents a gallon, Maryland levies a tax of 4 cents a gallon, North and South Carolina levy a tax of 6 cents a gallon, Pennsylvania levies a tax of 3 cents a gallon, Virginia levies a tax of 5 cents a gallon, and West Virginia levies a tax of 4 cents a gallon, so that, as far as the tax on gasoline is concerned, the owners of motor vehicles in the District are in a favored class.

The claim is made that it is hardly fair to compare the gasoline tax in the District with the tax in the States for the reason that the revenue derived from such a tax in the States is used for improving public roads and not public streets, as is the case in the District of Columbia. It does not seem to the committee that there is much weight in that argument, for the reason that motorists from the District of Columbia use these roads, especially roads located in States bordering the District. Citizens of other cities pay the same gas tax as their fellow citizens of the State in which they live are required to pay.

It is also claimed by those opposed to an increase in the tax on gasoline that the District is now receiving sufficient revenue to take care of the entire expense of street improvements and maintenance. The facts, the committee finds, disprove that contention. Major Donovan, the District auditor, in his appearance before the committee stated:

"The amount of the gas-tax fund is not sufficient to take care of the entire street expense. About $2,000,000 will be paid in 1932 from the gasoline-tax fund; but in addition to that about $1,200,000 more will have to be provided out of the general revenues of the District for maintenance and repairs to streets."

So that it is certain, notwithstanding the statement that $2,000,000 would be derived from a tax of 2 cents a gallon on gasoline, that $1,200,000 additional money would have to be obtained from the revenues derived from other sources in the District in order to meet the entire expense of future street improvements and maintenance. Certainly no stronger argument could be made in support of a reasonable increase in the tax on gasoline than the statement made by Major Donovan.

The streets in the District of Columbia, as well as the streets in other cities, are subjected to heavy motor-vehicle travel, necessitating the raising by some form of taxation a large annual maintenance fund, in addition to the cost of widening and the creation of new arterial street highways. It is only fair, the committee thinks, that the owners of motor vehicles in the District should meet, to a large extent, these costs.

The committee can see no logical reason why the owners of motor vehicles located in the District should not pay a tax on gasoline reasonably comparable with the tax levied upon the same product in other communities, particularly in the communities adjacent to the District. Their failure to do so gives the retail gasoline industry in the District an undue advantage.

The committee, therefore, recommends that the present law providing a 2-cent tax on gasoline in the District of Columbia be increased to 4 cents a gallon, which rate of tax would be less than the average rate imposed on gasoline in the States, and is reporting a bill to that effect.

MOTOR-VEHICLE-WEIGHT TAX

Under the present system of taxing automobiles as personal property and the flat rate of $1 registration fee in the District, the owners of motor vehicles in the District have been and are in a highly favored class as compared with the taxes paid on motor vehicles in the several States. The flat rate of $1 registration fee, irrespective of the weight of the motor vehicle, can not be too severely condemned. It is the heavy cars, such as trucks and busses, that do the most damage to pavements and which occupy by far the most space in the public streets. To charge the same registration fee for such motor vehicles as is charged for a light-weight passenger car is ridiculous.

In addition to this flat registration fee of $1 per car, the District assesses all cars as personal property. According to the testimony of Major Donovan before the committee, there were a little over 126,000 motor vehicles assessed the first part of last year, and the revenue derived from the assessment of these cars for the one-half year period amounted to $214,190. On this basis, the total personal-property tax on that number of vehicles for the full year would be $428,380. It is evident, therefore, that the total tax, including the registration fee on motor vehicles, for 1930 would not exceed $600,000, or a total tax of $4.75 per car.

In addition to the 126,000 cars on which the tax was paid, Major Donovan stated that there were approximately 30,000 cars having no value, on which a minimum tax of $1 per car was paid. These cars were still being used on or occupying the streets, and certainly while in use on the public streets should be required to pay a tax comparable with the tax paid on other cars of approximately the same weight.

The average tax per car in 1930 in the United States was approximately $14, or about three and one-half times the average tax paid upon motor vehicles in the District of Columbia. The committee can see no reason why that condition should longer obtain. It believes that the most equitable system of taxing motor vehicles is a tax based on their weight. It is the simplest as well as the fairest and most equitable method of taxing them. It is conceded by everyone that the heavier the vehicle the more it damages the public highways. This fact should be a prime factor in the determination of the amount of tax that should be imposed on motor vehicles.

The committee, therefore, recommends the enactment of a law providing for a tax on automobiles based on their weight, as a substitute for the present registration and personal-property tax now imposed on motor vehicles in the District. If the rate of tax, based on weight, shall be fixed so as to produce an average revenue of $14 per car, which is the average tax per car in the United States, it would produce a substantial increase in the District revenues and no one would be hurt. The committee is reporting a bill to put this recommendation into effect.

INHERITANCE TAX

At the present time there is no inheritance or estate tax imposed in the District of Columbia, except the Federal estate tax. All States impose either a tax on inheritance or estates, except the States of Florida and Alabama.

A reasonable rate of tax on inheritances or estates imposed by the District government would produce an average annual revenue of not less than $750,000. The committee knows of no good reason why such a tax should not be adopted in the District, especially as the Federal Government permits a credit of all inheritance taxes paid in the States, or which may be paid in the District of Columbia, up to 80 per cent of the Federal estate tax.

The committee believes that the estate tax is preferable to the inheritance tax because of its simplicity. It has the advantage that the tax may be computed immediately after the value of the net taxable estate is determined. This results in a material saving in time and expense, both to the estate and to the Government that imposes the tax. Furthermore, it is easy for the testator to determine in advance the total tax burden upon the estate, and therefore he can carry out exactly his intentions as to the net amount which the several beneficiaries are to receive.

In the case of inheritance taxation the amount of tax depends upon the number and relationship of persons who receive the property. These facts, however, can not be determined as to the remainder until after the death of the life tenant. It often happens, therefore, that it is necessary to postpone the taxation of the remainder until the life tenant's death. In some cases arbitrary rules of determining the tax have been adopted and this quite often works hardships. Such complicated problems as these are avoided in imposing a tax on the estate.

The estate tax has the advantage of simplicity and of relative speed with which estates may be settled. The committee therefore recommends that a law be enacted providing for a reasonable tax upon the estates of decedents.

The Chilton joint committee in making its report in 1915 stated: "We believe there should be a proper tax on inheritances in the District."

The committee is reporting a bill to put this recommendation into effect.

INCOME TAX

The committee believes that a tax upon incomes is the most equitable tax that can be imposed, because it is based on ability to pay and is a tax that is hard to evade. More and more this is recognized, as evidenced by the increase in the number of taxing jurisdictions that have provided for a tax upon incomes.

The committee believes that if such a tax was imposed in the District of Columbia, as a substitute for the present millage tax on intangible property, it would result in greater equality in the distribution of the tax burden in the District and would produce a substantial amount of revenue in excess of that now obtained under the millage-tax system. Last year the District received a revenue of $2,725,941 from the tax imposed on all intangible property. It is our opinion that, if a reasonable income tax is adopted, the amount of revenue obtained therefrom will exceed the revenue from the tax now imposed on intangibles by not less than $750,000 annually and, as has already been said, the tax will be much more equitably distributed among the people.

An income tax would reach many people well able to pay some tax toward the support of government, who now pay no taxes, and it would reach the income derived from intangibles, which intangibles are now concealed from the taxing authorities of the District.

The committee, therefore, recommends the enactment of a law providing for a reasonable tax on incomes as a substitute for the present millage tax on intangible property, and is reporting this bill to put this recommendation into effect.

TAXATION OF CERTAIN PUBLIC UTILITIES

All the public utilities in the District are subject to specific taxation or franchise taxes. The tax is based on gross earnings or gross receipts and the rate varies according to the class of corporation.

The rate on the gross earnings of gas companies is 5 per cent. Electric street-railway companies are taxed at the rate of 4 per cent on gross receipts. Electric-light companies are taxed at 4 per cent on gross earnings. Telephone companies are taxed 4 per cent on gross earnings.

It will be noted that these rates of taxation are unequal and, therefore, violate the basic principle of equality in taxation. If the present system of taxing these utilities is to be continued, and the committee doubts its wisdom, the law should be amended so as to provide uniformity in the rate of taxation.

According to figures furnished the committee by the office of the District assessor, if these various utilities were taxed on an ad valorem basis of valuation the District would gain considerable revenue. These companies paid last year in taxes a total of $1,611,000. It is estimated by the District assessor's office that if they had been taxed at the same rate of taxation as imposed on other classes of tangible and intangible property they would have paid $2,500,000, or approximately $900,000 more than they paid under the present system. The present specific tax on gross earnings and gross receipts is in lieu of any ad valorem tax on tangible personal property and the millage tax on intangible personal property.

In addition to these public utilities there are two others operating in the District now—the Western Union Telegraph Co. and the Postal Telegraph-Cable Co. The Western Union Telegraph Co. last year paid in taxes only $6,471, and the Postal Telegraph-Cable Co. paid in taxes only $1,424. These companies practically tax themselves in that it has been the practice to accept without question a statement from each of the companies as to the value of its property in the District for purposes of taxation. There never has been any appraisal made of its personal property by the assessing officer of the District. The committee believes and recommends that an appraisal of the property of these companies in the District should be made by competent engineers.

TAXATION OF STEAM RAILROADS

There is contained in the law governing the taxation of steam-railroad property in the District a unique provision, as follows:

"It being the true intent and meaning hereof that the lines of railroads and terminals hereby authorized shall be assessed and valued for the purpose of taxation and taxed on the same basis as if the same were not constructed and maintained by means of such bridges, tunnels, viaducts, retaining walls, and other structures."

The construction placed upon this provision of the law by the assessing officers of the District is that the tunnels or bridges spanning the streets or water communications in the District, the retaining walls around Union Station and along Maryland, Delaware, and Virginia Avenues, and the iron viaducts located at the south end of the tunnel near New Jersey Avenue and C Street SE. are not subject to assessment for taxes.

It is estimated by the District assessor, Mr. Richards, that the value of this property, which is not now assessed for taxes, is anywhere from ten to fifteen million dollars. If it were placed upon the tax rolls, the revenue derived therefrom would approximate $200,000 annually, which is nearly double the tax now imposed upon railroad property in the District. The total revenue the District will receive from the taxation of railroad property this year amounts to $233,878.

The committee knows of no good reason why this property should be longer exempt from taxation, and if it can be legally placed upon the assessment roll by an amendment to the law, the committee recommends that the law be amended accordingly.

It is only fair and equitable that all privately owned property, especially that used for commercial purposes and profit, be placed upon the assessment roll for taxes. There should be no such thing as favoritism in the levy of taxes upon such classes of property. All should be treated with relative equality in the levy of taxes.

FISCAL RELATIONS OF OTHER NATIONS AND THEIR RESPECTIVE NATIONAL CAPITALS

For comparative purposes the committee thought it well to ascertain what contributions, if any, were made by other nations toward the municipal expenses of their respective national capitals. The result of such investigation follows:

Argentina

The Government of Argentina contributes in all approximately $7,490,000 annually toward the expenses of the city of Buenos Aires. This contribution is made up of 30 per cent of the Territorial contribution and of the patent taxes collected by the National Government in the city, together with 60 per cent of the benefits of the national lottery. This latter amount is used exclusively for the administration and maintenance of the hospitals of the city.

Information furnished by Hon. P. Santos Munoz, chargé d'affaires ad interim of the Argentine Republic.

Austria

No Federal appropriations are made in favor of the city of Vienna as a contribution toward governmental expenses of the capital. The city, it is stated, as a financial, commercial, and industrial center of the country, is entirely self-supporting and enjoys full and equal independence in the matter of legislation and taxation. It is further stated that the idea of Federal appropriations has never been raised.

Information furnished by Austrian Legation and transmitted to this committee by the minister of Austria to the United States, Hon. Edgar L. G. Prochnik.

Belgium

The Belgian Government does not contribute any money toward the municipal expenses of its national capital, the city of Brussels.

Greater Brussels is composed of a number of boroughs, each of which has its own independent civic administration and provides its own revenues for expenses.

Information furnished by the Belgian ambassador to the United States, Hon. Paul May.

Brazil

The Federal District of Rio de Janeiro has no governmental expenses allocated to it by the Federal Government or by the Union of the States of Brazil. The city of Rio de Janeiro and the suburbs forming the Federal District have their own revenue, and the district is administered by a prefeito, who is appointed by the Federal Government. The budget and municipal laws of the district are voted by the municipal council, the members of which are elected by the people in periodical elections.

Information furnished by the Brazilian ambassador to the United States, Hon. S. Gurgel do Amaral.

Canada

The Government of Canada has been contributing $100,000 annually toward the expenses of the government of the city of Ottawa, its national capital. It constituted a lump sum paid for the supposed benefit derived by the National Government from the fire, police, and other services furnished by the city. This arrangement was in effect for the past five years, but this year it came to an end. The city of Ottawa is now endeavoring to obtain from the Government of Canada an annual grant of $500,000.

Information furnished the committee by Hon. Hanford MacNider, United States minister to Canada.

Denmark

The Danish Government contributes approximately $11,000 annually to the office expenses of the superior president of Copenhagen, who, being chairman for the municipal administrative authorities of Copenhagen, takes part in the administration of the municipal affairs of the city, and incidentally, as a state official, has charge of several matters pertaining to superior offices. He supervises the administration of the State's municipal administration and, therefore, the office of the superior president. The Ministry of the Interior states that as the affairs connected with the superior president are to a certain extent state-government affairs, the state treasury grants for the time being an annual contribution of 40,000 kroner, approximately $11,000. This is the only contribution made by the National Government of Denmark toward the expenses of the municipal government of Copenhagen.

Information obtained from the Danish Ministry of Foreign Affairs by the Royal Danish Legation at Washington and transmitted to this committee by Hon. Otto Wadsted, minister of Denmark.

France

The Government of France pays nothing to the city of Paris for the numerous buildings occupied by the Parliament, the Government, the public administrations, and the diplomatic establishments. Paris has never been given a special place in the assessment scale because of its situation as the capital of the Republic. There are, however, certain subventions that the city of Paris receives as follows:

"(a) Municipal police: The share of the state is, in principle, one-half of the expenditure. In reality, for 1931, the state budget provided for a sum of 171,700,000 against a receipt of 197,500,000 francs carried to the budget of the city.

"(b) Paving: The receipt anticipated by the city for 1931 is 11,914,000 francs. It must, however, be remarked that this sum does not represent a subvention property so-called; it constitutes, in reality, a reimbursement, the town providing for the upkeep of the national roadways which traverse it.

"(c) Expenditure for assistance: State participation, about 5,400,000 francs.

"(d) Aid to the unemployed: The state budget only provides for a sum of 2,700,000 francs. In reality, these expenses reach at the present time about 49,000,000, of which 16,200,000 are at the charge of the state.

"On the other hand, the city of Paris reimburses to the state one-half of the expenses of the pay and maintenance of the Garde Republicaine."

Summed up, the total amount of contribution to the municipal expenditure of Paris amounts to approximately 205,000,000 francs out of a total budget of a little over 4,000,000,000, which is not quite 5 per cent of the total. Be it said, however, that no part of this sum of 205,000,000 francs is in reality granted to the city of Paris because of its position as the national capital.

Information obtained from the Foreign Office of the French Government by the American ambassador, Hon. Walter E. Edge, and by him transmitted to this committee.

Germany

The German Government does not contribute in any special way financially to the municipal administration of Berlin, for the reason that it is the seat of the National Government.

Information obtained for the committee by the German ambassador, Herr F. W. Von Prittwitz.

Great Britain

No special grant is made by the Government of Great Britain toward the expenses of the local government of London as the seat of the national capital. There is a special contribution, however, of about 10,000 pounds (about $45,000) made by the Exchequer toward the expenses of the London fire brigade for services rendered. There is also a small contribution to the metropolitan police for services rendered. A similar grant, however, is made to other cities of the country.

These contributions are in the form of grants in aid of specific services rendered the National Government. The National Government makes a contribution in aid of local rates in respect of property occupied by, or in behalf of, the Crown for public purposes. There is, however, no distinction in practice between contributions in respect of Crown property situated in London and outside of London. The amount of such contributions is based on the valuation determined by the treasury valuer instead of the valuation determined by local assessment officials.

Information furnished by the British Foreign Office and the Minister of Health and transmitted to the committee by the American ambassador to Great Britain, Hon. Charles G. Dawes.

Greece

The Government of Greece grants to the city of Athens 18,000,000 drachmas annually, paid in monthly installments. The drachma being of unstable value, it is almost impossible to state definitely what amount in dollars this contribution amounts to. The drachma has varied in value from 13½ to 19½ cents. Taking the highest quotation, the annual contribution amounts to approximately $3,500,000.

Information obtained from the Government of Greece and forwarded to this committee by Hon. A. Anninos, counselor of the Legation of Greece.

Italy

The Italian Government pays toward the expenses of the city of Rome an annual sum of 60,000,000 lire. Because the lira fluctuates greatly in value it is impossible to state with any degree of accuracy what the contribution would be measured in dollars and cents.

Information furnished by the Ministry for Foreign Affairs in Italy and transmitted to this committee by the counselor of the Italian Embassy, Count Alberto Marchetti di Muriaglio.

Japan

Municipalities, towns, and villages in Japan are charged by law to collect a certain kind of national tax, and 3 per cent of the amount collected is returned to the municipalities, towns, and villages. This year the city of Tokio received 569,700 yen, equivalent to approximately $330,000.

The National Government also assumes a part of the expenses of the teachers of primary schools located in cities, towns, and villages. The law provides that the total amount appropriated by the Government for this purpose should not be less than 85,000,000 yen a year. This year the city of Tokio will receive 1,084,880 yen, or approximately $540,000.

The city also receives from the National Government certain subsidies, as follows:

"(1) 500,000 yen toward the expenses of road improvement.

"(2) 266,547 yen toward the expenses of various unemployment relief works.

"(3) 410,000 yen toward the expenses of the city water system."

The total of this national aid toward the expenses of the city of Tokio amounts to approximately 2,921,127 yen, or $1,460,563. In addition to this the national treasury of Japan gave a large amount of money toward the expenses of the reconstruction of the city following the earthquakes.

Information obtained from the Japanese Government by the Japanese ambassador in Washington and forwarded to this committee by the Hon. K. Midzusawa, secretary of the embassy.

Mexico

The Federal Government of Mexico does not contribute to the expenses of Mexico City. The Federal District in which the national capital is located has its own budget, independent from the federal income, and the expenses of Mexico City and the other municipalities are attended to from that budget.

Information furnished the committee by the Hon. Don Manuel C. Tellez, Mexican ambassador to the United States.

Poland

No item of contribution has been included in the national budget for 1930–31 toward the expenses of the city of Warsaw, the national capital. In the report accompanying the budget the following sentence is to be found, however:

"The Minister of Finance is empowered to grant to the local self-governing communal and territorial bodies loans out of the cash stock, which loans must not extend over 12 months and must not exceed 20 per cent of all taxes perceived by the government revenue offices on behalf of such self-governing bodies."

Information obtained from the Polish Government by its ambassador to the United States and transmitted to this committee by Hon. W. Wankowicz, commercial counselor.

Spain

The Government of Spain does not contribute any money toward the expenses of the city of Madrid. It is stated that on several occasions the Municipal Council of Madrid has solicited from the National Government a fixed subsidy to cover the expenses resulting from the city's position as capital of Spain. Up to the present time, however, no such subsidy has been granted.

Information obtained from the Spanish Government by the Hon. Irwin B. Laughlin, ambassador to Spain, and transmitted to this committee by Hon. J. Webb Benton, second secretary of embassy.

Sweden

Neither the Swedish Government nor Parliament makes any special appropriations to the city of Stockholm as the seat of the National Government.

Information obtained from Hon. W. Bostrom, minister of Sweden to the United States, and transmitted to this committee by him.

Switzerland

The Government of Switzerland makes no contribution whatever toward the expenses of the city of Berne, its national capital.

The law of that country provides that the federal treasury and all special funds administered by the Federal Government, as well as all the real estate, houses, and institutions which serve the purposes of the Federal Government, are exempt from any direct taxation. A statement is made that to be the capital of Switzerland is considered an honor and that the location of the capital was coveted by several cities at the time the question of the choice of one of them as the seat of the Federal Government was discussed.

Information was obtained by the Legation of Switzerland and transmitted to this committee by Hon. Pierre de Salis, attaché.

Yugoslavia

The Royal Yugoslav Government does not contribute any money toward the expenses of the municipality of Belgrade, its national capital.

Information furnished by the Royal Yugoslav Legation and transmitted to the committee by the Hon. Bojidar Stoianovitch, first secretary of the legation.

CONCLUSIONS

No one likes to pay taxes. The people of the District of Columbia are no exception to the general rule in this respect. Nor is it a pleasant duty to vote to impose a tax burden upon anyone. It can not be stated too emphatically that no one, especially no member of this committee, wants to overtax the people of the District. At the same time it is probably fair to say that the people of the District, being human, do not want to pay any more taxes than they are obliged to pay, and very naturally resist any effort to increase existing taxes or to impose any additional ones, realizing, no doubt, that whatever they pay, whether much or little, the Federal Government will make up the balance necessary to run the District government. On the other hand, there are those who think that the people of the District are in a privileged class as far as taxation is concerned; that they are not paying as much toward meeting the expenses of the District government as they should, or as much as the people who live in other cities in the United States of comparable size and advantages are required to pay.

Should the people of the District be required to pay the same as people who live in other cities of comparable size and advantages, or should some consideration or concession be given them because they have no voice in their government, or should they be required to pay a little more because they enjoy the privileges and advantages of living in the Capital City? Should the District be treated like any other city and the people who live in it be required to pay the entire expenses of the District government as the people of other cities are required to do, or does the country want a more beautiful and magnificent city for the capital of the Nation than the people of the District should be asked to maintain or would require if it were not the Capital City?

These are some of the questions which naturally suggest themselves to anyone who makes any serious attempt to consider the tax problem of the District.

Section 2 of the resolution creating this committee, authorizes it to "investigate * * * the various forms of municipal taxation and sources of revenue in the District" and to recommend such "new forms of taxation and sources of revenue and/or such changes in existing forms of taxation and sources of revenue as to them may seem just and fair," and section 4 gives the committee the "right" to report "by a bill or bills, or otherwise, the result of its investigations."

Carrying out the purposes of the resolution in this respect, the committee, as hereinbefore set forth, recommends the enactment of an income and an inheritance tax law for the District, an increase of the gas tax from 2 cents to 4 cents per gallon, the enactment of a motor vehicle weight tax law, a change in the taxing system of certain public utilities, and a revision of the law providing for taxation of the property of steam railroads in the District.

The committee has prepared and is introducing bills which it asks the House to consider and pass, providing for an income tax, an inheritance tax, an increase in the gas tax from 2 cents to 4 cents per gallon, and a motor-vehicle weight tax. The people in the States pay these taxes. If people of the District are to pay taxes that are comparable with those paid by people in the States, they should pay them. As to these taxes there is no chance for argument from a comparative standpoint. In fact, the rates sug-

gested in the bills reported by the committee are somewhat under the average of the States. If they are not imposed in the District, the District is bound to be a haven for tax dodgers, for those who want to escape the payment of such taxes.

The committee feels that the changes recommended in the laws relating to the taxation of certain public utilities and of the property of the steam railroads should be considered and perfected by the regular standing legislative Committee on the District of Columbia; that to perfect such legislation would require more time and consideration, including the hearing of those interested and affected by the proposed changes, than this committee is justified or warranted in taking for that purpose.

The committee thinks that the major problem assigned to it, and the one chiefly in the minds of the Members of the House of Representatives when the resolution creating the committee was passed, was, as stated in the first paragraph of the resolution—

"to investigate the various elements, factors, and conditions which may be deemed pertinent and essential to the accumulation of data and information bearing upon the question of fiscal relations between the United States and the District of Columbia and to recommend to the House what amount, in their judgment, the United States should contribute annually toward the development and maintenance of the municipality"—

and it has devoted a large portion of its time and study, with the assistance of its tax expert, Mr. Lord, to this feature of the resolution.

In view of the facts developed in its investigation and study, and the findings, as before set out in this report, how much should the United States, in the language of the resolution, "contribute annually toward the development and maintenance of the municipality" of the District of Columbia?

This question, like many other governmental questions, is not "susceptible of exact determination," but it is a question that Congress is obliged to pass upon every year in the passage of the annual appropriation bill for the District. In the performance of this duty Congress has a dual obligation to perform. It must be fair to the people of the District; and it must be fair to the people of the Nation who live outside the District. It is the principal question assigned to this committee to answer and to report upon.

There is no serious dispute about the principle to be followed in working out an answer to the problem. The difficulty comes in its application.

The witness appearing before the committee from the District very generally, if not without exception, agreed that the people of the District should pay in taxes about the same or bear about the same tax burden as people of other municipalities throughout the United States of like size and advantages, but the majority of them were tenacious in their contention that they are already doing that, and many ingenuous arguments are advanced to prove that contention.

The joint committee of 1915 recommended—

"that the people of Washington pay a tax comparable in assessment, rate, and amount to that tax paid by the residents of other cities similar in population and location to the city of Washington."

The report of that committee went on to say:

"We find after a most careful consideration of all of the evidence and circumstances as shown to exist at this time that there is no reason for any arbitrary rule of proportionate contribution for the expenses of the District of Columbia by the residents thereof and by the people of the United States; that the correct rule should be that the responsibility in taxation of the residents of the District of Columbia be as fixed and certain as the responsibility of residents of other American cities comparable with the city of Washington; that with the payment of such taxes as may be equitably and properly assessed against privately owned taxable property, the financial responsibility of the residents of the District should be concluded."

The Morrill Joint Select Committee of 1874 reported that the District "may properly be required to make that just contribution to the current annual expenses, the interest of the public debt and its ultimate payment, which a people so situated as compared with other communities may be required to pay for like protection, privileges, and immunities."

This committee believes that the correct formula is stated in these reports, as above quoted, and it is happy to say that that formula is generally accepted as being correct by students of the situation, both in and out of the District.

The committee has no doubt that everyone in the United States desires the National Capital to be one of the best and most beautiful capitals in the world, and that it forever be maintained as such, and that Congress shall, if necessary, from time to time, assist financially in maintaining it at a standard that shall be excelled by no other capital. The amount of this financial assistance should be measured largely by the amount necessary to conduct the governmental affairs of the District in an efficient and economical manner, over and above the amount of revenue derived from the taxation of private property, license fees, etc. The rate of tax imposed on private property to reasonably approach the average rate of taxation in the other 22 cities of the comparative. In other words, the amount of Federal contribution toward the expenses of the District government should be based largely on the difference in the amount of revenue derived from the taxation of properties levied on the basis of a fair and equitable tax rate, together with the revenues derived from specific taxes, license fees, fines, etc., and the total amount of money that the District needs to conduct the District government in a manner that shall be a credit to the District and the Nation. There are few indeed who seriously dispute the correctness of this statement.

On this basis, the committee has made the study it has to ascertain with as much definiteness as it is possible to do how the tax burden of the District compares with the tax burden in cities of similar size and advantages, with the result, as before stated in this report, that it finds that the tax rate in the District of Columbia is the lowest of any of the 23 cities with which comparison has been made.

To repeat what has already been discussed to some extent in another part of this report, based on the assessed valuation of real property at a ratio of 90 per cent of its actual value, and this is the ratio that the assessor, Mr. Richards, advised the committee is the ratio at which it is assessed, the adjusted tax rate in the District of Columbia is $15.30 per thousand dollars valuation. The next lowest adjusted tax rate is in Kansas City, where the rate is $17.58 per thousand dollars valuation, or $2.28 per thousand more than obtains in the District of Columbia. The highest adjusted tax rate is in the city of Louisville, where the rate is $30.80 per thousand dollars valuation or $15.50 per thousand more than obtains in the District of Columbia. The average adjusted tax rate for all the cities is $23.68 per thousand dollars valuation, or $8.38 more than obtains in the District of Columbia. Excluding the District of Columbia, the average adjusted tax rate in the other 22 cities is $24.21, or $8.91 per thousand more than obtains in the District of Columbia.

Applying the adjusted tax rate, a piece of property in the District of Columbia having a full value of $10,000, would pay a total tax of $153, or $23 less than the lowest tax rate in any of the other cities. The average tax paid upon a $10,000 property in all the cities, excluding the District of Columbia, is $242, as against $153 in the District of Columbia.

It is evident, therefore, that the owners of real property and tangible personal property in the District of Columbia are not burdened as heavily with taxes as the owners of similar property of relative valuation in the other cities; that they pay less taxes on their property than the owners of property in any of the metropolitan cities of the country. If the rate of taxation in the District had been $20 per thousand, instead of $17 per thousand, the present rate, the District government would have received nearly $4,000,000 more in revenue in 1930 than it did receive. This $20 per thousand valuation would then be over $4 per thousand less than the average adjusted tax rate in the other 22 cities. If the rate in the District of Columbia was the same as the average adjusted rate in the other 22 cities, the District government would have received $31,222,907, or $9,298,520 more revenue than it did receive in 1930.

It is contended by some that in the consideration of comparative tax burdens all taxes levied in other cities for State and county purposes should be eliminated and the comparison confined to taxes levied for the purposes of city government alone in those cities and that interest on the bonded debt of other municipalities be eliminated from the comparison because the District has no bonded debt.

The committee can not agree with that contention. There are in the District institutions maintained from revenues derived from either Federal or District taxation similar in character to institutions that are maintained by county or State governments. The District has its courts, similar to county and State courts. Other functions in many respects similar to functions exercised by State and county governments elsewhere are performed in the District either by the District or Federal Government. The District government does practically everything that the various units of government do outside in the States, and the people of the District receive from the Federal Government the various benefits and services that are taken care of outside by county, State, and school taxes.

The true index to tax burdens is the actual tax levied and paid into the public treasury by the owner or owners of property in the various cities having relatively the same actual value. In the opinion of this committee it makes no difference by what name the tax may be called, a State tax, a school tax, a city tax, or a county tax, it is the actual money paid over the counter of the public treasury that counts, and that is the only true measure of comparative tax burdens.

Nor does this committee agree with the contention that the interest on public debts of other cities should be eliminated. Other cities have been forced into debt for different reasons, principally because their tax burden has been so great that they could not afford to add to it for the cost of needed permanent public improvements. The District of Columbia is in a favored position in this respect, made possible to a large extent at least because of the financial assistance received by it from the Federal Treasury. As an illustration, the water system of the District was originally paid for by the Federal Government. It is obvious that if the cost of permanent public improvements in other cities had been included annually in their budgets the rate of taxation in those cities would have been much higher and therefore the comparison with the rate prevailing in the District of Columbia would show a correspondingly wider difference than is now shown.

The committee has no sympathy with the attitude of hostile criticism of the improvement and development of the District and everything that is done by Congress to that end, that is sometimes expressed. The District of Columbia is probably the most beautiful and magnificent Capital in the world. Travelers returning from abroad are loud in their praise of it. They say that there is no other Capital that compares with it in beauty and magnificence. The committee has already quoted from Washington—

A Not Too Serious History, by George Rothwell Brown. It believes that this history is accurate and impartial, as well as "not too serious." It quotes from it again:

"It is the fashion for many of the good people of Washington to complain petulantly of the neglect of Congress, and, indeed, some Congresses have been inconceivably tight fisted and narrow; but when one considers the great miracle which has been wrought in a short space of time, and remembers that Congress has largely supplied the entire Capital of vision and money which has brought it about, it is not easy, in all conscience, to be fault finding."

Since the above statement was made, the Federal Government, through Congress, as before mentioned in this report, has inaugurated and is now engaged in a building program in the District at an estimated cost of over $300,000,000, to be paid entirely by the Federal Government at no cost to the District.

The people of the District of Columbia enjoy benefits and privileges that are not enjoyed by the people in any other city. In no other city in the country do the people enjoy so many advantages by way of beautiful parks, library facilities, etc., as are enjoyed by the people in the District of Columbia, not to mention the innumerable and immeasurable advantages and privileges incident to being a resident of the Capital City. They are created and maintained to a considerable extent at the expense of the people of the United States and not at the expense of the people of the District of Columbia alone and constitute no part of the District budget.

The committee does not desire to place any undue burden of taxation upon the people of the District. On the contrary, because of the peculiar governmental set-up of the District, it prefers to err, if any error is to be made, on the side of liberality toward the District. Indeed, a majority of the committee at least does not hesitate to say that it does not want to make the burden of taxation in the District as heavy as it is in other cities of comparable size and advantages, because the committee believes that taxes are too high and too burdensome in practically every locality in the United States outside of the District of Columbia. The committee concedes that the government of the District of Columbia for the most part is efficiently and economically administered, without undue waste or extravagance and desires to give the District the benefit of such administration. The committee has studied the problem from every possible angle, without prejudice, and desires to do justice not only to the taxpayers of the District but to the taxpayers of the United States who live outside the District, as well.

It is the aim of the committee to give the House sufficient statistical information and data to enable every Member, not only now but in the future, to reach his own conclusion, from the information given, as to what the contribution of the Federal Government toward the expenses of the District government should be. The committee considers this feature of its report of prime importance.

The committee does not hesitate to say that in its judgment the tax rate, the tax burden, in the District is not as high, is not as burdensome, as it is in comparable cities, nor as it is in nearly every community, urban or rural, in the United States. Anyone who thinks that it is is either fooling himself or blind to the actual facts. He can not realize how the average citizen is almost literally sweating blood in order to pay his taxes and many are utterly unable to do so.

The committee does hesitate, however, to make any recommendation, the effect of which might lead to a tax rate in the District equal to the average, even of those in other cities of comparable size and advantages, because it is impressed with the fact that such a rate on general property is too high, that it is overburdensome, and often prohibitive. The committee believes that the general property tax should be relieved by other taxes, such as are herein recommended, wherever it is practicable to do so. At the same time the committee can not help but feel that the tax rate in the District might well be raised to more nearly approach the average of other cities without any injustice to the District, or without giving the District any reasonable cause to complain.

The present law provides that the tax rate in the District shall be not less than $1.70 per hundred of the assessed valuation of real estate and tangible personal property. As before stated, if the rate had been $20 per thousand valuation, for example, which is considerably below the average rate in the comparable cities, it would have produced a revenue, based on the 1930 valuation of property, of $25,793,397, as against $21,924,387 that was levied on such property in 1930.

It is not the province of this committee, however, to recommend a rate; it is rather to recommend what amount in its judgment the Federal Government should contribute annually toward the development and maintenance of the municipality. The rate will depend upon the budget, the cost of the District government. It is largely in the hands of the District to determine the rate. It will be for the District, in asking for appropriations, largely to determine whether the general property tax will be increased or not, and that is as it should be.

The committee feels that for the present, at least, the Federal Government should continue to contribute something toward the expenses of the District, the Capital City of the Nation; that to do so is perhaps wise public policy and in accordance with the public sentiment of the country, but, with the constantly increasing values of privately owned property within the District, it becomes progressively more easy for the District to meet the expenses of the District government as the years go by, without undue burden or any increase in the general property tax. The time may come when the District should in all conscience meet the total normal budget of the District government.

The District budget for the fiscal year 1933, beginning July 1, 1932, and ending June 30, 1933, submitted to Congress within the last few days, estimates that the appropriations for the District during that year, including deficiencies, will total $45,633,312 and that the revenues of the District, based upon a contribution of $9,500,000 by the Federal Government, will amount to $45,670,000, leaving a surplus of revenues over expenses of $36,688.

If the bills reported by the committee are enacted into law, approximately $4,000,000 will be added to the revenues of the District, without any increase of the general property tax and without any increase of the assessed valuation of general property. The Federal contribution could be reduced that amount for the fiscal year 1933 at least, without interfering with a balanced budget. The committee feels, however, that on account of present economic conditions the budget estimates for the fiscal year 1933 have, perhaps, been reduced to a lower figure than it would be safe to depend upon as a permanent policy, but the increased revenue provided for in the bills which the committee is reporting, and the additional revenue that may be raised by the changes in the laws relating to the taxation of the property of steam railroads and of certain public utilities in the District, recommended by the committee, together with the natural increase from a constantly increasing valuation of privately owned property within the District, together with the contribution of the Federal Government recommended by the committee, should take care of any normal or reasonable increase in the District budget for years to come, leaving the margin between the present rate of taxation in the District and the average rate of comparable cities to take care of any contingencies or emergencies, if need be, or any unusual expansion or increase of services which the District may desire. The annual contribution recommended by the committee, the committee believes, will not only be fair and just to the District but under present economic conditions exceedingly liberal.

The committee realizes that if the recommendations of the committee as to new legislation are not enacted into law that it will be necessary to increase the general property tax in the District, or the amount of Federal contribution recommended by the committee, in order to meet the District budget, but it feels that the recommendations are so eminently just and fair that they should be enacted into law and that if they are not that the general property tax should be increased to more nearly approach that of the average of comparable cities.

Taking all the circumstances and conditions as they exist into consideration, as long as the fundamental factors in the District remain as they are, the committee recommends that the United States contribute annually toward the development and maintenance of the municipality of the District of Columbia a lump sum of not to exceed $6,500,000.

Respectfully submitted.

CARL E. MAPES.
WM. P. HOLADAY.
E. M. BEERS.
EWIN L. DAVIS.
ROSS A. COLLINS.
WRIGHT PATMAN.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the report be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The report was agreed to.

THE PRESIDENT'S MESSAGE

Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the President's message.

The motion was agreed to.

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

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Kansas [Mr. AYRES] such time as he may desire.

Mr. AYRES. Mr. Chairman, last Friday, when the moratorium question was under consideration, I found that it was impossible to get time to explain my position on the moratorium. Because of that fact I am asking that I may proceed at this time to make such explanation as a justification of my vote against the debt holiday.

First, I wish to state that last June, like all other Members of Congress, I received a communication from the President of the United States inquiring as to my attitude upon the proposition of an international debt holiday.

Press dispatches at that time indicated that Germany was upon the brink of financial ruin, and virtually that the solvency of the whole world was at stake. I replied to the President in substance that this was a matter that could not be decided by Congress until it convened in regular session in December or was called in extra session by him for

that purpose, and that in the meantime it was my intention to endeavor to inform myself on the question and to withhold my decision until the Congress should meet.

Mr. Chairman, I took the position in June last, and I am of no different opinion now, that this Government should not commit itself to any course touching a debt holiday until the whole question of intergovernmental debts—and it is a large, involved one—had been exhaustively investigated by Congress, for it is the entire people of this country against a relative few that will suffer by too precipitous action should we embark upon an unwise course.

I have honestly endeavored to inform myself as to what is the best course to pursue. It has been difficult because the source from which full information upon all angles of this question should emanate has seemed reluctant to enlighten us. That is to say, the President of the United States, who undoubtedly is possessed of all the influences and considerations which caused him to make his appeal last June for this moratorium, I regret to say, has failed to make them known to the American people or to their Representatives in Congress. He does not hesitate to ask the cooperation of Congress on this matter, but so far has not acquainted us with the underlying, impelling reasons in back of his proposal. Now let me amplify that statement. The President has sent a message to Congress, it is true, and the Committee on Ways and Means has heard representatives of the State and Treasury Departments, but I have seen nothing adduced thus far to show why we must forego the debts owing to us in order to save Germany. The sum due us from Germany is but $6,000,000.

Of course, we would forego that or a far larger sum, because we all want to see Germany restored to a state of prosperity, but why must we forego the debts due from the other countries? Their treasuries may be and are no doubt depleted, France excepted, but so is ours. Have we any information that our debtors are unable to pay without their reparation payments from Germany? If so, I have not seen it. We are not concerned with reparations. It is our debtors who are, and from a pecuniary standpoint it is they who should be rescuing Germany from financial collapse, not us. We have not been told that they must be excused from their debts to us in order that Germany might in turn be excused from reparations payments to them. If we acknowledge that to be true, if Germany for any cause should fail to fulfill her reparations obligations, we lay the basis by the precedent we would establish for our debtor nations to take the position that their financial programs are so inextricably tied in with reparations that they must be relieved wholly or in part from their war debts to us. This result we must guard against, and I am not satisfied that we have sufficient information or assurances that such a situation might not come about.

It must be borne in mind that the President made his proposal last June, six months ago, and that during the interim he has communicated through his Secretary of State and his Secretary of the Treasury with all of these debtor nations, as both of these officials were in Europe much of the time since last June, and further the authorized representatives of both France and Italy have recently visited the President here in Washington. It would seem that the President should be in a position to give Congress more information than he has imparted so far as to why we must bear the brunt of relieving Germany, when Germany owes us at this time relatively a negligible amount. As for me it is not sufficient for the President to state, as he did in his message:

> As we approach the New Year it is clear that a number of governments indebted to us will be unable to meet further payments to us in full pending recovery in their economic life. It is useless to blind ourselves to an obvious fact. Therefore it will be necessary in some cases to make still further temporary adjustments.

Mr. Chairman, if that statement means anything it imports that soon another moratorium will be requested by the President, and ultimately we will be confronted with debt cancellation. At this time there may be no intention of a formal or official cancellation of the war debts owing to us by European governments; I do not know, and I dare say that there is not a single Member of either branch of Congress who knows. But what is the difference between an official cancellation and a continued deferment of maturing obligations? No one capable of thinking can reach any other conclusion, from what we hear from all sides, than that soon another request for a further moratorium will be advocated, and thus the march toward cancellation by the moratorium route, which will be just as effective as a declaration by Congress.

I contend that the people of this Nation, and especially Congress, are entitled to know just what governments are unable to pay installments upon their debts to this country and why. I should think in the light of all that has been said that we are entitled to the fullest information, especially if we are expected to cooperate with him. All he says is that—

> As we approach the new year it is clear that a number of governments indebted to us will be unable to meet further payments to us in full pending recovery in their economic life.

And so forth.

Moreover, it will be remembered that the President in his message asked for the re-creation of the World War Foreign Debt Commission with authority to examine into such problems as might arise in connection with these debts during the present economic emergency, and to report to Congress its conclusions and recommendations.

Just what did the President have in mind when he made this recommendation? Was it to prepare for another moratorium? Or was it to pave the way for a readjustment of these debts? Or was it to find that these debts could not or would not be paid and a recommendation made that they be canceled? These are questions that need to be answered. I want to know the answers, Mr. Chairman, in the interest of the constituency I have the honor to represent.

During the debate on the League of Nations there was much said about this Government avoiding all foreign entanglements. That has been a great slogan ever since. Following that theory, why is it necessary for this Government to concern itself with the payment of German reparations to other foreign countries? This Government did not exact reparations from Germany and does not receive any, and it is none of the business of the United States as to what arrangements may be made among these European countries about the payment of reparations. What these debtor nations owe us should not in any manner be affected by the payment of German reparations to those countries.

The resolution, which has been introduced just as prepared by the Treasury Department, provides that no agreement shall be made with the government of any country unless it appears to the satisfaction of the President that such government has made or has given satisfactory assurances of willingness and readiness to make with the government of each of the other countries indebted to such country in respect of war, relief, or reparation debts an agreement in respect of such debt substantially similar to the agreement authorized by the joint resolution which has been introduced to be made with the government of such creditor country on behalf of the United States. Boiled down, it means that those countries collecting reparations must agree to forego the collection of such reparations or the United States will not agree to enter into this agreement of a moratorium. It has been decreed that Germany must pay to certain nations reparations—in other words, war damages. These same nations, recipients of these reparations, are to pay the United States money borrowed from us, which is in no manner connected with or related to reparations and should not be based upon the payment of reparations to other countries.

It seems that it might be a pertinent question at this time to ask just why do these debtor nations find it is so distressing at this time to meet their payments to this Nation. This certainly can not be an unfair question in the face of the undisputed record of the amounts each of such nations has expended for armaments. It will be interesting as well as informative to show just what these debtor nations have

expended within the past year on armaments as compared with their installments due on their debts, which it is proposed to defer. The armament figures in the following table were compiled by the War Department.

Country	For armaments	For debt to United States
Belgium	$23,247,347	$7,950,000
Czechoslovakia	41,056,000	3,000,000
France	547,133,935	50,000,000
Great Britian	608,024,880	159,520,000
Italy	322,337,000	14,706,000
Poland	122,995,000	7,486,000
Rumania	67,061,000	800,000
Yugoslavia	47,491,000	250,000
Total	1,779,346,162	243,712,000

Thus it can be seen that these debtor nations expended more than seven times as much for armaments during 1930 than their debt payments, which we are asked to permit to be postponed.

Even Germany has done her part toward armaments. In 1927 she expended $164,050,000; in 1928, $167,356,000; in 1929, $167,654,000; last year, or in 1930, $173,319,000.

There is much more that might be said on this question, especially in view of the repeated efforts on the part of the United States to bring about an agreement with these nations for further disarmament.

In the face of the expenditure by these debtor nations of over $2,000,000,000 annually for armaments, the question naturally arises if this huge outlay is not the sole cause of the present demand that they be relieved from the payment of less than a quarter of a billion dollars due us at this time. One way in which we might ascertain this fact would be to submit the matter to the Geneva disarmament conference which convenes on February 2. It could be ascertained there whether or not these nations intend to continue increasing their armaments. The pending resolution could be deferred until then. These debtor nations are in default now, so I see no occasion for hasty action.

Believing as I do that this is only the beginning of the scaling down of war debts owing this country, before voting for this resolution I want to know whether or not such scaling down would mean that it would give these countries just that much more to expend for armaments, to be financed, in effect, by an additional tax upon the American people.

My information is that there is not one of the European debtor nations that faces a deficit as great as does this Nation at the present time, but that does not make any difference with some people, as shown by the hearings before the Ways and Means Committee on this moratorium resolution. It is a case of taking the position from now on, as has been done to a very great extent in the past, that there should be no limit to the generosity of big-hearted Uncle Sam.

I was very much interested in an article by Garet Garrett in which he said, the morning after Mr. Hoover had declared a moratorium, the diplomats and chancelleries of Europe were saying on typewritten slips or in interviews that it was a grand thing, and the American correspondents were quoting them by cable, but that what these diplomats were really thinking and saying was very different. What were they saying? They were saying that "This is the beginning of the end of our hateful war debts to the United States Treasury. Uncle Shylock has been insisting that German reparations have nothing whatever to do with our war debts to America. But now he admits that if we can not collect reparations from Germany neither can we pay our war debts to the United States. That principle is implicit in the debt-holiday plan, since it includes both German reparations and our war debts to the American Treasury in one scheme of relief. Moreover, it is admitted that Germany can not pay reparations unless she can continue to borrow American money to pay them with. So either America must go on lending Germany the money to pay us reparations or cancel our debts to the American Treasury."

This fact we just as well might face, and that is that there is a general feeling throughout this Nation that thousands of small investors in the United States have been swindled out of hundreds of millions of dollars by being induced by American bankers to buy German bonds and other German securities which are now worthless. These same American investors are opposed to being further penalized by having to be taxed to meet the debts due us from these European countries to make more secure the investments of these same bankers in Germany. This may be considered by some as demagogic. Be that as it may, it is a fact and can not be denied.

In view of what I have already said, and much more I could say if time permitted, I have a feeling at this time that there is much more back of this proposed moratorium than mere assistance to Germany, and the more I see and hear the more convinced I am of the fact that it is the first move for debt cancellation. The bonded indebtedness of foreign nations to the United States on June 30 last was $11,466,028,562. This sum is drawing various rates of interest and is payable over a long period of years. Including interest when the entire debt shall have been liquidated, we will have been paid a total sum of more than $22,000,000,000. This would go far toward liquidating the public debt of the United States, which on July 31 last was upward of $16,000,000,000.

The cancellation of the $11,000,000,000 in principal owing us would mean shifting from European to American taxpayers the entire burden of liquidating our public debt. The benefit of this cancellation would be confined practically to international bankers having loans and other investments in the debtor countries amounting to billions of dollars.

I do not believe that the American people are ready to have their representatives in Congress vote for a proposition that may lead to a shifting of this burden from European to American shoulders. I will proceed on that theory in taking the position I expect to take on the pending moratorium resolution. I repeat that these debtor nations are now in default, the Treasury Department to the contrary notwithstanding. If the Secretary of the Treasury can assume the authority of postponing these payments to a future date—that is, until this resolution is passed by both branches of Congress—there is nothing to prevent him from postponing the date until after the Geneva disarmament conference in February, after which, if the right spirit be manifested, the moratorium with a provision for a very substantial curtailment by these debtor nations of expenditures for military and naval establishments could then be considered.

I am thoroughly convinced that when these nations, along with the United States, declare a holiday on expenditures for armaments, then, and not until then, it will be time for this Nation to consider a holiday on the payment of their debts to us. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PARKER].

Mr. PARKER of Georgia. Mr. Chairman and ladies and gentlemen of the committee, in order that Congress may become more familiar with the project I will offer some facts relative to the proposed transfer of Blackbeard Island, McIntosh County, Ga., from the United States to the county of McIntosh, in Georgia. This island was at one time the property of the State of Georgia, but was ceded to the Government more than a century ago when the Nation had need of it for the use of the timber in constructing ships and for the future use of the Navy. The county commissioners of McIntosh County have passed resolutions asking that this transfer be granted, and the Legislature of the State of Georgia has memorialized Congress to urge the transfer.

Since 1799 this island has been buffeted about among the various departments of the Government, serving no purpose, and certainly failing to benefit the public in any way. The purpose of the proposed transfer, to effect which I have introduced a bill, is to establish Blackbeard Island as a year-around resort to be used by the public and to be operated without profit. McIntosh County is to hold the island

in custody for the people of the State of Georgia and the commissioners of McIntosh County are to administer the affairs of the proposed resort.

It is not contemplated that the county shall ever have the right to sell the island or any portion of it. They may lease certain parts, but only for restricted rentals, and not for profits other than those necessary to maintain the island. The resort is specifically intended for those people who are not financially able to afford the luxuries of the elaborate pleasure resorts along the Georgia coast and who, in spite of its proximity, have no access to the beneficial recreation of this coastal region.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. PARKER of Georgia. I yield.

Mr. LANKFORD of Georgia. What is the distance from the mainland to this island?

Mr. PARKER of Georgia. It is 12 miles from Darien, the county seat of McIntosh County, at the opening of the sound, the name of which I do not have. The original deed that is on record in the Treasury Department does not give the name of the sound.

Mr. LANKFORD of Georgia. I have never visited the island, but, as I understand it, it is the first island north of St. Simons Island?

Mr. PARKER of Georgia. It is; and it is in close proximity to Sapelo Island.

Mr. LANKFORD of Georgia. And it would be easily accessible to the people on the mainland?

Mr. PARKER of Georgia. It would, as well as the people on the other islands.

Mr. JOHNSON of Texas. What is the size of the island and what body of water surrounds it?

Mr. PARKER of Georgia. It comprises about 1,600 acres. I can not tell you the waters, because the sound there is not named in the original deed.

Mr. LANKFORD of Georgia. The Atlantic Ocean is on the east side, and there is a marsh between the island and the mainland, as I understand it.

Mr. PARKER of Georgia. Yes; and it is a very short distance from Sapelo.

Mr. LANKFORD of Georgia. And a public road could be built from the mainland across that marsh to the island, which would make it very accessible to the mainland.

Mr. PARKER of Georgia. Yes.

A brief résumé of the history of the island under Government ownership will adequately prove its failure to be of any benefit to the Government of the United States at the present.

On February 25, 1799, an act was approved by Congress to purchase the island for its timber, to be used in shipbuilding and for the future use of the Navy. The purchase was consummated in 1800. It is a well-known fact that at this period of our history the live-oak timbers of the Georgia coast were considered the best material for shipbuilding available. The frames and the wooden armor of the warship "Old Ironsides" were cut from St. Simons Island, near Blackbeard. The timbers for the first ships of the American Navy were cut from the live oaks of the Georgia coast, and Capt. John Barry, who was commissioned by the Government to find suitable timber, after searching over the Atlantic coast for suitable wood for the Navy's first vessels, made this report to the Secretary of War concerning the live oaks of the Georgia coast:

> The building of frigates of live oak will certainly be a great saving to the United States, as we are well satisfied (accidents excepted) that their frames will be perfectly sound half a century hence * * * we are fully convinced from experience that if they were to be built of the best white oak in America their durability at the utmost would not exceed one-fourth of that time * * *.

Captain Barry's committee made this report in 1794 and it was only natural that the Government should attempt to secure permanent possession of a near-by island that was bounteously supplied with such excellent timber.

When the Government needed Blackbeard Island in order to have at its command this splendid timber, the State of Georgia and McIntosh County patriotically ceded it to the Government, and it has had the full use of this island with all of its natural resources for more than 131 years. Now, when the Government no longer has need for this property, and when it has long since outgrown its period of usefulness to the Federal Government, these citizens ask that it be returned to them in order that they may embark on another patriotic venture with this small island; that of developing it into a resort for the thousands of citizens who are unable to afford the pleasures of the privately owned properties along the coast.

During the middle years of the nineteenth century this island was used as the South Atlantic quarantine station but this usage was later abandoned, the island not proving worth while for this purpose.

President Harrison in 1889—September 27—by Executive order transferred Blackbeard from the Navy Department to the Treasury Department.

In 1914 President Wilson, by Executive order, designated this island as a preserve and breeding ground for native birds, subject to the use of the island by the Treasury Department should the need ever arise. This order was vacated in 1915 and the island was restored to its former status to be administered under the Treasury Department.

The State of Georgia was given the custody of the wild life on Blackbeard in 1916 and it remained under the State's protection until 1922 when the custody was transferred to Mr. Howard E. Coffin, who owns Sapelo, an adjoining island.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. PARKER of Georgia. Yes.

Mr. LANKFORD of Georgia. I will state that history shows that the Georgia coast was called Florida by the Spaniards for several hundred years, and the early stories written about the beautiful scenery of Florida were written about the coast of Georgia before the Spaniards conceded that it really belonged to the English Government.

Mr. PARKER of Georgia. That is true, and I am coming to that just a little later.

In 1924 the island was transferred to the Department of Agriculture for its use as a bird reserve. Pursuant to this order the Bureau of Biological Survey of the Department of Agriculture assumed jurisdiction and immediately thereafter leased the oyster beds and other privileges to Mr. Howard Coffin for $25 a year, and placed the entire property in his charge as deputy reservation protector.

Blackbeard Island, together with other naval lands no longer useful, was listed and its disposition authorized by act of Congress in 1926. In order to prevent this disposition the island was again transferred September 20, 1926, to the Department of Agriculture for use as a bird refuge and as an experiment station for the acclimatization of certain foreign game birds. The island is now administered under the Bureau of Biological Survey and Mr. Howard E. Coffin holds the lease for the fee of $25 per year.

This is the brief history of the island and it is evident that it has served no useful purpose for any length of time in the entire history of its ownership by the Government.

In urging that this property be returned to its original owners, the people of the State of Georgia, I am not unmindful of the fact that objection might be raised because of its value as a refuge for birds. This island has little value for this purpose however, and McIntosh County offers to supply the same protection to the wild life of the island that it now enjoys.

To demonstrate the greater need for this island as a place for people rather than as a place for birds, I shall quote from an authority on wild life in that section, Mr. O. Hopkins, of Crescent, Ga. This man is recognized as such and was keeper of the island during the administration of the Hon. Sam Slate as fish and game commissioner. Mr. Hopkins is authority for the statement that Blackbeard Island has no distinctive value whatever as a game refuge, that few birds ever nest there, because the island is unprotected from winds and because of the ravages of wild animals. He further states that during 10 years of close observation he has not seen on Blackbeard Island any birds that he has not also seen on other islands and on the near-by mainland. Mr.

Hopkins also is emphatic in his statement that better protection could be given to the wild life on Blackbeard Island, including deer and wild duck, than is given under Federal control. At present this type of game suffers greatly from "poachers."

Under the jurisdiction of McIntosh County adequate protection would be assured the wild life of the island, and thousands of people would receive the pleasures and benefits of a healthful seashore resort who are now being denied this privilege. The beach on this island is one of the best on the South Atlantic coast, extending 7 miles and offering an unexcelled place for swimming and water sports. It is but 12 miles from Darien, the county seat of McIntosh County, and it will be easily accessible to the thousands of people residing in the interior of Georgia who will greatly benefit by the proposed resort.

It is true that in the past there have been a few privileged individuals, who were in favor of those in control, who have had access to the island and regaled themselves there. These parties by a few favored individuals are common knowledge, but the pleasures of a few should in no way stand in the way of the enjoyment of the thousands who would be able to benefit by vacations at a health-giving watering place such as Blackbeard Island.

In short, there is one question for this body to decide: Whether or not a fine, public-spirited enterprise for the benefit of thousands may be established by the patriotic citizens of McIntosh County or whether it is to be continued as a useless Government project for the exploitation of a few favored individuals?

Early in the history of the State of Georgia there were numerous publicly owned islands along the Georgia coast, and these were wonderfully provided by nature as resorts for her people; but in the course of the years all of these islands, except Blackbeard have passed into the hands of individuals and are now privately owned. Such beautiful watering places as those of St. Simons, Tybee, Wilmington, Sapeloe, St. Catherines, Doughboy, Cumberland, and Jeckle have gotten into the possession of the few, and the many have thereby been deprived of their use except on the terms of their owners. Blackbeard Island, now owned by the United States Government, offers for the masses of the people of this section a veritable seaside paradise, and the passage of this bill to transfer its title to McIntosh County will make this paradise available to the people who are now deprived of its use.

The citizens of McIntosh who have undertaken this enterprise have proved themselves worthy of this patriotic enterprise by nearly two centuries of unselfish service. The forebears of the citizens who are making this petition were brought to the lower part of the colony of Georgia for the express purpose of serving as a buffer to the Spanish settlements in Florida, and from the time of the Battle of Bloody Marsh, on St. Simons Island, when the English under General Oglethorpe defeated the Spanish and rendered Georgia safe for English colonists, on through all wars of this Republic the citizens of this section have always faithfully dischaged their duty to their country.

They are eminently worthy to establish this resort and to faithfully manage it without profit to themselves for the benefit of the people of this section, who would otherwise be denied this blessing of nature. It is not a selfish or unworthy motive that prompts these people to seek this island, but one of altruistic purpose to make available to the masses this wonderful seashore with its attendant benefits.

There are many privately owned beaches where the wealthy and influential can take their families for vacations, but there are none for the working people and for those of average means of this section, and it is for their benefit that I ask that this bill be passed. [Applause.]

[Here the gavel fell.]

Mr. PARKER of Georgia. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD to include the following:

Executive Order No. 1993, dated July 17, 1914; second Executive Order No. 2203, dated May 25, 1915; Executive Order No. 3957 (third Executive order), dated February 15, 1924; Executive Order No. 4512, dated September 20, 1926; a resolution passed by the county commissioners of McIntosh County, Ga., on December 16, 1930; a resolution No. 42, read and adopted January 29, 1931, by the House of Representatives of the State of Georgia; a bill introduced by me on December 17, 1931, H. R. 6264.

The CHAIRMAN. The gentleman from Georgia [Mr. PARKER] asks unanimous consent to extend his remarks in the manner indicated by including therein the documents enumerated. Is there objection?

There was no objection.

The matter referred to follows:

EXECUTIVE ORDER NO. 1993

It is hereby ordered that Blackbeard Island, situated on the coast of Georgia, at the entrance to Sapeloe Sound, approximately in latitude 31° 30′ N., longitude 81° 12′ 30″ W. from Greenwich, as shown upon the United States coast survey chart No. 156 and as segregated by the broken line upon the diagram hereto attached and made a part of this order, is hereby reserved and set apart for the use of the Department of Agriculture as a preserve and breeding ground for native birds, subject, however, to the use of the island or any part of it by the Treasury Department for quarantine purposes should such use in the future be at any time deemed necessary. It is unlawful for any person to hunt, trap, capture, or willfully disturb or kill any bird of any kind whatever, or take the eggs of such birds, within the limits of this reservation, except under such rules and regulations as may be prescribed by the Secretary of Agriculture.

Warning is expressly given to all persons not to commit any of the acts herein enumerated and which are prohibited by law.

This reservation to be known as Blackbeard Island Reservation.

WOODROW WILSON.

THE WHITE HOUSE, *July 17, 1914.*

SECOND EXECUTIVE ORDER, NO. 2203

It is hereby ordered that the Executive order of July 17, 1914, setting aside Blackbeard Island, Ga., for the use of the Department of Agriculture as a preserve and breeding ground for native birds, be and the same is hereby vacated and the said island returned to its former status, that existing prior to July 17, 1914, to be administered under the direction of the Secretary of the Treasury in accordance with law and the regulations in force. It is further ordered that no permits, leases, or other privileges shall be granted to use the island or any part of it for hunting, shooting, or collecting native birds of any kind whatever, or for the taking of the eggs of such birds, or for hunting, shooting, or collecting any native wild animals, whether the same are indigenous or are placed there for propagation purposes.

WOODROW WILSON.

THE WHITE HOUSE, *May 25, 1915.*

EXECUTIVE ORDER NO. 3957—THIRD EXECUTIVE ORDER

The Executive order of May 25, 1915, vacating the order of June 17, 1914, creating the Blackbeard Island Reservation, Ga., for the protection of native birds, is hereby vacated and the bird reservation created by Executive order of July 17, 1914, is hereby restored in its original area and for the original purpose as a preserve and breeding ground for native birds under the jurisdiction of the Department of Agriculture, subject, however, as before, to the use of the island by the Treasury Department for quarantine purposes should such use in the future be deemed necessary.

It is unlawful for any person to hunt, trap, capture, willfully disturb, or kill any bird of any kind whatever or take the eggs of such birds within the limits of this reservation except under such rules and regulations as may be prescribed by the Secretary of Agriculture.

Warning is expressly given to all persons not to commit any of the acts herein enumerated under the penalties provided by section 84, United States Criminal Code. Approved March 4, 1909 (35 Stat. 1088).

CALVIN COOLIDGE.

THE WHITE HOUSE, *February 15, 1924.*

EXECUTIVE ORDER NO. 4512

By virtue of the authority vested in me as President of the United States of America, and pursuant to provisions of section 3 of the act of Congress approved June 7, 1926 (Public, No. 345, 69th Cong.), entitled "An act to authorize the disposition of lands no longer needed for naval purposes," the Secretary of Agriculture by letter of July 21, 1926, having made application to the Secretary of the Navy for the transfer thereof and given specific reasons therefor, within 90 days after approval of the above-mentioned act of Congress, and such action having received my approval, it is hereby ordered that Blackbeard Island, containing 1,600 acres, more or less, situated on the coast of Georgia, in the County of McIntosh, at the entrance of Sapeloe Sound, about 40 miles south

of Savannah, be and the same is hereby transferred to the Department of Agriculture for the use as a bird refuge and as an experiment station for the acclimatization of certain foreign game birds.

CALVIN COOLIDGE.

THE WHITE HOUSE, *September 20, 1926.*

DECEMBER 16, 1930.

Resolution

Whereas the Chamber of Commerce of McIntosh County, a civic organization recently organized by the citizens of this county, is sponsoring a movement to have Blackbeard Island, now owned by the United States, transferred to the county of McIntosh for the purpose of the establishment thereon of a great public-owned beach resort; and

Whereas the Chamber of Commerce of McIntosh County did, on December 11, 1930, address a communication to our Senators and Congressman, the Hons. WILLIAM J. HARRIS, WALTER F. GEORGE, and CHARLES G. EDWARDS, outlining in detail the plan for the aforesaid public-owned development, copy of which letter is hereto attached and made a part of this resolution: Be it therefore

Resolved, That the county commissioners of McIntosh County, Ga., ever anxious to exploit the great natural resources of our State and county and solicitous for the health, happiness, and general welfare of our people, do hereby most heartily indorse and approve the movement and plan for the establishment of the aforesaid public-owned beach resort on Blackbeard Island; and be it further

Resolved, That a copy of this resolution be forwarded to the Chamber of Commerce of McIntosh County, and to the Hon. WILLIAM J. HARRIS, WALTER F. GEORGE, and CHARLES G. EDWARDS.

A resolution memorializing the Congress of the United States to transfer Blackbeard Island, to be used as a resort

Whereas Blackbeard Island comprising about 1,600 acres, located in McIntosh County, Ga., was acquired by the United States in 1799, for the purpose of using the timber thereon for building wooden ships; and

Whereas it has not been used by the United States for many years for any practical purpose and is of no value, good, or service to the United States or any citizen thereof in its present condition; and

Whereas it has a beach about 7 miles long on the Atlantic Ocean, and the same is capable of being developed into one of the finest summer resorts in the Nation; and

Whereas there will be introduced in the Congress at the next session a bill to authorize the United States to transfer to McIntosh County, Ga., the said island to be used as a summer resort; Therefore be it

Resolved by the House of Representatives of the State of Georgia (the Senate concurring), That the President of the United States and the Congress thereof are respectfully urged to transfer said island.

Resolved, That a copy of this resolution be mailed to the President and Vice President of the United States, the Speaker of the National House of Representatives, the two Senators, and the Members of Congress from Georgia.

This is copy of Georgia House Resolution No. 42, read and adopted January 29, 1931, introduced by Atwood, of McIntosh; Beasley, of Tatnall; Howard, of Long; McWhorter, of Oglethorpe; Davis, of Mitchell.

H. R. 6264

A bill to convey by a quitclaim deed from the United States of America to the county of McIntosh in the first congressional district of the State of Georgia a certain island known as Blackbeard

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to convey by a quitclaim deed from the United States of America to the county of McIntosh in the first congressional district of the State of Georgia, that certain island lying and being in the county of McIntosh in the first congressional district and in the State of Georgia at the entrance into Sound and known by the name of Blackbeard, containing about 1,600 acres, more or less.

Mr. MICHENER. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, ladies and gentlemen of the committee, a great many routine matters which the House must take up necessarily take up considerable time. It was that I had in mind when I urged that we get down to business and dispose immediately of as many of these routine matters as we possibly could.

Personally, I feel that we could have disposed of the moratorium in a few days. We could have designated the old members of the Ways and Means Committee as a special committee. I feel that we could have disposed of the first deficiency bill before Christmas, which, in all likelihood, will take several days when we come back after the holidays. All precious time wasted.

One can not unduly stress the economic conditions in the country. I am greatly concerned and worried about it.

We are not going to get out of this depression or relieve the unemployment situation by "pep" talks given by the distinguished gentleman from the Department of Commerce, the bedtime story-teller of the administration, Dr. Julius Klein. He may tell bedtime stories and talk over the radio every night, but it will not move a bushel of wheat or put one man to work. [Applause.] In fact, I would designate Dr. Julius Klein as the Baron Munchausen of the administration. [Laughter and applause.]

Now I am very often confronted, and properly so, with the direct question from my colleagues, "Well, LAGUARDIA, what are you going to do about it?" "Have you got a program?" We must have a program! This depression has cost billions of dollars in the depreciated value of securities and property and billions of dollars in the loss of wages. It will take billions of dollars to put this country back on a working basis. A costly depression requiring a huge amount of money to overcome. Mere palliatives will not do; a major operation is necessary.

A few days ago—Saturday, I think—the House was engaged on a bill which we passed, splendid in its title, most ineffective in its substance. It was a bill entitled something or other for the relief of the farmers—a hundred million dollars to relieve the farmers—and yet I venture to say it will not afford relief to a single, solitary farmer. The bill should have been called, instead of a bill for the relief of the farmers of $100,000,000, "A bill for the redemption of depreciated bonds." They say it was necessary. I do not doubt that it was necessary. But let us be frank about it. It will not bring much benefit to the unfortunate, suffering farmers of the country. [Applause.] We must get the farmer out of debt and not put him in the hole more than he is.

I will not review the details of that bill at this time.

Mr. DIES. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. DIES. In view of the present attitude, what would the gentleman suggest?

Mr. LAGUARDIA. I am coming to that. That is a fair question. I submit that my solution perhaps may not solve the problem; my suggestions may not fully cover the situation; but I say this, that at least we should ventilate our ideas here. We must have a full and frank exchange of views. We should study the various bills on relief and get the committees working on them. We ought to agree on a program of economic relief. One thing I want to press upon you is that the entire financial structure of the world has collapsed; the present economic system is not adequate to meet the industrial age in which we are living, and it may be necessary to go into the very fundamentals of our system and bring about an economic readjustment.

I do not want to shock my distinguished friend from Pennsylvania, Doctor BECK [laughter], whom I see here, ready as always to raise constitutional objections to plans offered to meet our present deplorable conditions.

First, of course, immediate relief for the unemployed this winter is necessary. Private agencies are doing all that they can, if you please, but we have gotten beyond the situation where private relief and private charity can take care of the distress existing throughout the country. Unless we do something we are going to have serious trouble in this country, and we may have barricades. If we have serious trouble in this country it is not going to come from the professional agitators, it will not come from the extreme radicals, because they are in a small minority; it will come from the hundreds of thousands of good Americans, graduates of high schools and colleges, skilled workers, small business men, and professional men and women who have an intelligent understanding of economics and who simply resent going on the bread line and seeing their families in want. [Applause.] There is where your trouble will come from. Therefore I would suggest now—and I do not care what you call it—immediate, substantial appropriations by the Federal Government to supplement State and local appropriations to carry

us through this winter. I admit that will not solve our problem permanently, but the situation is so bad that unfortunately such relief is necessary. Many of you will remember the discussions had on the Arkansas situation last session. We can not apply old constitutional construction to an instrument adopted when we were a small country, with plenty of land, with no real individual want, and no multimillionaires and no monopolistic control of industry and finances, when the telegraph was unknown and the steam railroad had not been invented, when there was practically no machinery at all. You can not apply constitutional limitations adopted in those days to meet the machanical and industrial age in which we are living. The Constitution must necessarily be construed in the light of the day in which we are living. I am glad the distinguished majority floor leader is here. He has a great deal of vision, has always had, and courage also. I am glad that he holds the responsible position that he does hold, and I refer to the distinguished gentleman from Illinois [Mr. RAINEY].

I hope that he for one will not be of the kind that becomes "unduly conservative" with responsibility. Ah, Mr. RAINEY, this is no time for ultraconservatism; this is a time for drastic action of a constructive nature, of course. We must first appropriate a substantial amount to supplement State and local appropriations to carry us through the winter, and in the meantime we must adopt a real building program that will put hundreds of thousands of men to work immediately and not a few or a dozen draftsmen working on a blue print. We can not feed workers on a blue print. The gentleman from Illinois [Mr. HOLADAY] and others have introduced a most extensive road-building program. We must go into a road-building program on an enormous scale, or it will not be effective at all. Though we may not need all these new roads immediately, we surely will need them in the future. Therefore, it will not be waste of funds. It would not be a waste at all, but we ought to map out a network of transcontinental roads running east and west, north and south of sufficient width to care for the needs of all future growth of population and increased traffic and build them in different sections simultaneously, so that all sections of the country would be able to supply immediate work to their local unemployed. If we could put hundreds of thousands of men to work all over the country, we would thereby bring up to that extent at least the purchasing power of the American people and indirectly help agriculture as well as industry. Yes, gentlemen, a real program will cost enormous amounts of money—it may run into billions—but the saving of our country is worth more than all of that.

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

Mr. LAGUARDIA. In a moment. The next point I would suggest is that the Federal Government appropriate sufficient money to loan to municipalities for the construction of 500 aviation fields for commercial purposes.

Aviation is the coming system of transportation, and to my mind it is better now in its infancy that we provide for municipal terminals rather than permit a monopoly to be created in this new method of transportation. By appropriating sufficient funds to loan to municipalities, covered by bonds on each particular field of sufficient length of time, we could create here a network of aviation fields over the country necessary in the very near future, create immediate employment so much needed, and that will not require a great deal of engineering in the necessary preparation. This expenditure, too, would repay for itself, as I have suggested. It has been suggested to me that we should not repeat the mistakes we made in the past when railroading was in its infancy, for which mistakes we are now paying; and if you do not believe that, look at the depreciated value of railroad securities at this moment. Let us at least profit by the terrible mistakes of the past in regard to railroading, now that we have aviation to build up.

I would convert all appropriations for cruisers and battleships that have not yet been commenced into appropriations for merchant ships, and I will tell you why. As our merchant marine act is now being administered, we are not doing anything substantial to increase our foreign commerce or to increase the efficiency of our merchant marine. We are simply helping a few existing companies. By providing new ships, which, of course, would serve as auxilaries to the Navy in any emergency, we would provide new and modern tonnage for our merchant marine, and these ships could be given in lieu of cash loans. I wonder how many of the gentlemen present know that we are giving a subsidy to steamship companies controlling and operating ships under foreign flags. Under the guise of being agents of foreign companies or owning subsidiary companies, millions of dollars are paid to companies ostensibly engaged in solely American shipping. The very purpose and scheme of ship subsidy is to permit an American merchant marine to enter into competition with foreign ships, and here we are turning over public funds to companies who themselves operate ships under foreign registry. They get it coming and going. Every foreign ship they so operate, naturally, is manned by a foreign crew.

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

Mr. LAGUARDIA. Yes.

Mr. BANKHEAD. To be exactly fair, the gentleman from New York made that statement in the press. Was it not denied? I am not defending the Shipping Board. I would join in almost any criticism the gentleman lodges against them.

Mr. LAGUARDIA. If they were to pile up all of the Bibles in the world right here on this table, and they would take an oath and deny it, I would still make the statement. Here are the facts. There is the merger of the International Mecantile Marine Co.; the Roosevelt Co.; the Dollar Line; the Red Star Line—get that, a Belgian company, operating ships under the Belgian flag—the Atlantic Transport Co., a British company; agents for the White Star Line, a British company; then there is the Munson Line, operating Norwegian ships; and only a few days ago we gave a postal contract, which is a ship subsidy, and loaned $2,000,000 to the Seatrain Transportation Co., a Canadian company, owning one ship, built in England, flying the British flag. I am going into that matter very thoroughly on another day.

Mr. BANKHEAD. The gentleman has done what I desired him to do, and that was to reiterate the truth of these charges that he has been making in public.

Mr. LAGUARDIA. I thank the gentleman, and I stand by every word that I said, and the record will bear me out. I shall not go into that any further, because I want to continue my suggestions for what they may be worth.

In our building-construction program, in order to make it serve the purpose of an emergency measure, to provide employment, we must necessarily build such structures as would not ordinarily be required. Otherwise, you have no emergency program. We should carry on to the fullest extent.

Now, at the risk of further shocking some of my conservative friends and, perhaps, outraging constitutional limitations, gentlemen, we must find some constructive plan to take care of future emergencies, to guarantee economic security to the workers of this country. I say the only way to do it is to establish a national system of unemployment insurance. Call it a dole, if you want to. Stigmatize it, if you can, but just as the old constitutional lawyers criticized the employers' liability law, just as the old conservatives criticized the old-age pension plan, because of the industrial machine age and the speed at which we are going, the production is such that we can not possibly absorb the man power that we have in the country. We must distribute this cost in a manner that will make industry take care of such periods, by guaranteeing unemployment insurance. Just a few pennies each week from every employee and from every employer, with the cost of administration carried by the Federal Government, and we can build up such a reserve fund as will guarantee this economic security which is necessary to the peaceful continuance of our Government. [Applause.]

We have the experience of other countries. You all remember the recent election that was held in England with

the dole as the issue. The opponents of the dole were victorious, but they have not repealed that law, nor can they repeal it. Criticize the British dole as much as you want; but if they did not have unemployment insurance in England, which was commenced in 1910, when conditions came on so fast that it was impossible to build up the necessary reserve, you would not have a British Government to-day. I urge the immediate study of unemployment insurance by the appropriate committee of the House.

[Here the gavel fell.]

Mr. SNELL. I yield to the gentleman from New York 10 additional minutes.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. COLE of Iowa. I am in sympathy with the purpose of the gentleman, and I think the gentleman is outlining a very good program, but there is the question of getting the money to build the roads and the aviation fields. It will take a large amount of money. Has not this Government, as the gentleman from Texas [Mr. SUMNERS] said the other day, about reached its borrowing limit?

Mr. LAGUARDIA. I am glad the gentleman brought that up. It is a fair question, absolutely. It was the gentleman from Massachusetts [Mr. LUCE] in a well-thought-out statement, because every remark which the gentleman from Massachusetts makes is very thoughtfully and carefully made—I say it was the gentleman from Massachusetts who stated on Saturday when he talked about the insurance companies and the banks that the wealth of this country is owned by the great masses of the country. The gentleman is in error. That is not quite correct. It was correct at one time, when the country was young, but, gentlemen, I say that 80 per cent of the wealth of this country is owned by 5 per cent of its citizens; and such a condition is unwholesome in any republic. [Applause.]

How are we going to get the money? I will tell the gentleman how we will get the money according to my plan—the only way that government can get money—by taxation. Revenue-producing improvements would, of course, be financed by bonds on a proper amortization basis, such as roads and aviation fields. It is easy to sit here and vote appropriations and then go home and tell what you have done; but with that is carried the responsibility of having the backbone to sit here and vote taxation, and I for one now declare that I am willing to vote for increased taxes, and we shall be compelled to do it in the present session of Congress.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. COLE of Iowa. I agree with the gentleman from New York. I, too, am in favor of taxation rather than the sale of bonds, because the bonds have to be met by taxes subsequently, sooner or later.

Mr. LAGUARDIA. Is it fair, I submit, to permit future generations to pay for the mistakes of this generation? This depression is our mistake. This depression is our blunder, and it is unfair and unjust to pass the cost of it on to the next generation. I say it is our blunder. Time does not permit me to go into the details or an analysis of what happened. You have heard it, I believe, in the Ways and Means Committee. You will hear of it when considering the tax bill. It was the result of financial recklessness, a betrayal of trust on the part of financiers who should have protected their investors but who went into this orgy of mergers, bond issues, and underwriting, reaped their commissions, and left the public holding the bag. The very people who trusted them were their dupes. That is what happened. [Applause.]

Then, gentlemen, the next thing after the unemployment insurance is this: We must so arrange our conditions as to give the benefit of machinery and the blessings of improved methods of production to all of the people and not to a few who happen to own the machines. There is not a manufacturer in this country in time of depression that would turn his horses and cattle loose and not feed them until business picked up, but that same employer will tell his employees at the end of the week, "Come back when we call you." That same employer would not abandon his machinery. He will keep it well housed, protected with fire insurance and burglary insurance, keep it oiled in order to keep it in good condition, but he does not care a snap of his fingers what happens to the human beings that make that machinery and operate that machinery and who create his wealth.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. LAGUARDIA. Not yet.

Gentlemen, such a speech might have been considered radical only five years ago, but conditions have so happened that verify every word I say and emphasize the necessity of meeting the situation.

We must therefore start with the 5-day week. How can the Government do it? I concede we can not legislate that because of our limited powers under the Constitution, but we can start in this way: First, place all Government contracts for materials, for supplies, for ships, and for buildings on a 5-day-week basis. Legislate the railroads on a 5-day-week basis. Close the Federal reserve banks, the post offices, and Government offices on Saturday; use the power of taxation or grant a benefit to employers who go on a 5-day basis.

Gentlemen, if we can reduce the working week from six days to five days, under the present production of the country, we can put 2,500,000 men at work. You say, Where will it come from? From the industries, of course. Just part of the overhead cost of production. The prosperity of the country is not necessarily measured by the stock ticker. The prosperity of this country is measured by the number of happy homes with workers in them earning sufficient money to live up to the American standard and to give their children a happy and wholesome childhood. That is the American standard and that is the test of our country's prosperity.

Mr. McGUGIN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. McGUGIN. Does the gentleman really think those profits exist? I know they existed a few years ago and they should have been taxed heavily, but that is water over the dam. Does the gentleman think industry is making those profits now?

Mr. LAGUARDIA. It works in a circle. We must simply bring the standard up and profits will go up under such conditions. If we increase the wage-earning purchasing power we increase the price level. The trouble is that while we brought up the prices in the industrial centers the earnings went down in the agricultural centers, and now what some of the conservatives are trying to do is to bring the standard of the industrial centers down to a new low level. What we must do is to bring the standard of the agricultural centers up and maintain the normal standard (before the depression) in the industrial centers, thereby giving them an opportunity to buy our goods and we in turn will be able to buy sufficient food to take care of the people in the cities. That is all there is to that.

Mr. ANDRESEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. ANDRESEN. If we should adopt the 5-day week what would the gentleman do with the present scale of wages for those who are now employed?

Mr. LAGUARDIA. That will adjust itself. The first thing to do is to get men at work and then the next thing to do is to bring the standard of wages up to the American standard.

I will tell you what I mean when I speak about the American standard. I mean what we talk about when we have the tariff under discussion here. That is what I mean. I want to translate the much-talked-of American standard into something permanently real.

Mr. McGUGIN. Will the gentleman yield for a further question?

Mr. LAGUARDIA. Yes.

Mr. McGUGIN. I agree with what the gentleman says about bringing agriculture up to the standard with industry, but how can you lift agriculture up by increasing taxation

and public expenses? I come from an agricultural people and my observation is that there is no greater burden on agriculture to-day than taxation.

Mr. LAGUARDIA. The increased taxes that I and I am sure the gentleman from Illinois [Mr. RAINEY] have in mind would not affect the people on the farms in Kansas or Iowa or Oklahoma. The old measure of taxation was to spread taxes where they could be best borne, but the new theory is to make the people who derive the greatest benefit of government bear their proportionate share of the cost of government. You take enormous companies like the United States Steel and the Standard Oil and see what they cost the Government. They get a greater benefit out of the Government, and they should bear their proportionate share. There is talk about the little fellows in the cities getting $1,500 or $2,000. They pay more than their proportionate share of the cost of government through indirect taxes, in rent, in food, in clothing, and other excise taxes. The small business man and the salaried folks are paying more than their just share of taxes now. Let us be frank. Congress must tax wealth, not only for revenue but as a social measure to prevent the concentration of wealth in a few families.

Mr. BURTNESS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. What effect does the gentleman feel that increased Federal taxes, a 5-day week in industry, and so on, would have upon agriculture in so far as the purchase of the commodities which agriculture must have in its production is concerned? What effect would it have? Would it tend to increase the farmer's cost of production?

Mr. LAGUARDIA. It would increase the farmer's cost of production and would increase the price level.

Mr. BURTNESS. If the cost of production were increased, he would be worse off than now, unless he can get an increased price level which will more than offset his increased cost of production. How are you going to bring that about?

Mr. LAGUARDIA. That will necessarily follow.

Mr. BURTNESS. We have seen the farmer's cost of production go down and the prices on his products go down, so that increased prices have not necessarily equalized the increased cost of production.

[Here the gavel fell.]

Mr. RAINEY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. LAGUARDIA. We are talking about the falling of prices, and yet with the depression in this country we have surpluses. This is the only country in the world that has a depression and yet has surpluses, a most paradoxical situation.

Why, gentlemen, unless there is a curb—unless we do force changed conditions to reestablish employment, which reflects immediately on the prosperity of the farmers, we will destroy entirely the American farmer. They are now being drained to pay interest on mortgages and debts. If this continues, they will become miserable tenant peasants—mere industrial slaves. So it is with industry, commerce, and property. The longer present depressed conditions continue the poorer the people will become and the rich will become richer by buying everything at the present depressed prices.

I say if we do increase the purchasing power, if we do give the people of the industrial centers the means to properly provide for their families, the price situation of the farmers will be taken care of; but the gentleman from North Dakota has been giving a great deal of study to this question, and I understand he is coming before the House with a bill to fix these price levels; but we must fix the price levels up and not down.

Mr. BURTNESS. I agree thoroughly with the gentleman on that, but I happen to be one of those who believe that improvement will come as between industry and agriculture as a shoulder-to-shoulder proposition and that one can not particularly improve without the other.

Mr. LAGUARDIA. That is true; absolutely.

Mr. BURTNESS. They must go hand in hand, and thus rehabilitated, the purchasing power of both the people engaged in industry and the farmers who must buy the products of industry will be increased.

Mr. LAGUARDIA. Exactly, and you will find all thinking people of the industrial centers will cooperate with you.

But, gentlemen, the appeal I want to make to-day is that we get busy real quick and get our committees working, so that we can give the very serious thought that the very serious condition of this country demands of Congress at this time. [Applause.]

Mr. SNELL. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. CABLE].

Mr. CABLE. Mr. Chairman, picture if you will the condition of this country had one and two-thirds million immigrants been admitted to the United States during the last fiscal year. According to reports of American consular officers there was during the last fiscal year an estimated demand for 1,695,284 immigration visas in the 67 quota countries. Every one of these intending immigrants was a potential wage earner. Upon being admitted to the United States many of them would have taken jobs from American workmen, and the rest would have been dependents or objects of charity.

What actually did happen? Let us examine the immigration records for the last fiscal year.

For the first time since the Civil War the net fiscal gain in population through immigration of foreigners into the United States has been less than 100,000. In the year just closed, only 97,000 immigrant aliens were admitted to this country, and during the same period of time 61,800 departed. In other words, there was a net gain of only 35,200 immigrants during the last fiscal year.

In his annual message to Congress President Hoover deals with the subject in a masterful way. Congress should promptly enact into law the recommendations he makes. He said in part—

> That immigration restriction now in force by administrative action be placed upon a more definite basis by law.

Tne President is entitled to credit for the decrease in immigration during the past year and for preventing by the reduction of immigration an increase in the number of unemployed in our midst.

Friends of restriction in the last Congress failed to agree upon a definite plan of further reduction of immigration. In the meantime many of the nations of the world were in the throes of a depression. The United States was the last to be seriously affected. The demand for immigration visas mounted until there were, according to reports received by the Department of State estimating the number, nearly 2,000,000 aliens who wished to come to the United States, while the quota under the immigration act of 1924 was 153,744 per year.

Many immigrants were admissible without regard to the quota, such as the unmarried child under 21 years of age, or the wife of a citizen of the United States, or the husband of a citizen of the United States by a marriage occurring prior to June 1, 1928. Furthermore, those born in Mexico, Canada, and the other countries of the Western Hemisphere were not restricted by a quota. Consequently American officials were confronted with the demands of a vast number of aliens who wished to come to the United States for work. This great number included both those who could come in outside the quota, and those who were admissible under the quota.

The President realized the seriousness of the situation and saw what might result if American citizens were compelled to compete with these aliens. Since no action was taken by Congress to restrict immigration further and thereby protect the American standard of living, the President proceeded to act. He found the means in the 1917 basic immigration act. That act excludes from the United States physically, mentally, and morally unfit aliens, and it also provides that no alien is admissible who is "likely to become a public charge." This latter provision applies to all immigrants except near relatives. Then the immigration act of 1924 places the burden of proof upon the alien to establish that he is not likely to become a public charge.

On September 8, 1930, President Hoover instructed the members of the American Consular Service—the consuls issue immigration visas—to enforce the immigration laws and refuse a visa to any alien wishing to come to the United States who was "likely to become a public charge."

Under this Executive order American consuls, ably assisted by technical advisers of the Department of Labor, issued immigration visas, keeping in mind the economic conditions in the United States. As a result of the order of the President, there was a very considerable decrease in the issuance of visas. For the four months through July, August, September, and October, 1930, the number admitted was 59,873, while during the succeeding eight months to the end of the fiscal year the number was only 37,266. Because of the fact, however, that immigration visas are good for four months after issued, and many visas had been issued before the date of the Executive order, the decline in admissions at first was not so noticeable. A great proportion of the 97,139 immigrants admitted during the fiscal year 1930–31 were nonquota immigrants—members of families of American citizens and other persons less likely to come here in competition with wage earners.

This reason for denying immigration visas is temporary. When America picks up in industry, the prospective immigrant may rightfully claim he can get work and therefore will not be likely to become a public charge. This fact the President no doubt had in mind when he stated in his message:

> I recommend that immigration restriction now in force under administrative effort be placed on a more definite basis by law.

The time has come when America should select those persons of specific trades actually needed here. Why should we admit 100 bricklayers into the United States when we are more than amply supplied with that class of skilled labor? The same applies to machinists and men in the other skilled trades.

We should likewise place Mexico, Canada, and other countries of the Western Hemisphere on a quota basis, so that the whole world will be restricted.

The President also makes this recommendation:

> The deportation laws should be strengthened.

The Labor Department last year expelled by warrant proceedings 18,142 aliens, an increase of 1,511 over the number expelled during the preceding year. In addition there were 11,719 aliens who were permitted to depart voluntarily without any or with incomplete warrant proceedings. In every deportation case the alien is given his day in court and has the right to be represented by counsel and to appeal.

As the President suggests, however, the law should be strengthened by amendment. Those who violate our narcotic laws are now deportable. Alien bootleggers, racketeers, in fact, many classes of criminals, are not affected by the present deportation law. Those who commit crimes involving moral turpitude, which is defined as an act of baseness, villainy, or depravity in defiance of the social duty man owes his fellow man, are deportable.

The alien who is repeatedly convicted of violating the laws of the United States or of the several States, for which a total imprisonment of one year or more for the various offenses may be imposed, should be deported. Likewise, membership in any organization which has as one of its objects the destruction of this Government by force, should be sufficient ground for deportation.

Mr. COLE of Iowa. Will the gentleman yield for a suggestion?

Mr. CABLE. I yield.

Mr. COLE of Iowa. Would it not be good to deport a criminal alien when he is convicted instead of waiting until he has served his sentence? Why should this country board him? Would it not be better to send him out of the country as soon as he is convicted?

Mr. CABLE. Deportation proceedings are not intended as punishment. Therefore, I believe the alien should first serve out his sentence before being deported.

Mr. DIES. Will the gentleman yield?

Mr. CABLE. Yes.

Mr. DIES. I am impressed with the remark and agree with him. Does not the gentleman think, in view of the tremendous number of unemployed and the difficulty of absorbing the surplus, we should be justified in suspending all immigration for five years?

Mr. CABLE. The President's order of September 8, 1930, was in effect a practical suspension of immigration, excepting near relatives. This, however, is a temporary remedy; when conditions improve, the reason for refusing the immigration visa will disappear. Instead of a 5-year suspension, I suggest that the nationals of all countries not absolutely barred from coming be placed on a selective basis, and only those skilled in a particular line be admitted in event there is not a sufficient number of such trade in the United States. Let the United States make the selection of newcomers.

The President also made this recommendation: "Aliens lawfully in the country should be protected by the issuance of a certificate of residence."

I commend the President for this recommendation. If placed on our statute books it would strengthen our restrictive immigration laws, in that many aliens who might wish to enter unlawfully and in defiance of our laws would not come because without such certificates of residence they could easily be detected and deported. Likewise, the alien temporarily admitted would leave at the end of his lawful stay.

President Coolidge made such a recommendation, as did President Harding. The present law—namely, the act of March 2, 1929—provides for the voluntary registration of those aliens who wish to regularize their unrecorded entry into this country, and is applicable to all entries up to and including June 3, 1921. Then, there is the provision of the 1924 act providing for the registration of all aliens who have entered since July 1, 1924. The gap in the law between 1921 and 1924 might well be cared for by extending the law so that all persons in the United States lawfully must obtain certificates of residence. This would leave the alien who had entered illegally or who came lawfully and remained after the allotted time to be registered. Not being eligible, a registration law would bring about his voluntary departure or being easily discoverable, by lack of a certificate showing lawful residence, he would become subject to deportation.

Mr. RANKIN. Will the gentleman yield?

Mr. CABLE. Yes.

Mr. RANKIN. Does the gentleman think any foreigners would want to come to the United States hoping to find employment?

Mr. CABLE. Certainly. There are thousands of aliens who have applied for admission but being likely to become public charges, under the President's order, they are not granted immigration visas and, therefore, are barred from coming.

The Department of State advises that on July 1, 1931, the estimated demand for visas against the 69 quotas amounted to 1,363,565, and that even to-day, after the American consuls have required the aliens to file their applications a second time, there are still 226,159 pending applications for immigration visas.

Mr. DIES. Will the gentleman yield?

Mr. CABLE. I yield.

Mr. DIES. Mr. Hoover should be commended for his attitude on immigration. I shall support any measure along that line. But does the gentleman not think that some measure should be adopted to enable us to prevent the employer employing aliens when the employer has reasonable grounds to believe that they are here unlawfully?

Mr. CABLE. That is exactly in line with the President's suggestion that a law should be passed protecting the aliens lawfully in the country by issuing "certificates of residence." No employer in America would wish to give a job to an alien illegally here. I call attention to an article in the New York Times yesterday showing that the increase in the number

naturalized has resulted from the fact that neither the State nor Federal Government will permit an alien to take a civil-service examination or carry on many of the professions.

The same thing would apply to a law requiring certificates of residence. It would protect both the alien lawfully here and the American workman.

President Hoover's policy on immigration and deportation, expressed in his annual message to Congress, is truly American and should promptly be enacted into law and made permanent.

Mr. PURNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I had hoped that the Mapes fiscal affairs committee, of which I had the honor to be an humble member, had completed its labors when the report was accepted and sent to the Senate, and that we were relieved from further duties.

But in justice to a gentleman who has written me—President Noyes, of the Associated Press—I desire to incorporate his letter in the RECORD, and before doing so to make a brief statement.

Mr. Chairman, I am in receipt of this letter, which I understand is sent by Mr. Noyes, president of the Evening Star Newspaper Co., in which he says:

> In the CONGRESSIONAL RECORD, yesterday's proceedings, you identify repeatedly the editor of the Star with the president of the Associated Press. * * * It so happens that my elder brother, Theodore W. Noyes, is, and has been for many years, the editor of the Star. He has no connection with the Associated Press, and I am not the editor of the Star, though I am the president of the Evening Star Newspaper Co., and as such responsible for its general business conduct, but with no control whatever over its editorial policy.

The statement of the president of the Associated Press, who is also president of the Evening Star Newspaper Co., will be accepted by everyone as true. He is an eminent gentleman, who would make no misstatement, and although responsible for the general business conduct of the Star, he writes in substance he is not responsible for its news policy, that sometimes quotes only half truths, as I will briefly point out. He is not, I assume, responsible for cartoons lampooning Members of Congress for not meeting the Star's tax views. He states specifically he is not responsible for editorials that are severely critical of opinions by Congressmen that differ from its editor's.

As to half truths, possibly unintentional, when the Star recently editorially quoted Minneapolis tax assessments at 40 per cent, which is the Minnesota law requirement, it failed in the same editorial to state that the tax rate for Minneapolis, as appears on the same page of the committee report, has for the last five years averaged 73 per cent, or more than four times the tax rate of $1.70 that applied to the District, and that the taxes paid in Minneapolis are found by the committee on adjusted valuations and rates to be 70 per cent higher than the tax paid in Washington. This error or omission is not in any way related to the duties of the president of the Star Co. His correction of that inference is received.

Nor is the president of the Star Co. responsible for repeated Star charges of injustice of taxation rates because Washington has no representation in Congress. The 500 pages of committee hearings failed to disclose a single witness from the Star or from other witnesses examined asking for such representation or for any proposed amendment to the Constitution to permit Washington to control its city affairs, which under the Constitution must now be handled by Congress. This cry always raised at tax times with Congress and serves to arouse District residents over some supposed injustice.

When the Star lampoons Congress in cartoons and makes Chairman MAPES, a conscientious man of absolute fairness, to be a tax-squeezing official, it is evident from the letter received that President Noyes, of that company, is in no way responsible, yet it was a natural mistake for anyone to make. Nor were these important facts to consider. The taxes paid by the Washington Star compared with those paid by other companies in other cities is the only proper basis for comparison.

The committee findings show that the District of Columbia should raise $14,000,000 District funds annually to equal taxes paid by 22 comparable cities. President Noyes, of the Evening Star Newspaper Co., and his company are direct beneficiaries of any undertaxation in the District if that finding is true. When Milwaukee, Minneapolis, Pittsburgh, and Baltimore papers are found to pay approximately 70 per cent more tax than President Noyes and his Star Co. now pay, then such facts found by the committee are relevant.

When the members of the Boston press pay 85 per cent more tax than President Noyes of the Star pays for his company he is certainly a direct beneficiary of the low tax rates here. When Louisville, New Jersey, and other papers, according to the committee, pay approximately 100 per cent more tax than President Noyes's paper is paying, certainly that is a proper subject for comment. These rates are found by the committee in 22 comparable cities with Washington at $15.30 per thousand at the foot of the list. I submit when President Noyes of the Star pays one-half of 1 per cent on intangibles, a far less rate than is found elsewhere in the country, so far as the committee learned, then it becomes an important proper subject for argument.

I do not know that it is material whether the president or the editorial writer of the Star is critical of the action of the House that adopted the tax report of the committee. The real issue relates to the actual taxes paid by the Star Co. compared with taxes paid in 22 comparable cities.

When President Noyes, of the Star, with possibly 50 or more cars and trucks belonging to his company, pays only $1 license fee and a nominal personal-property tax of two or three dollars, while the cars of all States pay on the average from about $15 to $20, or in the proposed bill $14 each, I submit that is fair to consider by all the States which pay $9,500,000 district subsidy and several times the auto tax paid in Washington.

When President Noyes, of the Star, pays a 2-cent gasoline tax for his company's 50 or more cars and trucks—I do not know the number—and the District assessor reports that $1,200,000 more is needed for the maintenance of Washington streets than is received from the present tax as shown by the committee report, it is proper to ask why the Federal Treasury should be called upon to pay this excess in cost for pavements and streets of Washington and why the 4-cent tax of the average State is not proper to pay in Washington.

I repeat, I have the highest respect personally for the distinguished president of the Associated Press, who is also president of the Evening Star Newspaper Co., and according to his own letter is responsible for the general business conduct of the Star Co. It is as such business man in control of the Star's taxation matters that I tried to draw comparisons to which his letter refers.

President Noyes's statement that he is in no way responsible for the editorials, news items, and cartoons in the Star lampooning Congress when discussing Members of the legislative body is also accepted unquestionably as true. It explains, however, a surprise to those who know that the business policy of the Star is necessarily closely connected with taxes paid. In fact, the Star editor may not be expected to have that knowledge.

I submit that the comparisons of taxes apart from the suggestion that President Noyes, of the Associated Press, has no connection with Star editorials were proper and necessarily drawn out by the attitude of the paper of which he is president and in control of its business affairs.

I congratulate him on his paper, the Star, and on his phenomenal business success and withdraw any statement, if made, that he writes the editorials. Any suggestion to that effect I regret, if made, but urge that it had no relation to the tax comparisons made properly from committee findings.

I have no controversy with the Star or its president or its editor. It would be useless to attempt to correct misstatements of fact by either. But is it good sportsmanship to

treat those who have no personal interest at stake without attempted unfairness, and to that treatment the fiscal affairs committee is entitled. It has ceased its labors, a matter of satisfaction to every one of the members, and we leave the burden of tax matters to the regular committees that have to do with District affairs.

I ask to submit copy of the letter sent to me by Mr. Noyes, in justice to him and his dual position, which would not be known generally but for the letter.

It has no effect, however, so far as I can see, on the tax interest of the valuable Washington property of which he as president is naturally concerned.

Personally I extend full apology for any possible inference that he is the editor of the Star. He is its president, and if any injustice occurred through confusion in the field of work it is regretted.

DECEMBER 18, 1931.

HON. JAMES A. FREAR,
House of Representatives, Washington, D. C.

DEAR MR. FREAR: I have just read your speech in the CONGRESSIONAL RECORD covering yesterday's proceedings.

In this speech you identify repeatedly the editor of the Star with the president of the Associated Press.

I trust that the other statements in your speech are more nearly accurate than this.

It so happens that my elder brother, Theodore W. Noyes, is and has been for many years the editor of the Star.

He has no connection with the Associated Press and I am not the editor of the Star, though I am the president of the Evening Star Newspaper Co., and as such responsible for its general business conduct, but with no control whatever over its editorial policy.

For your information I may say that I have never written or suggested a line of editorial criticism regarding legislation affecting the tax matters of the District, and in addition I wish to say that in the more than 30 years I have been president of the Associated Press I have never attempted to influence either House of Congress in any legislation, as I have felt that I could not properly do so as the head of a cooperative organization of more than 1,200 newspapers.

You will, I am sure, feel that your remarks of yesterday do serious injustice both to my brother in his field and to me in mine.

Very sincerely,

FRANK B. NOYES.

Mr. DYER. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. DYER. I am sure the gentleman from Wisconsin, a member of the committee of which the gentleman from Michigan [Mr. MAPES] is chairman, and for which committee we have a very high regard for their splendid work in connection with the matters they have under consideration—but I am sure the gentleman does not intend to criticize one of the great newspapers of this city which has been for many years well known, honored, and respected——

Mr. FREAR. Will the gentleman ask his question?

Mr. DYER. I am coming to it. In view of the fact that 500,000 people in this city are taxed without representation, does not the gentleman think that the Star is properly carrying out its duty in passing opinion upon legislation?

Mr. FREAR. Let me in turn ask the gentleman a question. Does he concur in the criticism contained in articles and cartoons printed in the Evening Star that criticize members of the committee for what they honestly believe from the evidence to be the facts?

Mr. DYER. I have not noticed the cartoons. I do not read or look at them any more than I listen to the venomous talk by Members of the House about the President which is wholly unjustified in every respect.

Mr. FREAR. My purpose to-day is to correct that very inference. It is with the business manager, the president of the company, we are concerned. He is not related to the criticisms, according to his letter. He is, however, the proper official of the company to have charge of its tax matters, and as such I offered the comparisons.

Let me say, as I said before, Mr. Chairman, that I do not enter into any controversy with newspapers. There is not a man on this floor, if he would arise to defend a newspaper, no matter what its attitude may be, but would receive a complimentary notice from the newspaper. You can not have a controversy with a newspaper, nor do we attempt anything of the kind; but when we make fair statements in our report, having no interest in the result, and try to get the facts before the House, showing that $14,000,000 ought to be paid by this city, according to the finding of facts, more than is at present paid by the people of this city, we ought not be condemned, ridiculed, and cartooned for honest opinions based on the best evidence obtainable. I do not speak for myself alone, but more particularly for the chairman of the committee. He is a quiet, modest gentleman, a very able man. I am making this statement for him as well as for the committee, and also wish to enter this letter in the RECORD because Mr. Noyes is fairly entitled to it, and I am glad to put it in. Nor do I connect him in any way with the treatment accorded our committee by the paper of which he is the president.

Mr. SNELL. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman and ladies and gentlemen of the committee, I rise to speak briefly of a matter which affects my county particularly, and affects every principal highway in the great United States. I live in what I believe to be the greatest county in America, although I imagine every man in the room will disagree with me. I live in Westchester County, N. Y., and through that county runs two post roads, the Albany Post Road and the Boston Post Road, taking care of the main traffic through the State to Massachusetts, Connecticut, and the north. The extent of the growth of truck, freight-train, and motor-bus traffic on these highways has been brought to my attention, and the same thing applies to every principal highway generally in the United States. These truck freight trains are a great menace to the comfort, health, and safety of the people, and I would just briefly make a few statements and recommendations showing my investigation as to these motor-truck trains and busses. The effect on highway traffic is—

First. Residential property is being ruined by this traffic.

Second. Public health is seriously menaced by all-night noise and fumes.

Third. Passenger and ordinary automobile traffic are endangered and restricted by the size and speed of motor freight and passenger vehicles.

Fourth. Highways are being used and broken down by heavy freight trucks and passenger busses, without equitable contribution to cost and maintenance of the highways.

Fifth. Bus and freight traffic are constantly increasing and threaten to monopolize the highways.

Sixth. Bus and freight traffic are viciously conducted by reason of the lack of public regulation.

EFFECT ON TRANSPORTATION AND COMMERCE

First. The volume of motor-truck and passenger-bus traffic is rapidly increasing.

Second. The size of both freight and passenger vehicles is constantly increasing.

Third. The use of truck trailers is becoming more prevalent.

Fourth. That the use of such trailers is augmented by car loading and forwarding companies and by other freight carriers acting for them.

Fifth. The "truck and trailer" referred to in third and fourth is, to a large extent, the objectionable traffic.

Sixth. The committee has reason to believe that the motor freight traffic is, to a large extent, interstate traffic.

Seventh. The committee believes that this traffic is forced to the highways and motor trucks by inability of the railroads to reduce their less-than-carload rates to meet the rates of the common-carrier trucking companies, because the railroads are compelled by the interstate commerce act to extend reduced rates made to meet such competition to other territories and other traffic where such competition does not exist.

Eighth. The motor-freight and interstate passenger-bus traffic are largely diverted from the railroads on which such traffic properly belongs.

Ninth. Both the railroads and the motor-freight and bus-passenger carriers are essential to transportation, but are now being operated uneconomically in competition for limited classes of traffic, to the detriment of all concerned.

Tenth. Regulation of the motor carriers will eventually determine economically the kind of transportation which should prevail, and will result in the retirement of either the railroad or the motor carrier from the field in which it can not compete at the rates and furnish the services provided by the more efficient carrier.

RECOMMENDATIONS

First. That the transportation of persons and property for hire by motor vehicles on the public highways be subject to the jurisdiction and regulatory powers of State and Federal commissions.

Second. That the operation of motor vehicles upon the public highways for such transportation be prohibited unless a certificate of public necessity and convenience be obtained.

Third. That operators of motor vehicles for transportation for hire (by common carriers) on public highways be required to operate under public regulations similar to those imposed on railroads, and at least be required—

(a) To give full information concerning ownership, financial condition, equipment, including size, weight, and capacity of each vehicle, and the physical property of the operator.

(b) To designate the routes over which the carrier operates.

(c) To publish tariffs and file a stipulation to observe all rates, schedules, practices, and classifications stated in their published tariffs or prescribed by any commission.

Mr. ANDRESEN. Will the gentleman yield?

Mr. MILLARD. Yes.

Mr. ANDRESEN. Is the gentleman ready to surrender the State rights over bus and truck travel to the Federal Government at the present time, or does he want the State to have something to say?

Mr. MILLARD. I want both the Federal Government and the State to have something to say.

Mr. ANDRESEN. Where would the gentleman draw the line?

Mr. MILLARD. That is difficult to say, and I am not very clear on that point.

Mr. ANDRESEN. Up to the present time the States have had regulation over bus and truck travel.

Mr. MILLARD. Yes.

Mr. ANDRESEN. And to a man who has the State's interest at heart, it would appear that the States should still retain control over bus regulation, except as to some interstate business.

Mr. MILLARD. That is exactly what I mean, surely.

Mr. BURTNESS. Would not the same principle apply with reference to truck and bus regulation as applies with reference to railroads and other carriers, and that is, permit the States to have control over purely intrastate traffic, and yield to the Federal Government the power to regulate the interstate traffic?

Mr. MILLARD. That is very true; but we have Federal aid on State roads, and I think there should be some Federal control.

Mr. KNUTSON. What difference is there between railroads and trucks and busses?

Mr. MILLARD. There is a great deal of difference. One runs on a rail and the others on the highway.

Mr. KNUTSON. I mean in principle.

Mr. MILLARD. Oh; I am not a railroad man.

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

Mr. MICHENER. Mr. Chairman, I yield 30 minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, on the 14th of December the gentleman from South Carolina [Mr. STEVENSON], in discussing the moratorium, undertook to discuss two or three other matters. I was able to tell the gentleman from South Carolina that I expected to say something about what he had to say. However, the RECORD ought to show that he is not now on the floor, and I have not been able to tell him that I was going to speak at this time. If he cares to answer any of the questions I am asking, it should be understood that they are not being asked of him while he is sitting here. He mentioned cotton nightshirts, and he thought that probably we could improve the cotton situation if everybody would wear more cotton.

Then the gentleman said:

> But I say to you that this matter of the appointment of boards is one which is becoming nauseous to the people of the United States, because they see so many people elevated into positions of power and trust who do not carry out their trusts. For instance, take the Federal Farm Board that was created and appointed by the President. I do not say that the law is not all right. I voted for it. But the board that was appointed was a set of incompetents, and I do not hesitate to say so.

Then a paragraph about cotton, and then we find this:

> That is the kind of boards we have got.

As I understand the gentleman from South Carolina, he puts his stamp of approval upon the agricultural marketing act because of the fact that he had voted for it; but having voted for that act and brought it into creation and then having lost control over it as far as he is concerned, he undertakes to brand all of the members of the Farm Board as a group of incompetents and disapproves of the administration of the act.

I have undertaken to get a record of the men that have been appointed to the Farm Board during its existence. I would like to call the attention of the House to the qualifications of some of the men that the gentleman from South Carolina [Mr. STEVENSON] brands as incompetents in the handling of farm problems. For instance, Mr. Teague, who came from California.

CHARLES COLLINS TEAGUE—RESIGNED

Principal business, horticulture; grower of lemons, oranges, and walnuts.

Other business: Cooperative—President California Fruit Growers' Exchange, president Fruit Growers' Supply Co., president California Walnut Growers' Exchange.

Commercial—Vice president First National Security Trust & Savings Bank, Los Angeles, Calif.; president Limoneira Co., Santa Paula, Calif.; president McKevett Corporation, Santa Paula, Calif.; president Teague-McKevett Co., Santa Paula, Calif.; president Farmers' Irrigation Co., Santa Paula, Calif.; president Santa Paula Water Works, Santa Paula, Calif.; president Thermal Belt Water Co., Santa Paula, Calif.; president California Orchard Co., Los Angeles, Calif.; vice president Salinas Land Co., Ventura, Calif.

Public and educational—Honorary degree, University of California; regent, University of California; vice president and director California State Chamber of Commerce; president California Agricultural Legislative Committee; member of Federal Farm Board, July 15, 1929, to March 6, 1931; vice chairman Federal Farm Board March 6 to present.

That is the record of one of the men that the gentleman from South Carolina brands as incompetent.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by setting out the various matters I have touched upon briefly in this statement.

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

There was no objection.

Mr. SIMMONS. One of the outstanding men that President Hoover called to the Farm Board was Alexander Legge. We of Nebraska got considerable credit and satisfaction out of the fact that two members of the Farm Board and the secretary of the Farm Board as originally set up came from our State. Mr. Legge, however, was born in Wisconsin. He started life as a farmer boy. He owns a farm in Nebraska. He came to the service of the Farm Board from the head of the International Harvester Co., a position that could not be filled by an incompetent. He returned to that same position. I would call the attention of the gentleman from South Carolina to the fact that Mr. Legge was vice chairman of the War Industries Board during the World War, and manager of the Allied Purchasing Commission, and again, Mr. Chairman, with the understanding that the gentleman from South Carolina [Mr. STEVENSON] is not here, I would ask the gentleman if he intends now to tell the House that President Wilson and the Democratic Party, who had charge

of administering World War activities, were placing incompetents in charge of those activities during that period?

Mr. Legge served during a trying time with the Farm Board. My judgment is that in his retiring from the board there was much regret on the part of the farmers of the United States, and he left with their complete friendship and respect.

Later on in the remarks of the gentleman from South Carolina [Mr. STEVENSON] he refers to Governor McKelvie, a member of the Farm Board, who began his adult life as a member of the City Council of Lincoln. He was a member of the house of representatives of our State legislature; first, our lieutenant governor, then our governor. He was very active in developing cooperative farm activities in Nebraska and otherwise. He is editor of the Nebraska Farmer. He also is branded as an incompetent by the gentleman from South Carolina.

Then here is Mr. Wilson, who comes to the Farm Board from New York State, where he was professor of the New York State College of Agriculture at Cornell University from 1905 to 1915; State Commissioner of Agriculture for New York and director of New York experiment stations from 1915 to 1920. Member of the New York Fair Commission; president New York Horticultural Society; secretary Western New York Fruit Growers' Packing Association; trustee, Cornell University; and for a number of years a member of the State grange.

He, also, the gentleman from South Carolina brands as an incompetent.

Then, here is Mr. Schilling, a member of the Farm Board from the State of Minnesota; editor, newspaper man, in his early life. His principal business is that of dairy farmer; producer of purebred Holstein cattle for 30 years. He was president of the Minnesota State Dairymen's Association for three years; on the board of the Minnesota Farmers Institutes for three years.

For 11 years he was president of the Twin Cities Milk Producers' Association, doing $8,000,000 worth of business annually. He was a director for five years of the Land O' Lakes Creameries Co., selling 100,000,000 pounds of butter annually. He was a stockholder and officer in the Northfield Cooperative Creamery for 31 years; vice president and director of the Farmers' Elevators, Northfield and Dundas, Minn., for three years. He was president of the Cooperative Livestock Shipping Association, Northfield, Minn., for three years. The gentleman from South Carolina brands Mr. Schilling as an incompetent, while all of this shows that he has been one of the outstanding men in cooperative marketing in the United States.

Mr. KNUTSON. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. KNUTSON. Is it not also a fact that Mr. Schilling, aside from having been a very successful dairyman, has been connected with cooperative organizations which, in the aggregate, did a business of perhaps $50,000,000 or $60,000,000 a year, and that his work in those organizations has been most highly commented upon by all of those who have had occasion to do business with him?

Mr. SIMMONS. It is my understanding that Mr. Schilling has been an outstanding leader in cooperative work during all the time of his adult life.

Mr. KNUTSON. A pioneer.

Mr. SIMMONS. And those who have been associated with him in this work are branded as incompetents along with Mr. Schilling because they have supported him in his work.

Mr. KNUTSON. What kind of a yardstick has been used to measure this board?

Mr. SIMMONS. I am coming to the yardstick that may have been used in arriving at the conclusion that all of these men are incompetents. May I say this: I have waited now for seven days for some man from the farm communities and on the Democratic side of the House to answer the general condemnation that the gentleman from South Carolina has voiced against the Farm Board, but not one of my colleagues on the Democratic side from the great agricultural regions of the country has cared to voice any protest as to what the gentleman from South Carolina said about the members of this board being incompetents.

Now, here is a man who, to my mind, is one of the outstanding men agriculturally in the United States. He is a member of the Federal Farm Board, yet the gentleman from South Carolina brands the entire Farm Board as a group of incompetents. May I now refer to Sam Thompson, a member of the Farm Board since April 30, 1931. He comes from Illinois. He was a member of the Adams County Farm Bureau in 1915. He was a member of its executive committee for eight years, and also served as its president. He was a member of the Illinois State Legislature. He was a charter member of the Illinois Agricultural Association; president of the Broadway National Bank in Quincy, Ill.; president of the Illinois Agricultural Association for two years; and, gentlemen, I ask you to get this: He was president of the American Farm Bureau Federation from 1925 until he became a member of the Farm Board. He is a man who for five years headed the American Farm Bureau Federation, one of the outstanding farm organizations of the United States. He was their leader, their spokesman, and as such he went to the Farm Board. Yet he is branded by our Democratic colleague as an incompetent, and for seven days that charge has stood and not a farm Representative on the Democratic side has challenged the statement that was made. In my judgment, when men like Sam Thompson are charged on the floor of this House as being incompetent, that charge goes to all the farmers who make up that great farm organization, for they have selected him, they have followed him and he is their spokesman.

Then there is Carl Williams, an agricultural journalist, editor of newspapers, secretary of the Scientific Farming Association, of Colorado, interested in farming and irrigation work. He was the organizer of the Oklahoma Cotton Growers' Association; director of the American Cotton Growers' Exchange; ex-president of the Southwest Wheat Growers' Association; ex-president of the American Agricultural Editors' Association; and ex-president of the national council, Farmers' Cooperative Marketing Association, as well as a former member and vice chairman of the United States Board of Mediation. That man is also branded by our Democratic colleague as an incompetent.

Then here is Mr. Stone, engaged in the tobacco-warehouse business in Louisville and Lexington, Ky., from 1899 to 1921; founder of the Burley Tobacco Growers' Cooperative Association in 1921, later becoming its president and general manager; director of the Fayette National Bank, Kentucky Joint-Stock Land Bank, Lexington, Ky., and chairman and tobacco representative of the Federal Farm Board from July 15, 1929, down to the present date, and present chairman of the board.

Here is Mr. Denman, who came to the board as a farmer from Missouri. He was a director of organization, Missouri Farm Bureau Federation, during 1921; president and director of the Producers' Livestock Commission Association, National Stockyards, Ill., January, 1922, to July, 1929; and president and director of the National Livestock Producers' Association, from January, 1925, to July, 1929. Yet that man, the representative of the cattle interests of the country, is branded by our colleague from South Carolina as an incompetent, and those charges, I take it, he applies to those who have supported this man and his work for the livestock interests.

Then here is Mr. Evans, who comes also from the ranks, beginning his official life as a county attorney in 1904, a State senator in 1915; a practicing lawyer for 29 years; secretary of the American Farm Bureau Federation in 1924; general counsel of the American Farm Bureau Federation in 1926; legal adviser for 10 years to cooperative associations handling poultry, dairy products, fruits and vegetables, and livestock.

There again a charge of incompetency is directed to a man who has been the legal adviser of the American Farm Bureau Federation and others for a number of years.

Now, the question has been asked, by what yardstick the gentleman from South Carolina judges as to who is competent and who is incompetent? I think possibly the answer can be found in a statement that I now have.

In view of the fact that he picked out the State of Nebraska, I have undertaken to find out just how much money has been loaned to the State of Nebraska by the Federal Farm Board and also to the State of South Carolina. I am proud to state to the membership of the House that the Farm Board had loaned to cooperative organizations in my State $1,089,115.19, and that my farmers have paid back to the Farm Board $634,004.12 of the money that has been loaned, or approximately 60 per cent of the money that has been advanced by the Farm Board to the cooperatives of my State has been paid back by these cooperatives to the Farm Board. This is the yardstick, if you want to know, as to what our farmers are doing with respect to these things.

So far as South Carolina is concerned, I find that the Federal Farm Board has loaned to the South Carolina Cotton Growers Cooperative Association of Columbia, S. C., $3,797,735.30; the South Carolina Packing Corporation, a cooperative of Fairfax, S. C., $67,470.41; the South Carolina Tobacco Marketing Association of Florence, S. C., $1,949,572.78, or a total loaned to the cooperatives of the State of South Carolina of $5,814,778.49.

I now suggest this question to the gentleman from South Carolina and the gentleman from Minnesota, who asked me by what yardstick the gentleman from South Carolina judges the Farm Board. Does his evidence of incompetency consist in the fact that the Farm Board has had confidence enough in the cooperative marketing organizations of the State of South Carolina to advance them almost $6,000,000? Is the fact that these loans have been made by the Farm Board to the farmers of South Carolina the basis of the charge of incompetency that the gentleman from South Carolina hurls at the Farm Board?

Now, if the evidence of incompetency on the part of the Farm Board, charged by the gentleman from South Carolina, is not in the fact that they have loaned the farmers of South Carolina almost $6,000,000—and I take it, it is not—possibly it is in this fact. The South Carolina Cotton Growers Cooperative Association received $3,797,735.39 in advances from the Farm Board, and they have not paid back one cent of it. Possibly the incompetency that the gentleman from South Carolina charges is in the fact that the Farm Board has not seen fit to compel the farmers of South Carolina to pay back any of these loans.

If the incompetency is not in making the loan, possibly the incompetency is in the fact they have not seen fit to collect the loan, and I say this: As between the farmers of South Carolina and the farmers of Nebraska, my people have paid back 60 per cent of that which has been loaned, and here is one great cooperative from the gentleman's State of South Carolina that has not paid back one cent, yet the men who made the advances are charged with being incompetents by the gentleman, and, possibly that transaction proves it, although I do not for one minute think so.

Mr. LANKFORD of Georgia. Will the gentleman yield right there?

Mr. SIMMONS. I yield.

Mr. LANKFORD of Georgia. I do not care to enter into a controversy as to the qualifications of the members of the Farm Board or other officials connected with it, but I would like the gentleman to tell me whether or not he thinks the present Farm Board act should be kept in force or repealed, if he does not mind going into that question at this time.

Mr. SIMMONS. I am very pleased to tell the gentleman that I think the Federal Farm Board act should not be repealed.

Mr. LANKFORD of Georgia. Does the gentleman think it should be amended?

Mr. SIMMONS. If we can strengthen it, yes; but, so far as the cooperative marketing activities of the Federal Farm Board are concerned, I think the record shows they have been a distinct benefit to the American farmer, and the fact that all the national farm organizations have taken the same position is fairly good evidence of that.

Mr. LANKFORD of Georgia. I agree with the gentleman that the present Farm Board act should not be repealed, but I am very anxious to find out, if the gentleman has time now, what amendments he thinks should be made to the act in order to perfect it.

Mr. SIMMONS. I am not discussing the Farm Board act generally now. I am discussing these charges which were hurled at these men.

Mr. KNUTSON. Is it a political question?

Mr. LANKFORD of Georgia. No.

Mr. SIMMONS. I waited a week for some of you men who believe in this act, on your side of the House, to see fit to answer these charges.

Mr. LANKFORD of Georgia. If the gentleman will permit——

Mr. SIMMONS. Mr. Chairman, I do not yield further.

The gentleman from South Carolina further said:

> Again, take the wheat business. When McKelvie, from Nebraska, who had never grown a bushel of wheat, who was one of these newspaper wheat editors, was appointed he put all the money, or a great deal of it, into cooperatives with which he was connected. They rigged up a lot of cooperatives to compete with the farmers' cooperatives, and instead of producer-owned cooperatives handling the wheat situation the newspaper farmers with their cooperatives handled it, and the thing has been a complete debacle.
>
> The other day my friend, Mr. STRONG of Kansas, talked about the tariff on wheat and the tariff we must have on it. Why, gentlemen, as a matter of fact, under the administration of this beneficent Farm Board wheat is sold for less than the tariff on it.

That is the end of the quotations that I care to comment upon. I telegraphed that statement to Governor McKelvie, and I am going to read to you a part of his answer. If there is one place where men ought to be careful of their statements and facts, it is in debates on the floor of the House. Here is what Governor McKelvie said, leaving out several immaterial parts of his telegram:

> We have produced wheat on our Nebraska farms for 50 years, and now have 1,000 bushels of wheat in the bin on one of our farms near Lincoln. I never have had any official connection with any cooperative, but have had membership in one, and for more than 20 years have consistently supported cooperative marketing through the columns of the Nebraska Farmer. The Farmers' National Grain Corporation, which the Federal Farm Board assisted in organizing, is a national cooperative grain marketing association wholly and solely owned by 25 State and regional cooperative grain marketing associations composed of grain producers. Its board of directors is composed solely of accredited representatives of producer owned and producer controlled organizations, the entire membership in which is producers of grain. The Farmers National Grain Corporation was organized voluntarily by farmer-owned cooperatives that existed when the marketing act was passed, and all such organizations were admitted to membership in it. These organizations wrote and adopted their own articles and by-laws, with the Federal Farm Board acting only in an advisory capacity. Membership in the Farmers' National enables grain growers in all parts of the United States to take unprejudiced advantage of its facilities. It is by far the largest grain concern in the United States, having purchased and handled in the two years of its existence more than 390,000,000 bushels of grain. Handling costs have been less than 1 cent per bushel, including a total cost for salaries and wages in all departments and branches of not to exceed one-fifth of 1 cent on all bushels bought, handled, and/or sold. Net earning of the corporation after setting aside necessary reserves represent a gain to organized grain producers of 2.3 cents per bushel, not including important benefits derived to all growers in narrowed margins and reduced discounts in the purchase of grain at both country and terminal points throughout the entire country. Loans to the cooperative of which I was a member before I became a member of the Federal Farm Board were made on grain in bonded warehouses and were repaid more than a year ago.
>
> SAM R. MCKELVIE.

Mr. Chairman, at this point I ask unanimous consent to extend as a part of my remarks—and not take the time of the committee to read them—certain excerpts from three radio addresses by Mr. C. B. Steward, secretary of the Nebraska Farm Bureau Federation, and directly connected with the grain cooperative organizations in my State, operating under the marketing act, discussing the activities of the grain cooperatives under the Farm Board act in Nebraska.

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

There was no objection.

The matter referred to is as follows:

It has been plainly evident to the leaders in this cooperative movement that the producer had not yet fully reaped the advantages of cooperative marketing through localized regional associations. Just as the local farmers' cooperative association was only the beginning of the necessary steps by which the farmer was to control the marketing of the grain he produces, the regional was the next step in this development. But there was no coordination between the different regionals. The cooperative producer of grain was still a long ways from intelligent control of the distribution of his product. The various cooperatives were competing against each other for the favor of the buyers. Naturally, the buyers took advantage of the situation. In some instances the cooperatives formed upon the primary markets were only commission houses and these commission houses naturally had to turn the grain over when it reached them to private dealers who owned and controlled the terminal facilities so that the producer had no interest in the profits made in the course of processing and handling charges through the terminal elevators of the principal markets.

Upon the passage of the Federal farm marketing act and the creation of the Federal Farm Board the opportunity for the next step, that of the coordination of terminal facilities into a national set-up, was made possible. Very few people seem to realize that the major purpose of the Federal farm marketing act was to make it possible for the producer of agricultural products to organize and develop his own marketing machinery under the provisions of the cooperative law and that the principal function of the Farm Board is to carry out these provisions.

Accordingly Chairman Legge of the Federal Farm Board issued an invitation to the leaders of the various cooperative agencies of a State or regional nature to meet in Chicago for the purpose of developing a national marketing agency through which the marketing and distribution of the grain of the cooperative farmers might be efficiently carried on. These cooperative leaders met, and as a result of their work the Farmers National Grain Corporation became an established fact on October 29, 1929, and for the first time a nation-wide system through which the cooperative grain-handling agencies of this country could market its product was offered to the cooperative producer. Twenty-seven regional cooperative organizations own the stock of the Farmers National Grain Corporation. These regional cooperatives are made up of the local cooperative associations. The board of directors of the Farmers National Grain Corporation is elected by its stockholding members.

In order that the grain of the thousands of farmers who belong to the cooperatives may be merchandized in the best market possible the Farmers National has established branch agencies as active marketing units with modern facilities and experienced managers and salesmen upon all primary markets.

In addition to these the Farmers National has its special representatives at important exporting points, such as New York, Philadelphia, Norfolk, New Orleans, and Galveston. Through these sales agencies contacts are maintained with buyers in every leading grain-importing country of the world as well as the buyers of domestic grain in the United States. In order that the producer of grain might benefit to the fullest extent in this cooperative program it became necessary to secure control of the required physical machinery at the various terminal markets, and the Farmers National Grain Corporation now controls almost 57,000,000 bushels of terminal and subterminal elevator space either by direct ownership or by lease.

The enemies of cooperative marketing like to refer to this organization as another load upon the farmer's back. They must think farmers are very "dumb" not to know that the profits from the sale of their grain when handled by the private dealer always have carried this load, but the difference between the Farmers National and that of the private dealer is that the private dealer operates his grain business for profits for himself, and in order to do so endeavors to buy the producers' grain as cheaply as possible and sell it to the consumer as high as possible, while the Farmers National is owned, operated, and managed by producers and seeks to secure for the producer the highest possible price for his grain consistent with sound business practices.

The thing the farmer should remember is that in the acquiring of facilities which enables the Farmers National to operate its cooperative business and in the expense of merchandising through the employment of these experienced grain salesmen that this is all done from the earnings of the grain which the farmer never did receive. He receives the market price at his local point of delivery, and every other step in this national cooperative movement is being paid for from earnings and profits derived after it leaves the local point and without any direct expense to the farmer which he did not have to bear under the private system of operation.

The Farmers' National limits the dividend to 6 per cent upon its capital stock and all additional profits after the setting up of reasonable reserves are distributed back to the regional members in the form of patronage dividends. This cooperative movement organized by the cooperative grain producers with the help and advice of the Farm Board through the provisions of the Federal farm marketing act has brought to the producer of grain many advantages.

First. It has resulted in a more direct movement of the grain from the local point to the ultimate consumer.

Second. It has eliminated many duplications of service between the local producer and the final consumer or processor.

Third. It has reduced the handling costs and margins that must come out of the price paid to the producer.

Fourth. It has provided a sound financial basis for the cooperative handling of grain.

Fifth. With increasing control of volume it will minimize the disastrous effect of market gluts or seasonal congestions, thus insuring a more stabilized market level.

All of these advantages are reflected back in the form of a direct financial reward to the cooperative producer of grain.

In spite of the fact that the Farmers National had to set up its organization and acquire control of the necessary marketing machinery in order that it could function it has in the two years of its existence become the largest single handler of cash grain in the United States. It is paying back to the Federal Farm Board out of the earnings of its operation the money advanced by the board for the preliminary establishment of the corporation. It is using so far as available existing local sources of credit in the handling of its grain business and in a comparatively short time will have repaid all of its obligations under the Federal farm marketing act and will be financially independent in its marketing operations. But this would never have been possible had the way not been prepared first by the Capper-Volstead Cooperative Marketing Act of 1922, followed later by the Federal farm marketing act.

Any legitimate movement that will increase the income of the farmers of this State of Nebraska should receive the hearty support of all citizens of the State.

Twenty-five years ago the grain producers of Nebraska became dissatisfied with the grain-marketing machinery of the State. They felt that unfair practices existed in the matter of discounts and premiums and margins demanded by those who were engaged in the business of marketing their products. Naturally, their first point of contact with the marketing machinery for their grain was the local elevator. And so the farmers decided to secure control of their own local elevators through the organization of cooperative associations. Needless to say this movement met with the bitter opposition of private dealers, who saw in it a serious menace to the profits which they had been accustomed to enjoy. The private grain dealers of Nebraska, organized as the Nebraska Grain Dealers' Association, resorted to price fixing, boycotts, and every conceivable unfair method to stifle the development of these farmer elevators. The movement was sound and founded upon just principles, and in spite of the methods used to discredit the cooperative movement, the business gained support, and by 1926 we had approximately 400 of these farmer-owned elevators in Nebraska. Almost every grain-receiving station felt the influence of these farmer elevators. They brought within reasonable bounds the margins taken for the operation of the elevators and paid back profits based upon the volume delivered by the producer. An investment of $8,000,000 of farmers' money is represented in these cooperative elevators. The grain corporations that had been operating country-line houses as well as terminal elevators were forced to recognize the farmers' elevator movement, and in many instances disposed of their country elevators, recognizing the fact that if the farmer would originate the grain and private interests could handle it upon the terminal markets they would still control the business.

Leaders of cooperative marketing of grain made several efforts to organize cooperative terminal associations, but due to the lack of finances and the disorganized condition of farmers, these efforts proved fruitless. They were opposed in every instance by grain dealers' organizations who had unlimited funds and opportunity for publicity at their command. Being well organized they kept the farmers confused as to the purposes and objects of cooperative marketing in the terminal markets, and so were able to maintain their business. Then came the post-war depression and the serious situation in which agriculture was placed in its economic relationship with other business. After years of agitation the Federal farm marketing act was passed and the local cooperative movement was given an opportunity to expand through the organization of terminal agencies upon the primary markets.

The Federal farm marketing act created the Federal Farm Board and charged them with the duty of assisting farmers to organize their local associations through regional and national cooperative organizations for the handling of the commodities of their members. At a meeting attended by the representatives of these cooperatives proposed articles of incorporation and by-laws for the development of the organization now known as the Farmers West-central Grain Co. The stockholders of this terminal cooperative consist of farmers' elevators, and local cooperative marketing associations with a few individual grain growers who do not have the facilities of a cooperative organization. The business of the corporation is governed by a board of directors selected by districts. The districts were created in such a way as to give as nearly as possible equal representation based upon the amount of grain marketed from each district. The stockholding cooperatives of each district meet annually at some point within their district and select three members of the organization. Thus the control of the organization is brought as closely as possible to the local cooperatives who are owned by the individual farmers.

The board proceeded to establish an office in Omaha for the handling of their members' grain. Membership was purchased on the Omaha Grain Exchange and a competent grain man was

employed as manager. The company operates just as any other grain company as a member of the Omaha Grain Exchange. In accordance with the plan as outlined by the Farmers Cooperative Association, the Farmers Westcentral became a stockholding member of the Farmers National Grain Corporation. The Farmers National Grain Corporation is owned by the regional cooperatives operating upon the different grain markets of the country. Its function is to centralize the control of the marketing of the grain of our cooperative members.

In the first year of its operation the Farmers Westcentral Grain Co. became one of the largest handlers of cash grain on the Omaha market and earned substantial dividends for its cooperative members. It handled approximately 8,000,000 bushels of its members' grain and brought to the cooperative elevator movement the realization of the fact that the local elevator is but the first step in cooperative marketing of grain. Through this organization the member of a local cooperative elevator retains his interest in the grain until it is finally sold by his national organization to the exporter or the domestic mill buyer. The cooperative farmer is becoming the owner of the terminal facilities necessary to effectively merchandise his grain, and he is securing the ownership through the earnings on his grain which he never did receive before.

The grain terminal elevators so necessary in the conduct of the grain business have been built out of the earnings of the farmers' grain but he never before had the opportunity of owning them after they had been built. The agitation that is emanating from the organized dealers in agricultural products against the cooperative movement finds its expression in opposition to the Federal farm marketing act. Naturally the business conducted by the Farmers Westcentral and the Farmers National Grain Corporation represents a loss of business to private dealers in grain and if we have found a method of marketing which will return more of the consumer's dollar to the man who produces the grain, that method will prevail as it has in every other line of business.

The Farmers Westcentral Grain Co. is not using Government funds in the conduct of its business. It differs from other private-owned grain companies only in the fact that its stockholders are the producers of the grain which it sells and that the profits derived from such operation revert back in the form of patronage dividends to the men who produce the grain.

Every dollar of the capital stock of the farmers' elevators of the Farmers Westcentral Grain Co. and the Farmers National Grain Corporation has been furnished by the farmers who have produced the grain.

The Farmers Westcentral Grain Co. and also the Farmers National Grain Coroporation, developed by the cooperative farmers themselves, were made possible by the assistance that the Farm Board was able to give the cooperative movement through the enactment of the Federal farm marketing act.

This morning I wish to discuss with you some of the other activities of the board which were authorized by the Federal farm marketing act and which were conducted at the request of the advisory committee for wheat which was organized under the provisions of the act and which requested action upon the part of the board because of the very grave emergency which confronted our market.

The Federal farm marketing act provides for the creation of a stabilization corporation for any commodity upon the recommendation of the advisory committee for that commodity if the board finds that the marketing situation with respect to the commodity requires such action in order to carry out the policy laid down in the Federal farm marketing act for the control of surpluses and to minimize speculation.

Because of the fact that the principal activity of the Federal Farm Board is to aid the farmers in the establishment of their own cooperative organizations for the efficient handling of their products, the enemies of cooperative marketing have assailed the Farm Board and sought to convince the farmer that the low prices prevailing in the market for his products are due to the activities of the board.

The Federal Farm Board was the only agency that was in a position to assist agriculture by stepping in and through its stabilization activity prevent a complete collapse of the wheat market, and it did that very thing. As a result of that operation the cooperative farmer members of the Farmers Westcentral Grain Co. delivered wheat to the extent of something over a million bushels at a price averaging 12 cents per bushel above the market, and the farmers of Nebraska received $143,000 more money for the grain delivered during that period than they would have received. Not only did the farmer benefit by this additional $143,000 but indirectly every business interest and bank in the State was benefited.

Again in the fall of 1930 another serious emergency arose. A panic in world markets resulted in a break of 6 cents per bushel in one day on wheat. But in that emergency the general manager of the Stabilization Corporation stepped into the Chicago wheat pit and took all grain offered at 81 cents per bushel for May delivery and thus prevented what promised to be a disastrous panic, which threatened the wheat producers of this country. Here again the Farm Board was adopting a policy that not only benefited agriculture but every other business interest. The break in the wheat market was largely due to the distressed selling by Russia of unexpected quantities of wheat in the world market with prices dropping sharply every day. The threatened break in price of our farm products seriously threatened the banking situation throughout the country. In one day 62 banks closed in a single Southwestern State. Banks in the Middle West had loaned money on nearly 50,000,000 bushels of wheat, which would have been forced upon the market at demoralized prices had not the Farm Board through the Stabilization Corporation prevented a complete collapse of Chicago prices in sympathy with the world market.

The situation was one that threatened the entire financial structure of our great wheat-growing section. Our wheat prices normally are slightly below Liverpool prices, and within a few days after the Stabilization Corporation entered the market upon the instructions of the Farm Board to buy whatever quantity of wheat was necessary to prevent prices going any lower for the remainder of the 1930 crop marketing year, the Liverpool price had dropped far below the American level.

I have endeavored to arrive at the value to the Nebraska farmers of this stabilization operation. I have a record of every carload of wheat loaded in the State of Nebraska during that period. I find that because of the action of the Farm Board in successfully preventing a break in the price of the 1930 crop of wheat through its stabilization operation that the farmers of Nebraska received $4,230,000 more for the wheat which they sold during that period than they would have received had they been forced to sell it upon a market controlled by the world price. Don't you think this four and one-quarter million dollars was of some benefit to other business interests of Nebraska? It increased the ability of the farmer by four and one-quarter millions of dollars to meet his obligations.

In view of the fact that those who have opposed cooperative marketing by their assaults upon the Farm Board have sought to convince the farmer that wheat would have sold higher if it were not for the Farm Board, let us analyze the price trend of some other important commodities with which the board had nothing to do. For example, when wheat sold in Chicago for 90 cents per bushel, crude oil was selling for $1.82 per barrel; copper, 17½ cents per pound. While wheat was dropping 50 per cent in price, crude oil dropped to 10 cents per barrel and copper ranged down from 5 cents to 7 cents per pound, and yet copper and oil represent two of our most highly organized and highly capitalized industries for amounts so large that the imagination can hardly grasp them.

Remember that oil has proration and other limitations of production because its production can be largely controlled by men independent of nature. The oil industry, with a working capital of two or three times larger than the total funds of the Farm Board, saw its commodity price drop from $1.82 per barrel down to 10 cents per barrel. The Farm Board, with a fund never over $500,000,000 to be distributed among some $12,000,000,000 worth of agricultural products, seemed to have done a much better job in its field than the management of the highly organized oil and copper industries.

Nebraska farmers should recognize the facts that have led to the low prices of our agricultural products and not be misled by the ruthless and unfair attacks made on the Farm Board. These critics of the Farm Board have never told the farmer that while American wheat was selling in Chicago at 49 cents per bushel, the Australian wheat farmer was delivering his wheat to China, freight and insurance paid, for 35 cents per bushel. They have failed to point out to the American farmer that since the creation of the Farm Board for the first time in the history of the grain trade Chicago grain prices ruled higher than Liverpool, Winnipeg, or Buenos Aires prices.

Agriculture, as well as all other business interests in this country, is faced with a condition that tests the courage and faith of farmers and the business men of America. All of us earnestly desire the return of normal economic conditions to the world and we are praying for the return of national prosperity. We, each of us, have a part to play in bringing about this return. We have vast national resources; we have the brain power to utilize these resources; we have the willing and capable labor necessary. No place are these three factors in more evidence than on the American farm. But the American farmer must have adequate organization for marketing his products that he may avail himself of the methods which have made possible our other large and successful industries. Cooperative marketing seems to be the only available remedy for the ills of the distribution situation which are affecting the farmer. By the passage of the marketing act, the Government has placed its stamp of approval upon cooperative marketing, and the Farm Board is earnestly, tirelessly, and faithfully devoting itself to the accomplishment of this purpose.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. OLIVER of Alabama. I think it hardly fair to either side of the aisle to assume that a member who makes a speech on his own initiative speaks for any large group of the Members of the House, and especially is this true when a speech is made in reference to a matter not then pending before the House and where the party speaking makes no claim of authority to speak for others. I wish to say, speaking for myself, that I think the Farm Board has rendered a distinct service to a large number of the cotton growers in the South. In my judgment they have rendered a service in holding off the market the cotton on which the cooperatives

borrowed money, and without the financial aid extended to these cooperatives by the board this cotton could not have been held for more orderly marketing.

Mr. SIMMONS. I think the gentleman's statement is a correct one of principle. I don't undertake to charge a party with responsibility for what an individual member said, but under these circumstances, when a charge of this kind is made, directed at the membership of a Government agency and stands unrefuted, as it has for seven days, by any member of the gentleman's party, then I rather think that possibly the inference can be drawn that it has the approval of his side. I am glad to have it disclaimed as a party statement, in so far as the gentleman from Alabama has a right to disclaim it.

I refer now to the charge made by the gentleman from South Carolina that under the administration of the Farm Board wheat has been sold for less than the tariff upon it. The intent of that statement is that the Farm Board is responsible for the present low prices of wheat.

The figures I now want to leave with the House have been prepared by the Department of Agriculture. They are largely in detail. I asked for a statement of the wheat prices in Chicago, Winnipeg, and Liverpool before, during, and after the wheat stabilization activities of the Farm Board and the Grain Stabilization Corporation. I shall not take the time of the committee to read those statements in detail, if I may have unanimous consent to extend in my remarks this statement from the Department of Agriculture setting out the figures on which their conclusions are based.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to insert the data mentioned. Is there objection?

There was no objection.

The statement is as follows:

WHEAT PRICES BEFORE, DURING, AND AFTER STABILIZATION OPERATIONS, UNDER AUTHORITY OF THE AGRICULTURAL MARKETING ACT, WITH COMPARISON OF LIVERPOOL, WINNIPEG, AND CHICAGO PRICES

In order to afford a better means of comparison the prices used in this statement are based on quotations for futures rather than on actual sales of cash wheat, in that cash prices, especially at Liverpool, vary widely, depending upon the quality and source of the wheat available at various times.

EMERGENCY STABILIZATION

While minor stabilization activities were operative at various times the major grain stabilization operations under authority of the agricultural marketing act extended from the middle of November, 1930, to the end of May, 1931—a period of approximately seven months. Prices during the first few days of this period advanced 7¾ cents at Chicago, with prices at Liverpool and Winnipeg following to approximately the same degree. During the month of December, 1930, prices at Chicago showed a further slight advance while the price at Liverpool from the latter part of November to the end of December declined nearly 18 cents per bushel and at Winnipeg nearly 16 cents per bushel. From January 1, 1931, to the end of May, 1931, the price of the May wheat future at Chicago was stabilized, with minor fluctuations, at an average closing price of 83½ cents per bushel, or 20⅛ cents over Liverpool May and 23⅞ cents over Winnipeg May. During this same period the average closing price of the Liverpool May wheat future was 63⅜ cents, and of the Winnipeg May future 59⅝ cents.

While the support given to the market by the Farm Board through the Grain Stabilization Corporation resulted in the average price of the Chicago May wheat future being maintained at an average of 20⅛ cents above the price of the corresponding future at Liverpool, the factor of transportation costs must be taken into consideration to show the full effect of stabilization operations. On the basis of the then prevailing rail and ocean freights and other costs the price of the Chicago future, under normal conditions favorable for exportation, would have been about 15 cents per bushel below Liverpool, whereas it was 20 cents over Liverpool. Giving proper consideration to these transportation costs, stabilization operations during this period of five months maintained the Chicago price at an average of 35 cents per bushel above a world parity. It is equally fair to assume, with the large world surplus of wheat, that wheat prices throughout the world would have been at even lower levels, if the enormous surplus of the United States, in the absence of stabilization, would have been pressed for sale on the world markets in active competition with the large surplus from other exporting countries.

Based on a 5-year average our farmers for the five months from January to May marketed around 125,000,000 bushels of wheat, with the Chicago price maintained at 35 cents above a world parity, the extra price received by our farmers on the wheat market during that period resulted in extra returns aggregating $43,000,000. Adding thereto the higher price received on the marketings from the middle of November, when active stabilization operations were begun, until the end of December, would increase the foregoing amount by 12 or 15 million dollars, making a conservative aggregate of $55,000,000.

PERIOD FROM JUNE 1, 1929, TO NOVEMBER 15, 1930

Early in 1929 it became evident that some form of agricultural-relief legislation would be enacted. This was immediately reflected in the narrowing of the spread in wheat prices between Chicago and Liverpool. The influence of the agricultural marketing act of June 15, 1929, in maintaining Chicago prices above a world parity was an important factor even before the major emergency stabilization operations were begun in November, 1930. For the period of 18½ months, from June 1, 1929, to November 15, 1930, the average spread in price, based on monthly averages of futures prices, between Chicago and Liverpool was only 7⅝ cents per bushel, making the Chicago price more than an average of 7 cents above a world parity. The average spread between Chicago and Liverpool futures for three years, 1926 to 1928, inclusive was 16⅜ cents per bushel.

PERIOD FROM JUNE 1, 1930, TO NOVEMBER 20, 1931

Following the discontinuance of active stabilization operations, but subject to the influence of the agricultural marketing act, Chicago prices have continued above a world parity. A comparison of average monthly futures prices shows the average Liverpool price at 61½ cents against 54⅞ cents at Chicago, an average spread of only 6⅝ cents, whereas the spread should be approximately 15 cents for an active export business.

While wheat prices declined irregularly for a period of more than two years, the price of futures at Chicago during the entire period, with the possible exception of a few days during July, 1930, were above a world parity. Roughly speaking, about 7 cents per bushel for 18 months prior to the active emergency stabilization operations begun the latter part of 1930, an average of about 35 cents per bushel from January to May, 1931, and an average of approximately 8 cents per bushel from June 1, to November 20, 1931. For the entire period of two and one-half years since June 1, 1929, Chicago wheat futures prices have averaged around 3 cents per bushel below the price of wheat futures at Liverpool, whereas during the three years 1926 to 1928, inclusive, Chicago wheat futures averaged 16⅜ cents per bushel below Liverpool futures.

The record is clear that not only has the Farm Board not contributed to the reduced price of wheat but the fact that the agricultural marketing act was contemplated, the fact that it was passed and put into operation and is still in existence, has materially benefited the wheat farmers of the United States. [Applause.]

Mr. STEVENSON. Mr. Chairman, I desire to state that I have not heard all of the speech of the gentleman from Nebraska, but I shall have something to say about it to-morrow morning.

Mr. BANKHEAD. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, ladies, and gentlemen, I shall not take five minutes, but at another time I hope to take a much longer time.

For 12 months past I have devoted my time to the study of the unemployment conditions in this country. I believe that at the present time there are available sufficient knowledge and sufficient data to enable a student, with the time at his command, to arrive at a reasonable opinion as to the basic causes of our present depression, and past depressions as well. And also to suggest, not only a temporary but a permanent cure, and a permanent prevention against the repetition of the depression that we are suffering at the present moment.

I do not pretend to know more than other Members here, but there is a mountain of information available in relation to panics, the depressions which follow them, the resultant unemployment, all leading inevitably toward the underlying causes of panics and depressions.

When I came to Congress and associated intimately with you gentlemen and with Members of the Senate, among whom are personal and intimate friends, I find there is a very great difference of opinion as to the cause of this difficulty. Not only that, but I find that no man, so far as I know, has set forth what is required to relieve the present situation and to prevent its recurrence hereafter.

I made up my mind that there is a great deal of information that ought to be gathered and that can be gathered in only one way, and that is by an investigation by a congressional committee. I have listened to speeches here for the past three weeks, and I am convinced that there is only one thing that ought to be done, and that is to carry on such an investigation.

We ought to have an investigation participated in by the Senate, because the Senate is as greatly in need of it as we are. That investigation will show conclusively the reasons why this depression exists.

It is for that reason that on the first day of this session I introduced into this House a resolution on this subject. After listening to a great many speeches and opinions, I have redrafted it and put it into this form. I will read it, for I understand if it is not read it will not go into the RECORD.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the gentleman may insert the matter referred to.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. I saw by the paper this morning that my good friend, Senator WALSH of Montana, was going to introduce a similar resolution in the Senate. I conferred with him, and we agreed that this identical concurrent resolution should be introduced by Mr. WALSH in the Senate and by me in the House.

We ask that a joint committee on the part of the House and on the part of the Senate, consisting of five Members appointed by the Vice President and five Members by the Speaker of the House, be appointed to investigate this subject.

I am calling attention to it at the present time because of its tremendous importance.

If we can get at the cause of this depression, we will understand what caused other depressions largely, although there is one important element that affects us at the present time that has not affected us heretofore. If we can arrive at a common knowledge and get an agreement as to the cause or causes of depressions, then we can prevent depressions, and we can not do it otherwise. If this House has full information before it, information carrying common conviction with it, we can get action here, because there is no question of the unanimity of opinion of the necessity for action and the willingness on the part of every man and woman in this body to carry out such remedies as that conviction shows to be necessary. Therefore, to my mind it is absolutely necessary that we shall carry on a thorough investigation enabling us to arrive at a definite conclusion, such conclusion as will itself suggest the remedies necessary. There is no mystery about panics. It is purely a question of getting the information in hand and looking the facts fairly in the face and of seeing who is profiting by panics and who is suffering by them, and of applying the remedy fearlessly and broadly down to the very fundamentals.

At another time I hope that this body may have time and that I may be given the opportunity to lay before you very specifically a broadgage plan for taking us out of our present depression and forever preventing depressions hereafter, and I believe that can be done. I thank you.

[Here the gavel fell.]

The matter above referred to is as follows:

House resolution authorizing the appointment of a special committee to investigate and report on the existing economic depression and remedies for relief therefrom.

Resolved by the House of Representatives, That the Speaker of the House of Representatives be, and he is hereby, directed and empowered to appoint a committee of five Representatives in Congress, which committee shall be charged with the duty to ascertain and report—

(1) Upon the causes of the existing economic depression.

(2) Upon such measures as should be adopted by Congress for relief from the existing economic depression.

(3) Upon such measures as should be adopted by Congress to prevent the recurrence in future of similar economic depressions.

House Concurrent Resolution

Resolved by the House of Representatives (the Senate concurring), Whereas the country is suffering from the most profound industrial depression in its history, entailing enormous losses and widespread unemployment; and

Whereas many different causes have been assigned by economists, financiers, and other students of business and public affairs for the condition to which reference has been made; and

Whereas the condition referred to became generally evident after and was greatly intensified by the debacle on the New York Stock Exchange in the month of October, 1929; and

Whereas the sudden collapse of prices of securities dealt in on the said exchange was preceded by an extraordinary inflation in the prices of such securities and of loans through which transactions therein were effected, was accompanied by a tremendous contraction in bank credits and was followed by a rapid and continuing fall in the prices of commodities generally and particularly of agricultural products; and

Whereas measures to avert the recurrence of similar catastrophes and to alleviate the disastrous results of the existing crisis can be predicated only upon an accurate knowledge and appreciation of the causes giving rise to the same: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That a joint committee, consisting of five Members of the House of Representatives and of five Members of the Senate be appointed, the House membership by the Speaker thereof, and the Senate Members by the Vice President, and that the said committee be, and it hereby is, authorized to inquire into the causes of the depression so existing, and particularly the relation of the collapse of prices of securities dealt in on the said stock exchange, to hear and take testimony concerning the means that should be employed and the legislation that should be enacted either to prevent a recurrence of such periods of depression or to lessen or reduce the malign effects thereof.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper, and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents, and to employ stenographers, at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of the committee, which shall not exceed $20,000, shall be paid, the one half from the contingent fund of the House of Representatives, and one half from the contingent fund of the Senate, upon vouchers approved by the chairman of the committee.

Mr. PURNELL. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and members of the committee, I do not know whether I can answer the questions of the gentleman who has just spoken as to the causes of the depression in this country. But I do not consider that it is quite as difficult as most people believe it is. I do not think it is so mysterious or anything that is beyond our own comprehension. If you ask our friends, the international bankers, they will say: "Yes; it is very mysterious. It is very delicate. We do not know just what it is all about. It is something new to us. It has to do with foreign affairs. We know only one thing about it, and that is that we are blameless."

My friends, there is nothing new in this depression at all when you get down to the fundamentals. I favor the resolution urged by the gentleman from Illinois [Mr. KELLER], but it does not go far enough. We should very properly create a joint committee of the House and Senate to investigate the causes of this depression and report back with constructive recommendations, if possible, establishing some kind of coordinated economic planning or reasonable equilibrium between supply and demand and an improved system of distribution of necessities of life. There is no reason why we should not strive for better economic stability for the future by investigation of the causes of the depression. The existing depression is exactly the same as all of the other panics and depressions we have had in this country for a hundred years past, but accentuated because of our industrial and machine age. It is because the American people went money mad; because, led on by the big bankers, they gambled and speculated and went on an orgy of extravagance. The big banks instead of remaining within their own proper functions of the banking business went into the security business and promoted mass securities, stocks and bonds, and sold them to widows and orphans and to everyone else, and, unfortunately, to some of the intelligent ladies and gentlemen of this House. The American people bought those stocks and bonds and generally assumed they were practically guaranteed by those big banks and the good names of those banks, who should not have had anything to do with the security business.

That is what caused more factories and mass overproduction. Every factory overproduced, until naturally we had an enormous inflation in 1929, which was bound to collapse sooner or later, and when it did collapse the pendulum swung back not only to normalcy but back into the depths of depression where we are to-day. That is the fundamen-

tal reason or reasons for the depression. I know Republicans like to use as an alibi that it is world-wide depression. That has something to do with it. The main reason is that our own people, led on by the banks, went on an orgy of speculation and gambling which caused mass overproduction in this country, and our banks and bankers are more to blame for the inflation and the resulting deflation than any other group of people or institutions.

Now that we are in the depths, it is right that we should try to find some means to get out of it and to get back to normalcy. It is perfectly proper, as the gentleman suggests, that the House and Senate should appoint a joint committee. My complaint about the situation to-day is that we have so far failed to appreciate the economic situation existing throughout our own country, the economic situation as it affects 120,000,000 American people and their property and their happiness. It is far more serious to the welfare of American citizens than at any time during the World War in 1918. At that time when the great war President called upon the Republicans for support, they gave their support unanimously to all war measures. I would remind the Members of the House that we spent in that war period of 18 months or 2 years, because we went on spending for a few months after the armistice, a total of $35,000,000,000. We raised most of that money through Liberty and Victory bonds, and some $10,000,000,000 through increased taxation. Of course, we did it to win the war, which was the main objective, and our objective to-day is to win out over the fearful depression which we are in. I can not see why we should hesitate to take immediate steps to afford all necessary relief, as the situation is far more serious to our people than the World War, which we fought on the other side, 3,000 miles away, against German autocracy and German militarism.

We did not hesitate to spend thirty-five billion, ten billion of which we loaned to the Allies, and to-day we hesitate to spend $1,000,000,000 or $2,000,000,000 to win our present war against depression. I say to you if it is necessary to raise two, three, or four billion dollars through Liberty loans or Victory loans at this time, we in Congress have that responsibility—and in my humble opinion it is far more necessary than it was during the World War—we should spend all the money that is required to prevent further economic disaster and provide for the employment and the welfare and best interests of the American people. We have already reduced our war debt by three billions more than required by law.

The fault I find with Congress is that after nine months of vacation we meet here the first week in December and we sit in this House for 10 days or two weeks and then we take a recess for two weeks, and all we have done is to vote for the moratorium to give up some money to Germany or to other foreign countries, and have done nothing for our own people. The only issue, the big issue before the country to-day, is unemployment, and the economic depression in the United States which affects every American home.

The unemployed must be fed and they must have not only food but fuel and clothing and housing. Yet we have not considered anything in the Congress which has any bearing on the plight of our own people. That is the main issue, and everyone in this House knows it and everyone in this country knows it also.

Mr. BANKHEAD. Will the gentleman yield?

Mr. FISH. Yes.

Mr. BANKHEAD. Can the gentleman from New York give us any reasonable assurance that the Republican administration, including the Secretary of the Treasury and the President, will give us any assistance in the program he is suggesting for the expansion of our national debt to meet the emergency he points out? Would it be possible for us to secure it without their approval?

Mr. FISH. I can not give the gentleman any assurance. My object in making this suggestion is that I think it is the duty of Congress to legislate, and I believe that certain committees, either the Appropriations Committee or Ways and Means, should remain here during the recess and consider whether it is advisable in this emergency to provide for a bond issue of $2,000,000,000.

I favor balancing the Budget for the running expenses of the Federal Government. I favor increasing taxes. We are in an economic emergency, and I think the best thing we could do would be to face the facts and help restore confidence among our people, and I believe the best way to do that would be to float a bond issue of $2,000,000,000 and have that money in the Treasury, so that when Congress decides where it is most needed we will have it on hand instead of waiting until next June to get it, because the emergency exists now, and will be at its worst for the next three or four months. If Congress waits until we come back and then decides to consider voting a bond issue and passing some legislation requiring a bond issue, then it will take months to float the bonds and make the necessary funds available.

I will say to the gentleman that I am very much opposed to a financial dole, for I believe the financial dole has been the economic ruin of Germany and of Great Britain. But I do favor in this country of ours—still the richest nation in the world—that we take care of those who are undernourished or who may be starving during the coming winter months. With an overabundance of grain, we can not afford to permit any American citizen to starve or freeze to death.

The reason I rose to-day was to advocate a bill I introduced a year ago and reintroduced a week ago, providing that the grain which is owned by the Grain Stabilization Corporation under the Farm Board should be turned over to the American Red Cross, to be processed into flour and then distributed through the Red Cross and other charitable organizations to the unemployed, and to those in need, in distress and starving in the United States.

Mr. SWING. Will the gentleman yield?

Mr. FISH. Yes.

Mr. SWING. Before leaving the topic of a bond issue for an enlarged internal building program to help the unemployed, does not the gentleman agree that if it is proper, as national leaders say, for cities, counties, and States to adopt enlarged local building programs for the unemployed, that the Federal Government ought to follow its own advice?

Mr. FISH. I will go further than that. The gentleman and myself have served in this House for a good many years and we have often heard it repeated that in periods of stress and depression it was the logical time to build. Now, for the first time since the gentleman and I have been here, outside of 1921, we are in the midst of a serious depression and we are told we must not talk about building. The Bureau of the Budget is even holding up the $80,000,000 new post office bill, because it is afraid a bond issue may be necessary, and that is not wanted. I am not asking that this $2,000,000,000 loan that I propose—it may be $3,000,000,000 or $4,000,000,000—should be used entirely for construction work, whether it be public buildings, roads, or waterways. I would have it used for many other things, not merely for a building program. I agree with the gentleman that it is sound common sense that in time of depression we should authorize bond issues and should have them now for a building program. The wage earners of this country are not asking for charity. They are asking for work, and I think the only way we can provide work is through a bond issue for a large, constructive building program, not for political purposes, not for something that will have no value after a few years, but for constructive purposes for the good of our entire people.

Mr. SWING. I want the gentleman to know that I fully approve of what he is saying and I hope a way will be found to carry his suggestions into execution.

Mr. HOPE. Will the gentleman yield?

Mr. FISH. For a brief question.

Mr. HOPE. I want to ask the gentleman about the bill he mentions to give some of the Farm Board wheat to relief agencies. Does the gentleman think that that wheat will displace any wheat which may be sold——

Mr. FISH. I will take that up when I discuss the proposal to turn over the Government wheat to the American Red Cross.

Mr. GLOVER. Will the gentleman yield?

Mr. FISH. For a very brief question; yes.

Mr. GLOVER. Does the gentleman favor the principle that is announced in the bill introduced by the gentleman from Georgia [Mr. CRISP] to have this post-office building program start with the lower brackets of $5,000 receipts and carry them up to the present standard?

Mr. FISH. I can not answer the gentleman. I have not made sufficient study of the question to give the gentleman an intelligent answer. I can say this, however: The Treasury Department has informed me that by next June they will have to dismiss a large number of employees, who will have nothing to do unless the new building program goes through. I can not yield further.

I would like to take this opportunity to read into the RECORD some information that came to me since the discussion of the moratorium that occurred here during the past 10 days. I was in favor of the moratorium, because I believed it was essential to the economic stability of Germany and other nations of Europe, possibly of our own, and for the peace of the world. I think it would not do any harm to have this little clipping which I hold in my hand put in the RECORD. It is headed, "Shouse hits McFADDEN. In Omaha he criticizes attack over the moratorium."

This in an A. P. article from the New York Times dated December 17:

> Jouett Shouse, chairman of the Democratic National Committee, asserted to-day: "I have no sympathy with the charges Representative McFADDEN has made against President Hoover." He added: "President Hoover's request for a 1-year moratorium in intergovernmental debts was the only thing he could have done."

I also want to put in the RECORD a brief statement that reached me to-day, particularly as the matter is still being discussed in the other legislative branch of the Government. Possibly some of the people here may recall this matter. I must say I had certainly forgotten all about it. It may have been discussed on the floor when I was not here; but, in any event, I have no knowledge of it. It is taken from the Affairs Magazine of December 18, 1931.

> It was learned that the State Department in 1927 sent a letter to American bankers interested in German loans, warning them against loaning the Reich more money.
>
> The letter was sent just after the report of S. Parker Gilbert, which showed that Germany was tremendously overborrowed and that continued loans would bring about a world-wide catastrophe.
>
> The State Department admitted the sending of the letter, but refused to make the text public, on the ground that it would jeopardize the American position that private debts come before reparations.
>
> This is one of the chief points of difference between France and the United States at the Basel discussion, France having invested almost no money in Germany during the period that American bankers were loaning $1,300,000,000.

I believe this to be an accurate statement, because everything I have seen in this magazine for years past has been strictly accurate, to my knowledge, with respect to foreign affairs. If this letter was written to the bankers by the State Department in 1927, then it should be made public now, and it would be absolute proof that the bankers went ahead regardless of this warning of the State Department, or from Parker Gilbert, and sold German bonds to American investors in order to profit on the commissions, regardless of what the security was to the American investing public, who have been mulcted and may be ruined.

Mr. Chairman, about a year ago, on January 8, 1931, I introduced in this House a joint resolution (H. J. Res. 456) authorizing the disposition of wheat purchased by the Federal Farm Board for the relief of distress in the United States. A hearing was held on this resolution before the Committee on Agriculture. At that time the committee thought there was not sufficient hunger or distress in America to report out the bill.

[Here the gavel fell.]

Mr. PURNELL. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FISH. The condition, as we all know, is far more serious now. We have 5,000,000 unemployed in the United States, and probably we will have several million more unemployed before the winter is over. Fear and dread exist throughout the land, not only among the unemployed and their families, but also among those who are fearful of losing their jobs.

We, the Congress, have failed so far—almost—to recognize the critical situation of the unemployed and their distress and need.

Yesterday the Committee on Agriculture, of the other legislative body, reported out almost an identical resolution to mine, and it is stated in the public press that an effort will be made to pass that measure to-day and send it over to the House in order to give a Christmas present by the Government to the unemployed.

I ask you, in all fairness, why should we not turn over a part of this grain, owned by the Government of the United States, now in bulging granaries throughout the land? We have an overabundance of food supplies and grain, and it seems to me to be sound and logical for the Congress to pass a resolution giving this grain to the Red Cross; and I am informed that the Red Cross will take the grain and process it into flour, and distribute it among the unemployed; and wherever there is hunger or need anywhere in the land.

The Farm Board is in favor of the proposition. I am informed that 1,000,000 bushels of wheat make 225,000 barrels of flour. One person averages one barrel of flour in 12 months; but, in addition to the six or seven million expected unemployed during the winter, they have their families to maintain, and there are, perhaps, three or four in a family. So you can multiply 6,000,000 by three, and you will get about 20,000,000 people that may have need of receiving these foodstuffs during the winter months.

I know that private charity will never provide sufficient food to feed 20,000,000 people this winter.

So if we are going to act we ought to act at the present time, and if this resolution comes over from the Senate to-day or to-morrow I hope Members on both sides of this aisle will support that legislation unanimously as a Christmas gift to the unemployed.

I am not suggesting whether any appropriation should go with the bill or whether it should be credited against the Stabilization Corporation. I do say that we can not afford to sit silent any longer on the question of unemployment and providing foodstuffs for the unemployed.

Mr. PURNELL. Will the gentleman yield?

Mr. FISH. Yes.

Mr. PURNELL. I understood the gentleman to say that he advocated the processing of the wheat.

Mr. FISH. Not by the Government. Officials of the Red Cross assure me that if the grain is turned over to them they will arrange to have it processed into flour and distributed through the country, not only by the Red Cross but by other charitable agencies.

Mr. BANKHEAD. How far is that from a dole?

Mr. FISH. In my opinion there is a distinct difference between a financial dole and a dole of food to your own people. I want the House to remember and every Member of the House to remember that back in 1921 you voted through this House $20,000,000 to provide foodstuffs for the starving women and children of Soviet Russia on the Volga River, some 5,000 miles away.

In 1924 I introduced in the House a bill appropriating $10,000,000 to provide foodstuffs for the starving women and children in Germany, and it went through the House of Representatives by a vote of 240 to 97. That also was to provide foodstuffs for people in a foreign country. If private charity is not sufficient to carry the burden and provide for the hungry and clothe and house the destitute, then it is clearly the duty of the Federal, State, and municipal governments to contribute their full share and assume their proper responsibilities.

I have no patience whatever with any individual who tries to hide behind the Constitution when it comes to providing foodstuffs for our own citizens. [Applause.]

Mr. AMLIE. Will the gentleman yield?

Mr. FISH. Yes.

Mr. AMLIE. From an economical standpoint, would not that be the same as if the board were to dump the wheat on the market for nothing?

Mr. FISH. I stated before that that was a matter for the House and the committees to work out. I will say this, that we are the richest country in the world, and we can not afford to hide behind the Constitution of the United States and say that we have no responsibility for the welfare and well-being and happiness and lives of the American people. I have no patience with that form of political philosophy, because beyond and above the Constitution every reason exists why the Government should provide for the health and happiness of all of our own people. [Applause.] We must destroy the fear of insecurity by serving notice definitely, no matter what the cost may be, that an ample supply of foodstuffs will be furnished all unemployed American wage earners during this emergency.

Now, do not for a moment, if that bill comes over here, let any constitutional lawyers in this House—and I am speaking to-day because I do not expect to be here tomorrow—do not let any constitutional lawyers preach about the glories and sacredness of the Constitution when the lives of our women and children are affected—when people may starve in the meantime. Failure of the Federal Government in this crisis not to exert its utmost efforts to help relieve the suffering and misery of the American people would be a fatal indictment against the Federal Government.

We are not giving away anything at all. This is not a financial dole. It seeks to protect the lives and security of American citizens in this emergency, and I hope it will have unanimous support from both sides of the House. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield now to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Chairman, a few days ago I introduced a bill (H. R. 6022) providing for a nation-wide system of durable, hard-surfaced post roads. I ask unanimous consent to extend my remarks by inserting in the RECORD a synopsis of the main features of the bill that I have prepared.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to is as follows:

THE HOLADAY POST ROADS BILL (H. R. 6022)

A bill in relation 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

PURPOSE OF THE BILL

1. To construct for free public use a nation-wide system of straight and wide and safe, strong, and connected transcontinental and trunk-line hard-surfaced post roads:
a. Priorities may be given for official business.
b. War Department may control in time of public danger.
2. To maintain such post roads in first-class condition.
3. To regulate such post roads by uniform rules.
4. To build airplane fields alongside these post roads:
a. For transfer of airplane and post-road mail.
b. For interchange of airplane and post-road commerce.
c. Airplanes are likely to follow these post-road trails.
5. To provide moneys to defray the expenditures authorized.

PLAN OF THE BILL

1. To connect the National Capital and State capitals and principal cities and great waterways by straight and wide and unbroken hard-surfaced post roads of a high type:
a. Routes provided for are located somewhat generally.
b. Routes may be renumbered or named.
2. To make the work self-sustaining.

FINANCIAL PROVISIONS OF THE BILL

1. General direction of the finances to be under the Secretary of the Treasury, subject to the President's approval.
2. To borrow money needed on the credit of the United States.
3. To issue and sell bonds therefor to an amount not exceeding $5,000,000,000:
a. Sale of bonds will bring money back into circulation and make funds immediately available for building and completing at once all of these post roads.
b. Moneys needed are appropriated in the bill.
c. Moneys can be used only for the purposes designated.
4. To provide means to pay the bonds, both principal and interest:
a. The faith and credit of the United States is pledged, in the first instance, to such payment.
b. Private users of the post roads to contribute the major part of the cost:
x. By paying a small annual tax, not less than $3, on each motor vehicle not used for hire.
y. By paying a small annual tax, not less than $10, on each motor vehicle used for hire.
z. By paying a small tax, not less than one-half cent per gallon, on gasoline or other motor vehicle fuel.
(The use of such high-type post roads would greatly reduce the cost of motor-vehicle upkeep and depreciation and thereby save to each user each year many times the amount of the aforesaid taxes.)
c. Official users of the post roads may contribute a minor part of the cost out of general revenues:
x. War Department for use by motorized army.
y. Post Office Department for carrying mail.

ENGINEERING PROVISIONS OF THE BILL

1. The post roads to be completed within five years:
a. Aggregate mileage of 57,000 miles divided among 48 States makes:
x. Average total mileage for each State 1,200.
y. Average mileage for construction each year in a single State only 240.
b. Work to be carried on in all States simultaneously:
x. Under contracts let on competitive bidding.
y. By the Government direct if satisfactory bids are not received.
2. Control of work, all subject to President's approval:
a. General direction and control of kind, character, and cost of work to be under Secretary of Agriculture.
x. Superintending engineer with wide experience in road building to aid in construction work.
y. Assistant engineers with wide experience in road building to aid also.
z. Engineers to be paid salaries commensurate with great importance of proposed work.
3. Secretary of Agriculture is given power to obtain labor, materials, machinery, and lands:
a. By purchase from private sources.
b. Necessary lands and rights of way to be obtained by purchase or by exercise of the right of eminent domain.
4. Post roads to be as straight as may be practicable from an engineering standpoint so as to furnish safe, rapid, and economical transportation:
a. For trunk-line and transcontinental traffic.
b. For a motorized army.
5. Roadways to be of the best and most durable hard-surfaced type available.
6. Roadways to be wide enough and strong enough to meet all proper traffic requirements:
a. Hard-surfaced roadways to be not less than 20 feet wide.
b. Around cities of over 200,000, hard-surfaced roadways to be not less than 40 feet wide for not less than 25 miles out from city limits.
c. Around cities of over 800,000, hard-surfaced roadways to be not less than 60 feet wide for not less than 10 miles out from city limits.
d. These widths and distances to be increased whenever deemed necessary, with the President's approval.
e. Dirt shoulders and graveled turnouts to be provided.
7. Post roads to be made safe for traveling public:
a. Railway grade crossings shall be eliminated.
b. Grades may be separated at route intersections.
c. Routes and traffic lanes to be kept marked.
d. Inbound traffic lanes may be separated from outbound lanes.
e. Routes may be lighted if practicable and advisable.
8. Belt-line roads may be constructed around cities of over 200,000.

UNIFORM REGULATION AND CONTROL

1. This nation-wide system of post roads to be regulated and controlled by one central Federal agency instead of by 48 independent legislative bodies.
a. Unfair competition among common carriers will be eliminated.
b. Regulations will be the same in every State.

REFUNDS TO STATES

1. Where a route runs over or near a paved highway, paid for by a State or by one of its subdivisions, such a pavement may be taken over and utilized in the national system upon refunding its value to the State:
a. If the State highway runs on the straight lines required by the national system.
b. If the State highway is of the high character required by the national system.
c. If the State gives its consent.

This bill will supplement the Federal highway act because—
1. Federal aid does not provide for the immediate construction of such straight and wide and connected trunk-line and transcontinental hard-surfaced roads.
2. Federal aid provides nothing for maintenance and regulation.

3. Federal aid does not require permanent improvement of Federal-aid roads:

a. About 66 per cent of all so-called improved Federal-aid roads are of low type—that is, of only graded and drained, sand-clay or gravel construction.

x. Such roads soon call for further improvement by patching, widening, or strengthening.

b. Federal aid leaves a way open for patchwork or disconnected construction because—

x. A State may use its Federal aid on one of its primary Federal-aid roads one year and on another far-distant primary road the next year, and so on.

y. Adjoining States may select for improvement widely separated primary roads, leaving almost impassable gaps between them.

4. Federal aid does not meet the traffic needs in or near large cities or where large rivers must be bridged or mountains crossed—

a. The Federal-aid limit of $25,000 per mile leaves too heavy a burden on a State and its local units.

b. Compulsory maintenance by the State adds greatly to this burden.

5. Federal aid is not financed to insure the early completion of a nation-wide system of connected hard-surfaced roads of a high type, but it depends upon the uncertain and fluctuating appropriations of each succeeding Congress—

a. No means are provided to meet such appropriations.

b. Moneys no longer come in from excise taxes on the motor vehicles which use the roads.

CONSTITUTIONAL AUTHORITY FOR THE BILL

1. Power is given to Congress to borrow money.

2. Power is given to establish and build post roads.

3. Power is given to lay and collect taxes and provide for the common defense and general welfare.

PROSPECTIVE EFFECTS OF THE BILL

1. The building and maintaining of these post roads by the Government would invite prosperity, aid farm relief, and promote the general welfare—

a. The road-building work itself would furnish a million men with profitable employment for five years or more.

b. Another additional million men would be needed in quarries, mills, plants, factories and shops, and on railroads to supply the enormous quantity of road-building materials required, as well as machinery and transportation.

c. Three or four million additional people would be required to provide coal, shoes, clothing, foodstuffs, and other necessaries for the first 2,000,000 workers.

d. The building and maintaining of these post roads would stimulate the improvement of the more than 1,200,000 miles of rural mail routes that would be left.

e. The cost of building and maintaining these great trunk-line roads would be taken off the States and leave each State and its local subdivisions with more revenue to improve farm-to-market roads to the great benefit of the farmer and the consumer of his products.

2. These post roads would bring the States into closer unity.

3. These post roads would open new lines of communication and tend to encourage more cordial relations and friendly intercourse with the countries lying beyond the American border.

SAFEGUARDS IN THE BILL

1. All work must meet with the approval of the President of the United States:

a. The bill requires the work to be done for the best interests of the entire American people.

b. The President is given plenary power to carry out the spirit and purpose of this requirement.

Mr. RAINEY. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, ladies and gentlemen of the committee, I had no thought 10 minutes ago of having anything to say on the things that have been discussed here to-day, but I asked the gentleman from New York [Mr. FISH] a question a moment ago when he was discussing a very vital matter as to whether or not he favored the proposition as outlined in a bill by our distinguished colleague on this side of the House, Mr. CRISP, of Georgia, with reference to carrying into effect the very thing that he was discussing, post-office buildings and other Government buildings. He did not have the time to yield, but, in my opinion, that bill strikes at the very thing we ought to have done in the beginning of the construction of our post-office buildings. As we have it now, under existing law, a city having a post office with receipts of less than $20,000 is not eligible for a post-office building. The result of this character of legislation has caused the bulk of the money that we have appropriated for post-office buildings to go into the larger centers, where many of them already have good post-office buildings. The Crisp bill provides for starting with the lower brackets of $5,000 of receipts before it becomes eligible for a building and carries it on up to the $20,000, and then provides for an appropriation of $300,000,000 to carry out that idea. If you will start on this plan, the gentleman's idea of carrying out the improvements and scattering them over the United States where they will do the most good, you will carry this to every county in the United States. The idea is to provide for these smaller buildings which do not cost much money, ranging from about $30,000 to $75,000 or $100,000 to the building. That will give employment and scatter it to every nook and corner of our country and give some aid to each State and county.

There is another suggestion in the gentleman's speech with reference to issuing bonds. I have not consulted my side of the House, and I am not one of the so-called leaders, and I am not proposing to speak for them, but I have my individual ideas about matters pertaining to legislation, and as long as I am here I propose to carry out in my votes my idea of what is right to my people. I am not in favor of the plan proposed by the administration leaders to increase the taxes in the manner they outline. I rather think that the gentleman's idea is right in part, and I so stated in a speech the other day, in respect to issuing some bonds, and then if you are going to raise taxes, let it be only in the higher brackets of income. When you get down to the root of the question of depression which is before us, and business dragging, it has been brought about largely by the question of taxation. The people of the country have borne this until they can stand it no longer.

Another matter was discussed which I desire to notice, and that is the resolution by the gentleman from Illinois to investigate and see if we can arrive at what brought about and caused this depression. I think he is striking at the very root of this thing. I would like to see a joint committee of the House and the Senate investigate the stock exchanges of the United States; and when you make that investigation, I think you will uncover some of the secrets of what has brought this about. When we had the moratorium here Friday, we were told that that is going to correct the evils. Where? It may help over there in Germany, but I say it is not going to help in America. You have voted to give a moratorium of $252,000,000 to Germany, and now you propose to collect it from the American people in taxes. I was very much surprised that most of you on the Republican side of the Hall stood almost in a body and voted for this proposition for the granting of a moratorium. I presume you were pledged to it by the long-distance message in the manner not provided for by the Constitution. My belief is that it is an exceedingly dangerous precedent. So long as I have the honor to represent my people, I am not coming to this body stultified by a pledge made to somebody 1,200 miles away from me when I have no chance of discussion of the subject with him. I was surprised when we came back here in respect to the farm loan bill. They came back with the identical principle to give the farmer a moratorium of one year and you voted almost solidly against it. Why not give the moratorium to John Jones and Bill Smith and the other boys back at home who own their little farms?

We asked you to give them a moratorium for one year, and you stood there and voted almost solidly against it. How are you going to meet your farmers when you go back to your homes, and how will you explain this to them? I am glad that you are in the RECORD on it. I am glad to be on the other side of the question over here with my matchless leader, HENRY RAINEY. I am in good company when I am standing with 95 Democrats and 5 Republicans that voted with us against this moratorium. Not only that, but here was another proposition you voted down after doing that. You voted against an amendment to the bill we had here on Saturday that would give a right of redemption to a farmer who had lost his land by foreclosure and whose land is now in the possession of the Government. You would not vote to give him a chance to redeem his own land by paying every cent against it. Oh, you are going to meet your friends back at home in the middle of the road, and you are going to faint when you meet them

there. A man who would not allow the right of redemption of a man's land taken in that way, and then will vote for the moratorium, is not in accord with my views of what is right to the American people.

Mr. McGUGIN. Will the gentleman yield?

Mr. GLOVER. Not just now.

There was another discussion this morning with reference to the farm bill. I voted for that bill. I had more hope for it then than I have now. If you will investigate the RECORD, on the second Monday morning I was here in Congress I made a speech on that question. I said then that the bill did not go far enough, and I have offered amendments to it which I hope to see passed to make it effective. It is one of the finest set-ups in legislation that I have ever seen put together. The machinery is all right. I have no criticism of those who have been trying to operate it. There has not been any board that has received greater criticism than the board which is undertaking to administer the agricultural marketing act for an honest set of people who need help. The trouble is this great gambling machine, gambling in futures, that is bleeding the farmer's blood white, wants to see the law fail. I want to see that bunch of men brought to time. I want to see that gambling in futures stopped.

[Here the gavel fell.]

Mr. RAINEY. I yield to the gentleman from Arkansas three additional minutes.

Mr. GLOVER. I introduced a bill at this session to make it a felony to gamble in futures, gamble in the lifeblood of the farmer. I would like to see everyone of these gamblers punished until that is stopped. It ought not to be permitted.

The gentleman talks about unemployment. I say to you, gentlemen, that unemployment is going to continue until you change the policy under which you are working. The march of the unemployed is increasing every day of the year. Yesterday I had a letter from a farmer living not more than 5 miles from where I live pleading for something, something in the way of a job or anything he could do to save his little home to him and his family. It is mortgaged to the Federal Government for a loan. They can not live under the conditions that are going on now. My farmers down home are the greatest workingmen that were ever born in the world. We were in distress last year on account of the drought. This year they have gone back and doubled their energy and produced one of the most bountiful crops they ever had in that country. Now, gentlemen, how is it to-day? They can not sell their cotton. They can not sell any of their products. They have plenty to eat, but nothing to pay debts and buy the necessaries of life that they can not raise.

Mr. McGUGIN. Will the gentleman yield now?

Mr. GLOVER. I will give the gentleman a little information that I think will help him if he will wait.

When we were considering the moratorium, it was said it would be a panacea for all ills and cure all troubles. At that time cotton was 11 cents a pound. Now it is down to 6 cents a pound.

Mr. McGUGIN. Will the gentleman yield now?

Mr. GLOVER. Not now.

Mr. Chairman, I have taken more time than I had expected, and I ask permission to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RAINEY. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, ladies and gentlemen of the committee, in the last two or three days the newspapers over the country have been carrying the headline: "Veterans' Bonus of $200,000,000 passed by the House."

I notice another headline stating that "World War veterans get $200,000,000 Christmas appropriation."

By reason of these misleading headlines I have received a large number of letters wanting to know when they can get the remainder of their bonus. The veterans seem to have the impression that the bill to pay the adjusted-service certificates in full has already passed; that Congress has decided to be Santa Claus to the veterans and has passed a bill appropriating $200,000,000, which they understand will be sufficient to pay off the remainder of the certificates. That is a wrong impression. I am sure the newspapers did not intend to leave that impression; but they have done so, nevertheless, and it must be corrected or it will cause trouble for all the Members.

In connection with that I want to invite your attention to another misleading statement that has gone out recently. The distinguished gentleman from Oregon [Mr. HAWLEY], who was chairman of the Ways and Means Committee of the House at the last session of Congress gave this statement to the press, which, if he has been quoted correctly, has contributed to the misleading information that has gone over the Nation relative to the adjusted-service certificates. I will just read what appeared in the Washington Herald:

> The suggestion of the probable administration's attitude came from Representative HAWLEY, of Oregon, chairman of the Ways and Means Committee in the last Congress after he had paid a visit to the Treasury Department. HAWLEY said—

It quotes what purports to be the statement made by Mr. HAWLEY—

> "It is estimated the deficit will be about $2,000,000,000 in the fiscal year ending June 30. About $1,500,000,000 can be charged to the bill passed last year under which loans up to 50 per cent of adjusted-compensation certificates were made."

Of course, that is a statement to the effect that the veterans had caused the deficit in the Treasury. I am sure Mr. HAWLEY, if he investigated the source of his information, was convinced otherwise, and I hope he will correct the statement, because the statement is still going over the country through the newspapers. The truth about it is that not one penny of the Treasury deficit can be charged to loans made to veterans on their adjusted-service certificates, and if there is anyone in this House who differs with me on that I wish he would get up and say so. I want to convince him that he is wrong, because he is wrong. It is all right to charge the veterans with causing a deficit if they actually caused it, but not one penny of that deficit has been caused by loans made to veterans on the adjusted-service certificates.

Mr. UNDERHILL. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. UNDERHILL. Will the gentleman give a little further information?

Mr. PATMAN. I expect to.

Mr. UNDERHILL. What was the $200,000,000 that we just voted? Was that not a sum that will go into the deficit?

Mr. PATMAN. It is anticipating other loans on adjusted-service certificates that the adjusted-service-certificate fund will not be able to take care of.

Mr. UNDERHILL. And had to be provided for?

Mr. PATMAN. It will in the future. Not now.

For the information of the gentlemen there are two funds—the adjusted-service-certificate fund, which is made up by appropriations over a period of years of $112,000,000 a year, and interest on that fund, which amounts at this time to about $990,000,000. Then there is another fund, the United States Government life-insurance fund, which is just as separate from the Government as the Prudential life-insurance fund, or the life-insurance fund of any private insurance company. It represents the savings of veterans, who have paid the money to the Government themselves and who are paying every month in order to make up that fund. From these two funds every one of those loans has been made. From the adjusted-service-certificate fund $840,243,494.98 has been loaned, and from the United States Government life-insurance fund, $332,987,487.28 has been loaned, and there is remaining at this time—or I should not say at this time—but there was remaining at the time these figures were compiled, only a few days ago, $153,925,720 in the adjusted-service-certificate fund, which can be used to make more loans to veterans. The reason the President wanted this $200,000,000 appropriation made was not to give

the veterans anything, but to have it available so that they could borrow their own money by paying 4½ per cent interest for that money, compounded annually.

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. SEGER].

Mr. SEGER. Mr. Chairman, ladies and gentlemen of the committee, I am prompted to take up these few minutes of your time because of the presence here in committee of our genial Speaker of the House. I want to read to you an editorial from the Passaic (N. J.) Daily News, which speaks of his practicing economy and good judgment. It is captioned "GARNER'S Car," and reads as follows:

The Speaker's car follows the President's yacht into oblivion.

The long-standing joke between the late Speaker LONGWORTH and present Speaker GARNER is played out. GARNER says he won't use the car. Distances are short in Washington. He can just as well walk or take a street car, or a cab, if he wants to be stylish. He will save the Government a little money. He has preached against extravagance and wants to practice it. It doesn't take an automobile to make an office dignified.

Now, gentlemen, I have been here for some years and I do not think we ever had a Speaker who was not dignified. I know JACK GARNER would look just as dignified riding in a street car as in a Government automobile. But, my friends, he is doing something of greater importance, to my mind, than the fact that he is practicing economy.

I took occasion the other day to ask some one who is familiar with the subject how many Members of Congress own automobiles. I was informed that 90 per cent of the Members own and ride in automobiles to and from the daily sessions of Congress. That is something to think about. Some of them own more than one car. I understand that one Member who is situated financially better than most of us owns seven. I know he does not ride in all seven at one time, and perhaps it is to his credit that he can afford to own so many.

However, there are things which, I think, we should be more concerned about than just riding in automobiles. We have lost in the last 11 months 14 of our friends and colleagues in this House and in the Senate. If not altogether true, I think it is partly true that the reason for these deaths is the lack of exercise, the lack of proper air, and the lack of proper food. It seems to me the lack of these vital things has gone a long way in causing this high mortality.

What do we do here? We come to our offices at 9 or 9.30 in the morning and we attend to our correspondence and meet our constituents between committee meetings. At 12 o'clock we come to the session of the House; we go downstairs to the lunch room and eat a fairly hearty meal; and then for five hours we sit here breathing synthetic air. We all know that both Chambers, the House and Senate, are surrounded by corridors with no outside ventilation to speak of.

Of course, the ventilation here is better than it used to be, but it is not pure, outside air. Then, after sitting here for five hours, we go to our homes in an automobile, eat a heavy dinner, and those who are socially inclined often go out and eat a midnight supper.

I just refer to this because I think it is something to think about. I do not think that necessarily a man becomes dignified because he rides in an automobile, but if he does not ride in an automobile and walks more, eats less, and breathes more of God's free air, he will be much better off for it.

The Speaker sets a good health example which we can all afford to follow. [Applause.]

Mr. SNELL. I yield five minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman and members of the committee, the entire afternoon has been spent in considering subjects which are related to our present industrial and economic situation. The recurring theme has been, what can we do to meet the present need. I believe President Hoover, in his message to Congress, expressed a volume in one sentence when he said, "Our first step toward recovery is to reestablish confidence."

In general terms this expresses what every good American desires, although we find differing methods advocated. From a number of sources, outside of Congress, and inside too, we have heard suggestions that we might help to meet the situation by a general wage-cutting campaign on the part of the Government. In my estimation no greater blow against the reestablishment of confidence could possibly be struck than through such a policy.

In the last Congress we enacted a worthy measure called the "prevailing rates of wages" bill, by which we provided that when contracts are let by the Government for construction of public works, the wages to be paid by the successful contractor shall be the prevailing standard wages in the community where the work is done. The passage of this bill, without a doubt, has prevented unjust and oppressive practices in many communities.

We ought to consider what it means to undertake a wage-cutting campaign among Government employees. The United States Government is directly responsible for these wage standards. For my part, I believe that the Government has a wider responsibility even than that. The Government should have a direct interest in helping to so organize industry and commerce that there shall be a chance for every American citizen, able and willing to work, to put his hands to the task of producing the wealth that determines the welfare of the Nation. While there is disagreement on that point, no one will disagree with the statement that the United States Government is directly responsible for the wage standards of its own workers.

First, consider the injustice of wage cutting as applied to Government workers. The pay of those who make up the rank and file of the governmental personnel has always been low, considered from any standpoint. No person who enters the service has ever been able to look forward to more than a moderate livelihood for himself and family. To decrease that compensation now would be the essence of injustice.

It is argued that the cost of living has declined within the past two years and that wages might be decreased correspondingly.

If the cost of living is justly the sole consideration in fixing wage schedules, then governmental employees have a balance in their favor which it will take many years to pay.

What I shall say applies to all rank-and-file Government employees, but I shall refer specifically to the postal workers, with whose wage schedules I have been familiar for many years. Their present compensation schedules were carried in the law sponsored by myself—the postal pay act of February 28, 1925. For the 12 years prior to the passage of that act, postal employees were tragically underpaid. Their pay was reduced steadily by the mounting cost of living. In 1919 and 1920 their pay bought only half what it would have purchased in 1913.

Not for a single month during that long period were their wages equal in purchasing power to the pay of 1913 which was $1,200 per annum.

The act of 1925 provided a $300 increase to the basic pay, although there was universal public approval for an increase double that amount. The basic pay established by that act was $2,100, the maximum of the clerk-carrier automatic grades.

Even the increase did no more than restore compensation to the 1913 level. It did not mean a dollar more in purchasing power.

In 1930 the cost of living index was 160.7, which meant that there was slight actual gain in purchasing power over 1913.

In 1931 the cost of living index was 150.3, so that the basic salary of $2,100 is now equal to about $1,400 in 1913.

To show what happened to postal pay during these years, I have prepared a table showing the cost of living for each

year and the salary necessary to equal $1,000 in 1913. It is as follows:

Year	Index number of cost of living	Salary necessary to equal $1,000 in 1913
1913 (December)	100.0	$1,000
1914	103.0	1,030
1915	105.1	1,051
1916	118.3	1,183
1917	142.4	1,424
1918	174.4	1,744
1919	199.4	1,994
1920	200.4	2,004
1921	174.3	1,743
1922	169.5	1,695
1923	173.2	1,732
1924	172.5	1,725
1925	177.9	1,779
1926	175.6	1,756
1927	172.0	1,720
1928	171.3	1,713
1929	171.4	1,714
1930	160.7	1,607
1931 (June)	150.3	1,503

The facts show that postal workers have in 18 long years, and for a temporary period only, succeeded in securing added purchasing power of about $17 a month. Is it just to attempt to take this small gain away from a great group of faithful public servants?

Remember, too, that we are all struggling to bring about economic recovery through increased commodity prices. Can anyone argue for wage cuts which would mean privation even at abnormally low prices, to say nothing of the higher prices which will certainly come?

Every dollar of benefit gained by reduced cost of living has gone to the relief of unemployed. There is scarcely a postal worker who has not been obliged to take on new obligations on account of unemployment. If we make it impossible for him to extend a helping hand, public agencies must take over the task he has assumed.

For my part, I can not bring myself to bemoan the fact that postal workers are in a little better position than they were in 1913. I can even be glad that increased purchasing power over a few months has helped just a little to offset the weary years when their pay was buying less than it did in pre-war times. They are abundantly entitled to a little surplus in the budget, and in all fairness we should wait until former deficiencies are met before we start reduction.

Mr. ALLGOOD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. ALLGOOD. What about reducing some of the subsidies paid to shipping companies and to the airplane concerns that are now operating?

Mr. KELLY of Pennsylvania. I will say to the gentleman that neither one of those two items enter into the postal deficit, but is entirely separated and segregated and should stand on its own merits as governmental-policy expenditures.

Now, Mr. Chairman, we have said to the workers, "Produce more if you are to get more." On that basis the postal workers have not had the pay they have earned by increased productivity.

The total postal revenues in 1913 were $266,619,000, and it required 301,704 employees to produce that amount. Fifteen years later, in 1928, the revenues were $693,630,000, and they were produced by 367,518 employees of all classes. In other words, the addition of 65,814 employees accounted for increased revenues of $427,014,000. Even with the reduced revenues of 1931, occasioned entirely by the business depression, the postal personnel produced twice as much revenue as the same number would have produced at the 1913 rate. To reduce their pay now would in fact put a penalty upon efficiency and productivity.

The fact that there is a deficit now is no reason for any wage-cutting campaign. The dollars saved would not pay for the injuries done. Let this Government announce that it proposes to economize at the expense of its own employees and it will give its support to every kind of wage-cutting policy in private industry.

This depression of which we have heard so much this afternoon is characterized by production which can not be consumed for lack of purchasing power. The one thing needed to start the wheels of industry is added purchasing power in the hands of the people, and the one effective way of distributing purchasing power is through wages. The root of this industrial crisis is the fact that wages have not increased in proportion to productivity. Can anyone advocate action which will still further curtail purchasing power, the certain result of wage reductions?

Mr. Chairman, I have every confidence that this Congress has the intelligence and the courage to point the way to American business in this vital matter of maintaining wage standards. We should show in unmistakable fashion that the United States Government proposes to maintain its own wage standards unimpaired. We should make sure that the compensation which Government workers earn should be faithfully paid. We should announce that not one dollar of their purchasing power is to be reduced. Such action will be a step toward recovery through reestablished confidence. It will help to make possible that noble aspiration with which President Hoover closed his message to this Congress: "Ours must be a country of such stability and security as can not fail to carry forward and enlarge among the people that abundant life of material and spiritual opportunity which it has represented among all nations since its beginning." [Applause.]

Mr. SNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, ladies and gentlemen of the committee, it seems to be the order of the day to be discussing our woes and our troubles. Frankly, I have my serious doubts if there is anything sound which Congress can do that will raise America from her present ills.

I rather suspect that the more the Government interferes the worse they will be. I rather suspect that one of the things that has caused the present distress, as far as the Government is concerned, is the Federal Government straying far away from its field provided by the Constitution. I rather suspect that the welfare of the people as individuals, in so far as Government can touch it, properly rests back in the State governments.

I want to bring to your attention one illustration. The gentleman from Oklahoma [Mr. McKEOWN] spoke on the floor of the House a few days ago, deploring the fact that the Federal land banks foreclosed mortgages in his State. He introduced an amendment to the Federal land bank bill that would have forced a year's extension of time to anyone writing in and asking for it. In other words, it was an equity-of-redemption statute.

If that amendment had been adopted, it would have grossly discriminated between our citizens. The gentleman from Arkansas spoke of it a little while ago. Go down into his district and take the cases of Mr. Smith and Mr. Jones. Mr. Jones has a mortgage given to the Federal land bank; Congress has granted him an equity of redemption. Mr. Smith has a mortgage given to the New York Central Life Insurance Co. or to some joint-stock land bank, the McKeown amendment would have given Mr. Smith no such extension.

If you want an equity-of-redemption statute, the place to get it is the State government, and not from Congress.

I do not wish to deride the State of Oklahoma, for I am fond of it, but as far as an equity of redemption is concerned, she has none, while in my State we have 18 months. I think the equity of redemption is a matter that should go back to the States. The amendment of Mr. McKEOWN would be taking care of a mortgagor who is fortunate enough to have given his mortgage to a Federal land bank, but it did not take care of the man who was not so fortunate.

Another thing, probably the worst thing the McKeown amendment would do, would be to destroy the Federal land banks themselves, unless Congress was willing to appropriate enough money to carry them on without collecting their mortgage debts.

That takes us back to the proposition that the gentlemen from New York [Mr. FISH and Mr. LaGUARDIA] talked about.

When we talk about the welfare of the individual and the present depression, I do not believe there is an obligation on the part of the Government of the United States to take care of the welfare of the individual as an individual. That is an obligation of the States and the counties. When I was a member of the Kansas Legislature they referred to me as a States Rights Republican. I am not going to be scared away from the great doctrine of State rights and State sovereignty because I happen to be of northern ancestry. It was sound, and it is sound (however, never to the extent of rebellion), and to-day I would say, shades of Calhoun, shades of Haynes, shades of Lee and your great Army of the Confederacy, what have you to say when a Congressman from Alabama comes to the United States Congress and says the Government of the United States must feed the people of Alabama? Where is your State sovereignty? State sovereignty carries with it State responsibility, and if we destroy State sovereignty, the burden is going to be great on the Federal Government. I can not concede to the proposition that there is any obligation on the Government of the United States to furnish in public work employment for those who are unemployed. First, it is the obligation of government to be just and equal to every citizen. Is there a man to-day who will insist we ought to have enough public work to furnish employment for six and a half million men? Of course not. Very well. We will furnish work for 100,000 men. Who are to be the specially privileged ones to be lifted out of the slough of unemployment?

If the Federal Government takes responsibility upon the theory of depression alone to furnish employment for one single citizen now out of employment, then the Government of the United States by every obligation of decency should furnish employment to the entire six and one-half million; and when that time comes, then the gentleman from New York [Mr. FISH] will know something about communism in America. All I know about communism is that it is a society wherein everybody works for the government and, therefore, the government must have all of the income; and whenever the Government of the United States takes upon itself the responsibility of furnishing employment for six and a half million people, then we are at communism and no other place. In my humble opinion, the most the Government can do at this time in a practical, effective way is to reduce the cost of Government. Every dollar that is going to be paid in taxes by this industry or that industry is one dollar which is not going to be paid for labor. Every dollar we increase taxes in this session of Congress, in my judgment, will promote unemployment rather than demote it.

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

Mr. McGUGIN. I yield.

Mr. ALLGOOD. How is the gentleman going to reduce the expense of Government?

Mr. McGUGIN. I am going to get to that. When I start to reduce the expense of Government, I would do exactly the opposite from what the gentleman from Pennsylvania [Mr. KELLY] said. I would have the courage to meet this thing fairly and justly and cut public salaries. The gross wages of this country have been reduced 50 per cent; the income of the farmer has been reduced 43 per cent; agriculture, oil, coal, lead, and every industry we can think of has been reduced; and if we let public expense go on and public salaries go on, it simply means that we are going back to the people who now have decreased incomes and say to them you must bear the burden.

I come now to the Postal Department. It is said that it is a dangerous thing and heresy to talk about cutting salaries. The gentleman from Pennsylvania [Mr. KELLY] just said that the salary of these employees from 1913 increased from $1,300 to $2,100 a year. That is an increase of 85 per cent. Let us go back to the rural carrier. The rural carrier who carries the mail to the farmers of this country is to-day receiving in salary and milage allowances nearly 100 per cent more than he received in 1913. Yet every farmer to whom he carries a newspaper or a letter is to-day living on 43 per cent less than he did before 1913. The Post Office Department is going behind some $93,000,000 a year. A 10 per cent cut in salaries will save $73,000,000 of that $93,000,000, and a 15 per cent cut will save $110,000,000. Before this session of Congress is over the last one of us is going to have an opportunity to do one of three things: Cut these public salaries; or say to the people who are now working on less than half time and whose incomes have been reduced, your postage bill must be raised 50 per cent; or else we are going to appropriate money out of the Federal Treasury to meet the deficiency, which passes the burden on back to industry. Which is right; to have the rural carrier take a 15 per cent cut or increase the postage bill 50 per cent of the farmer, whom he serves, when that farmer is now receiving 43 per cent less than he did in 1914?

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

Mr. SNELL. Mr. Chairman, I yield five minutes more to the gentleman from Kansas.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. KELLY of Pennsylvania. This deficit to which the gentleman referred is only about 17 cents out of the dollar. In other words, the revenues themselves for 1931 will produce the expenditures of the Post Office Department except about 17 cents. I insist that those 17 cents are the best expenditure that we can make for the public good and for the enlightenment of the people.

Mr. McGUGIN. Out of the Public Treasury?

Mr. KELLY of Pennsylvania. Yes.

Mr. McGUGIN. All right. Half of our trouble to-day is that one half this country is trying to live on a postwar inflated basis while the other half is on a pre-war deflated basis. When we talk about meeting this depression we are going to meet it when the people of this country, the last one of us, in a true spirit of patriotism and fairness to one another, are ready and willing to accept this depression as a national calamity and meet our share of the responsibility. [Applause.]

Mr. KELLER. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. KELLER. I would like to ask a question. Would not a reduction in wages back to the period before the war take us back just that far in our history?

Mr. McGUGIN. It might. I am not asking that much of a reduction. In answer to the gentleman's question, it probably would; but, what are you going to do with the 27,000,000 farm people who are now 43 per cent below the 1914 level? What about the oil industry in this country, which is at the lowest depth of its history? What about the copper industry, and what about the coal industry? The great body of the people of this country are now below the pre-war level.

Mr. KELLER. I would put them all up.

Mr. McGUGIN. How will the gentleman do that?

Mr. UNDERHILL. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. UNDERHILL. I am in absolute accord and sympathy with the gentleman's statement, and I think he has told us just what we ought to hear, but when he speaks of an increase in the salaries of the rural mail carriers, does the gentleman know that practically every one of the farmers on his route signed a petition to Congress to increase that salary?

Mr. McGUGIN. I suppose that is true, but they are not talking that way now. The farmers were liberal in the days of their prosperity. Then they had no objection to liberal salaries. I say that these public salaries which were increased during the postwar inflated period were properly increased; they should have been increased; they were increased in keeping with the expense of the cost of living, and in keeping with the ability of the people to pay. Now that the cost of living has decreased and the income of the people has decreased, those public salaries should likewise

be decreased, simply in keeping with the present limited ability of the people to pay taxes, and in keeping with the decreased cost of living.

Mr. PATMAN. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. PATMAN. I noticed in the RECORD the interesting statement of the gentleman made on Saturday. I presume from that statement the gentleman believes there is an Oil Trust in this country.

Mr. McGUGIN. I am quite certain of that.

Mr. PATMAN. Is the gentleman aware of the fact that the trade practice conference agreement that was promoted by the Federal Trade Commission has made a contribution to that Oil Trust?

Mr. McGUGIN. I do not know anything about it.

Mr. PATMAN. The code of ethics of the large oil companies. Is the gentleman acquainted with that?

Mr. McGUGIN. I did not know they had any ethics.

Mr. PATMAN. I thoroughly agree with the gentleman that it is not ethical, but they have what they call a code of ethics.

Mr. McGUGIN. I will answer the gentleman's question like this, if the four monopolistic oil companies which I have particularly in mind, the Standard Oil of New Jersey, the Standard Oil of Indiana, the Gulf, and the Shell companies even make any pretense of having a code of ethics, then their claim is one of hypocrisy.

Mr. PATMAN. I thoroughly agree with the gentleman on that. Permit me to suggest, however, that the Oil Trust was organized by the Federal Trade Commission, and a member of that commission who has been responsible for organizing this trust has recently been reappointed, and his confirmation is pending before the Senate. If the gentleman is interested in breaking up this trust, I hope he will appear before the Senate Committee and oppose the confirmation of that man.

Mr. McGUGIN. I can not talk about trusts now. I want to talk about public expenses. I am thoroughly convinced that any of us would like to do whatever he can to alleviate distress, but you can not alleviate distress in this country by increasing the burden of those who are now in distress in order to keep those who are not in distress on a postwar inflated basis.

I thank you, ladies and gentlemen.

[Here the gavel fell.]

Mr. RAINEY. 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. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the President's message, had directed him to report that the committee had come to no resolution thereon.

ELECTION OF COMMITTEE ON INDIAN AFFAIRS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to the immediate consideration of a resolution which I have sent to the desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

RESOLUTION OFFERED BY MR. RAINEY

House Resolution 79

Resolved, That the following Members be, and they are hereby, elected members of the standing Committee on Indian Affairs, to wit: ANDREW L. SOMERS, of New York, and ROBERT S. HALL, of Mississippi.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

REFERENDUM ON WAR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of world peace, and to include therein a brief summary by Rear Admiral Samuel McGowan of his plan of referendum prior to any declaration of war.

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

There was no objection.

Mr. McSWAIN. Mr. Speaker, for the last 13 years the people of the whole world have given more thought to the plans, ways, and means of averting war and preserving peace than in any 100 years of previous time. It is a hopeful sign. Countless books have been written recently dealing with the subject of preventing war. Hardly a magazine issues from the press but has some article discussing this question. Many conventions and conferences have been held in all parts of the world. World machinery, such as the League of Nations, has been set up, seeking to eliminate war.

Now, Mr. Speaker, all this is a most encouraging condition. I believe that out of all this discussion we will finally reach—it may be many years—a practical working plan which the people of the world will accept and abide by. It may take one or two generations more to reach this goal. But since war has been the greatest time-consuming and wealth-consuming business of man throughout recorded history, we need not expect a quick solution for so great a problem. But let the search go on.

It is in this spirit I am offering for wide publicity and preservation in the CONGRESSIONAL RECORD the following outline of a plan sponsored by Rear Admiral Samuel McGowan, retired. Out of his rich and varied experiences as the Navy's Chief of Supplies during the World War period, Admiral McGowan offers some valuable information and a very intriguing suggestion.

ADMIRAL MCGOWAN'S PLAN

Peace is the heart's desire of every right-minded American.

Not the peace at any price hawked about by purblind pacifists but the lasting and honorable peace planned by the founders of this Republic to secure for posterity "life, liberty, and the pursuit of happiness"—the peace (wholly consistent with and dependent upon adequate national defense) which 19 centuries ago was commended by One far wiser than Wilson or Roosevelt or Lincoln or Washington:

"When a strong man armed keepeth his palace, his goods are in peace!"

As it stands to reason that peacemaking, like charity, begins at home, America's best contribution toward the peace of the world would unquestionably consist in making it most difficult for this Nation to become involved in war, by providing in advance that the people themselves shall determine their country's course and by further providing (also in advance) that, should war come, the money power as well as the man power shall be mobilized and controlled.

So far-reaching a program quite naturally suggests obstacles, many and serious; but it will be seen upon careful consideration that only common sense is required to overcome these obstacles—common sense coupled with the will to win as exemplified by the Navy's World War slogan:

"IT CAN'T BE DONE; BUT HERE IT IS"

Amend the Constitution now so as to require that before war can be declared or participated in (except only in the event of attack or invasion) there shall be a referendum; that if a majority of the votes cast be for peace, there the matter ends; if for war, every able-bodied male citizen between the ages of 18 and 35 shall be drafted; that from the day war is declared until peace is finally concluded no price or wage shall exceed what it was 90 days prior to such declaration, and all profits in excess of 5 per cent shall be forfeited to the Government; that no person, firm, or corporation shall in peace time or in war time be accepted as a contractor who is not a manufacturer of, or regular dealer in, the articles offered to be supplied—a regular dealer being none other than one who at the time the offer is submitted either owns outright the articles offered or dependably controls their source of supply.

By thus amending its own Constitution and setting a practical example which every nation could—and many, if not all, might—follow, the United States would be taking its stand and doing its share toward preserving world peace.

The advance referendum would, of course, have the effect of curtailing to just that extent the authority now vested in Congress; but since such authority is nowhere near commensurate with the awful responsibility entailed it is beyond belief that representatives of the people could after mature deliberation fail to welcome a mandate direct from the people (whose servants they are) before arriving at a decision which might mean plunging the country into war and making cannon fodder out of the flower of American manhood.

I believe whole-heartedly in the draft, in limiting prices and wages, and in the forfeiture of excess profits; but this is not enough.

My own personal experience as the Navy's supply chief throughout the world War makes me know—not think, but know—that

pyramided prices and inflated wages and the excessive profits directly incident thereto are not the only methods by which wartime profiteers would hope to loot the Public Treasury—conspicuous among other avenues of far-flung graft (to which any emergency so readily lends itself) being manipulation in the award of contracts and tampering with inspections so as to admit of short weights and inferior deliveries, for all of which the Government is expected to pay in full.

Worst of all, each and every one of such sinister possibilities, and, maybe, many more, are well known beforehand by the individuals and interests whose itching palms make them ever willing to subject their country to any amount of loss and any degree of danger provided only that they themselves may profit thereby!

As a matter of fact, wars, like accidents, never really "happen." They are caused. And, as long as human nature is so weak and the love of money so strong, prospective profiteers will keep on scheming to provoke war for the deliberate purpose of wrongfully enriching themselves; it being of record in Holy Writ that "Love of money is the root of all evil."

Does anybody believe that high-pressure "observers" are hired at fancy figures to merely "observe" at international disarmament conferences?

Can any sane American dismiss as mere coincidence the enormous increase in the number of millionaires between 1914 and 1920?

If and when the sovereign people want war, it is their right, and have it they will; referendum or no referendum.

But why let any self-seeking minority have any chance whatsoever to hoax and coax the Nation into a war wanted by nobody except these selfsame swindlers?

There appears to be a very general misapprehension as to how long it would take to hold a referendum and learn the electorate's wishes on the subject.

The United States has long since graduated out of the stagecoach and pony-express class; and, although our "lame-duck" method of electing in the fall and not installing until the following spring (or later) would scarcely so indicate, there is no good reason why (in these days of quick communications) war or peace could not be voted and the result made known within 24 hours.

By midnight of the 4th of November, practically every intelligent adult in America knows (or could easily find out) who has been elected President that day.

Then why should it take any longer to get an answer to the infinitely more important question of peace or war?

Amend the Constitution as proposed, and you remove the present premium on war and in its stead impose a very heavy penalty. You put everybody on notice in advance that, if the people (to whom this country belongs) see fit to go to war, every citizen is going to be made to do his full share of the work and suffer his just proportion of the sacrifice—whereas whatever the Government may actually need is going to be bought fairly and squarely from bona fide business men and not from irresponsible speculators.

The idea of submitting any "made-in-America" war for advance approval (or disapproval) by the voters is based on Abraham Lincoln's conviction that the rank and file of the American people are not easily fooled, and surely it would require considerably more calamity howling and bloody shirt waiving to mislead many million principals scattered over 48 different States than to stampede their few hundred agents assembled together in one place!

After all is said and done, any man's estimate of any given situation is but the projection across that situation of his own individual personality—the resultant of his likes and dislikes, his predelictions and his prejudices, his hopes and his fears, his ruling passion, his innermost aim in life.

Now, what does the word "war" signify and suggest to the average patriotic American?

To the soldier and the sailor, work and yet more work; to the taxpayer, added burdens to be borne; to the legitimate business man, demoralization and probable loss; to the mother, separation, sorrow, tears; to the youth of the land, privation, danger, death!

Since our War of the Revolution against the mother country was fought for the principle that "taxation without representation is tyranny," is not the average patriotic American entitled to be consulted before making a decision of such vitally momentous consequence?

No red-blooded American could say, "Let us not fight if and when we ought to," but he can say (and this one does say), "Let us not originate a war unless and until we have to," remembering meanwhile and always that battles cost more than battleships, taxes are cheaper than tribute, and a little navy is a dangerous thing, but "When a strong man armed keepeth his palace, his goods are in peace."

DECEMBER 26, 1931, LEGAL HOLIDAY

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 655) declaring December 26, 1931, to be a legal holiday in the District of Columbia.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That December 26, 1931, shall be a legal holiday in the District of Columbia.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, as I understand, the agreement under which we are working to-day and to-morrow is that no controversial matters shall be considered. As I consider this greatly controversial, I must object to its present consideration.

The SPEAKER. Objection is heard.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. CAMPBELL of Pennsylvania, 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. 142. Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932.

The Speaker also announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 39. Joint resolution extending the time within which the War Policies Commission is required to submit its final report.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, there will be an effort to curtail debate to-morrow as much as possible. We have been very liberal, and a great many Members desire to go home.

Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 31 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 22, 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:

320. A letter from the Secretary of Commerce, transmitting summary of reports with a brief statement of the action of the department in respect to accidents sustained or caused by barges while in tow through the open sea during the fiscal year 1931; to the Committee on the Merchant Marine and Fisheries.

321. A letter from the Secretary of the Navy, transmitting draft of a proposed bill "To amend the act of February 20, 1931 (46 Stat. 1191), entitled 'An act to authorize the Secretary of War to sell the undisposed of portion of Camp Taylor, Ky., approximately 328 acres, and to also authorize the appraisal of property disposed of under authority contained in the acts of Congress approved July 9, 1918, and July 11, 1919, and for other purposes'"; to the Committee on Military Affairs.

322. A letter from the Secretary of the Navy, transmitting draft of a bill "To authorize and permit Admiral William V. Pratt, United States Navy, and Vice Admiral Arthur L. Willard, United States Navy, to accept diplomas of the Legion of Honor with the rank of grand officer and the rank of commander, respectively, tendered to them by the French Government"; to the Committee on Naval Affairs.

323. A letter from the Secretary of the Interior, transmitting statement of the fiscal affairs of all Indian tribes for whose benefit expenditures from public or tribal funds were made during the fiscal year ended June 30, 1931; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. S. 655. A bill declaring December 26, 1931, and January 2, 1932, to be legal holidays in the District of Columbia; without amendment (Rept. No. 13). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 6477) to further extend naturalization privileges to alien veterans of the World War residing in the United States; to the Committee on Immigration and Naturalization.

By Mr. CROSSER: A bill (H. R. 6478) to promote interstate commerce, agriculture, and the general welfare by providing for the development and control of waterways and water resources, for water conservation, for flood control, prevention, and protection; for the application of flood waters to beneficial uses; and for cooperation in such work with States and other agencies, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. DAVILA: A bill (H. R. 6479) to provide for the filling of certain vacancies in the Senate and House of Representatives of Porto Rico; to the Committee on Insular Affairs.

By Mr. DAVIS: A bill (H. R. 6480) to provide for the purchase of a site and the erection of a public building thereon at Lewisburg, in the State of Tennessee; to the Committee on Public Buildings and Grounds.

By Mr. HANCOCK of North Carolina: A bill (H. R. 6481) to provide for the renewal of 5-year level term premium policies, without medical examination, by amending section 301 of the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. MONTAGUE: A bill (H. R. 6482) for the purchase of a site and the erection of a public building at Ashland, Commonwealth of Virginia; to the Committee on Public Buildings and Grounds.

By Mr. WELCH of California: A bill (H. R. 6483) to provide for the protection of fish by requiring reports on the location of canneries in Alaska, and prohibiting certain salmon unlawfully caught from being brought into the United States, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. WICKERSHAM: A bill (H. R. 6484) to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation, authorized to carry on its business in the Territory of Alaska; to the Committee on the Public Lands.

Also, a bill (H. R. 6485) to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 6486) to extend the provisions of the act of Congress approved September 7, 1916, entitled "An act to provide compensation for employees of the United States receiving injuries in the performance of their duties, and for other purposes," to Frank A. Boyle; to the Committee on Claims.

Also, a bill (H. R. 6487) to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant, and the improvement of the water and sewer systems, and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg; to the Committee on the Territories.

By Mr. WILLIAMS of Texas: A bill (H. R. 6488) to provide for the establishment of a fish-cultural station at or near Graham, Tex.; to the Committee on the Merchant Marine and Fisheries.

By Mr. LEHLBACH: A bill (H. R. 6489) to amend the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia, and in the field services," and amendments thereto; to the Committee on the Civil Service.

By Mr. McCORMACK: A bill (H. R. 6490) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

Also, a bill (H. R. 6491) to amend the World War veterans' act; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 6492) regulating repair work on any vessel of the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 6493) to amend section 11 of an act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26, 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 6494) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. MARTIN of Massachusetts: A bill (H. R. 6495) regulating the quality marking of articles of merchandise made of silver or alloys of silver; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: A bill (H. R. 6496) to increase the efficiency of the Air Corps; to the Committee on Military Affairs.

By Mr. DAVIS: A bill (H. R. 6497) authorizing and directing the Secretary of Agriculture to establish and maintain a tobacco experiment and demonstration station for the South at or near Carthage, Tenn.; to the Committee on Agriculture.

By Mr. HOWARD: A bill (H. R. 6498) to authorize the extension of time for payment of rents due from leases of allotted Indian lands within the Omaha Reservation and to provide for loans to allottees of Indian lands within the Omaha Reservation, and for other purposes; to the Committee on Indian Affairs.

Also (by request), a bill (H. R. 6499) regulating Indian allotments disposed of by will; to the Committee on Indian Affairs.

By Mr. CHAPMAN: A bill (H. R. 6500) to extend the time for repayment of certain loans to farmers for the crop of 1931; to the Committee on Agriculture.

By Mr. LUCE: Joint resolution (H. J. Res. 157) authorizing and directing the Interstate Commerce Commission and the United States Shipping Board to make a joint investigation into the practicability of equalizing rail rates and ocean rates on export and import freight traffic between points in the United States and points in foreign countries by way of the several United States ports, and to make joint report thereon; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK: Joint resolution (H. J. Res. 158) to repeal the national prohibition act; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 159) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GIBSON: Joint resolution (H. J. Res. 160) to provide a special clerk for the Committees on Civil Service under the Senate and House of Representatives; to the Committee on Accounts.

By Mr. SMITH of Virginia: Joint resolution (H. J. Res. 161) to repeal the act approved August 23, 1894 (28 Stat. 494), as amended; to the Committee on the District of Columbia.

By Mr. LEWIS: Joint resolution (H. J. Res. 162) to provide for the naming of Montgomery Blair Circle; to the Committee on the District of Columbia.

By Mr. KELLER: Concurrent resolution (H. Con. Res. 6) for an investigation of the causes of the prevailing industrial depression and into measures to relieve the same and prevent a recurrence thereof; to the Committee on Rules.

By Mr. HORR: Resolution (H. Res. 80) to investigate the Federal Radio Commission; to the Committee on Rules.

By Mr. KELLER: Resolution (H. Res. 81) authorizing the appointment of a special committee to investigate and report upon the existing economic depression and remedies for relief therefrom; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUF DER HEIDE: A bill (H. R. 6501) for the relief of Oswald Bauch; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 6502) granting a pension to Edna P. Welsh; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 6503) granting a pension to Nancy M. Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6504) granting an increase of pension to Eunice Reed; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H. R. 6505) for the relief of Charles Harvey Holt; to the Committee on Naval Affairs.

By Mr. CRAIL: A bill (H. R. 6506) for the relief of John W. Stroup; to the Committee on Military Affairs.

Also, a bill (H. R. 6507) granting a pension to Thomas McGuire; to the Committee on Pensions.

By Mr. CROWE: A bill (H. R. 6508) granting a pension to Isaac A. Chandler; to the Committee on Pensions.

Also, a bill (H. R. 6509) granting an increase of pension to Charlotte Meadows; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6510) granting a pension to Ebbie Allstott; to the Committee on Pensions.

Also, a bill (H. R. 6511) granting a pension to Edwin Wade Buford; to the Committee on Pensions.

By Mr. CULKIN: A bill (H. R. 6512) granting an increase of pension to Amelia Domey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6513) granting an increase of pension to Eunice A. Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6514) granting an increase of pension to Nancy E. Fish; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 6515) for the relief of G. W. Bauserman; to the Committee on Claims.

By Mr. EVANS of California: A bill (H. R. 6516) granting an increase of pension to Joseph Hale; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 6517) granting an increase of pension to Martha Swain; to the Committee on Pensions.

Also, a bill (H. R. 6518) granting a pension to Pearl Sames; to the Committee on Pensions.

By Mr. FOSS: A bill (H. R. 6519) granting an increase of pension to Mary E. Barton; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 6520) authorizing the Secretary of the Navy to grant a perpetual easement 15 feet in width to Pacific Gas & Electric Co., a California utility corporation, over, across, in, and upon the site of the lighter-than-air base, near Sunnyvale, in the county of Santa Clara, in the State of California, for an existing 20-inch gas main; to the Committee on Naval Affairs.

By Mr. FULMER: A bill (H. R. 6521) to provide a preliminary examination of Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods; to the Committee on Flood Control.

By Mr. GAMBRILL: A bill (H. R. 6522) for the relief of Jennie Bruce Gallahan; to the Committee on Claims.

Also, a bill (H. R. 6523) to authorize and permit Admiral William V. Pratt, United States Navy, and Vice Admiral Arthur L. Willard, United States Navy, to accept diplomas of the Legion of Honor, with the rank of grand officer and the rank of commander, respectively, tendered to them by the French Government; to the Committee on Naval Affairs.

By Mr. GARBER: A bill (H. R. 6524) granting a pension to Mildred S. McKean; to the Committee on Pensions.

By Mr. GIFFORD: A bill (H. R. 6525) granting an increase of pension to Mary A. C. Vanderhoop; to the Committee on Invalid Pensions.

By Mr. GLOVER: A bill (H. R. 6526) granting a pension to Mrs. S. A. Ashcraft; to the Committee on Invalid Pensions.

By Mr. HORNOR: A bill (H. R. 6527) granting a pension to Thomas W. Haymond; to the Committee on Pensions.

Also, a bill (H. R. 6528) for the relief of the Zoar Baptist Church, Keslers Cross Lanes, Nicholas County, W. Va.; to the Committee on War Claims.

Also, a bill (H. R. 6529) granting an increase of pension to Loverney J. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6530) granting a pension to Sarah Lee Hess; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6531) granting an increase of pension to Mary S. Knight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6532) granting an increase of pension to Jeanett Gabbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6533) granting an increase of pension to Sarah C. Kirkpatrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6534) granting an increase of pension to Ann E. Riggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6535) granting an increase of pension to Elizabeth E. West; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 6536) granting an increase of pension to Mary A. Wohlford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6537) granting an increase of pension to Anna Shannessay; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 6538) for the relief of Martin L. Sowders; to the Committee on Military Affairs.

Also, a bill (H. R. 6539) for the relief of Stanley Kaleta; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 6540) granting a pension to Merton M. Pennington; to the Committee on Pensions.

Also, a bill (H. R. 6541) granting a pension to William R. Wilson; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 6542) granting a pension to Emma Darby; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 6543) for the relief of Annie E. Fluharty; to the Committee on Invalid Pensions.

By Mr. LOVETTE: A bill (H. R. 6544) granting a pension to Mack Tipton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6545) for the relief of Hal B. Carthron; to the Committee on Military Affairs.

Also, a bill (H. R. 6546) for the relief of Charles C. Williams; to the Committee on Military Affairs.

Also, a bill (H. R. 6547) granting a pension to W. M. Sims; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6548) granting a pension to Frank Wesley Carroll; to the Committee on Pensions.

Also, a bill (H. R. 6549) granting a pension to L. A. Ragan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6550) granting a pension to Eda Kear; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6551) for the relief of Rowland W. Davidson; to the Committee on Military Affairs.

Also, a bill (H. R. 6552) granting a pension to Luther G. Martin; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 6553) for the relief of James Hogan; to the Committee on Military Affairs.

Also, a bill (H. R. 6554) for the relief of Robert D. Allnutt; to the Committee on Military Affairs.

Also, a bill (H. R. 6555) granting a pension to Catherine E. Cowhick; to the Committee on Pensions.

Also, a bill (H. R. 6556) granting a pension to James A. Shelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6557) granting an increase of pension to Adelia Kent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6558) granting an increase of pension to Dora Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6559) granting an increase of pension to Mary Henning; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 6560) for the relief of Charles G. Keiser; to the Committee on the Civil Service.

By Mr. McCormack: A bill (H. R. 6561) for the relief of Harry Siegel; to the Committee on Military Affairs.

Also, a bill (H. R. 6562) for the relief of George B. Cummins; to the Committee on Military Affairs.

Also, a bill (H. R. 6563) for the relief of Ralph M. George; to the Committee on Naval Affairs.

Also, a bill (H. R. 6564) for the relief of John P. Hurley; to the Committee on Naval Affairs.

Also, a bill (H. R. 6565) to extend the benefits of the employees' compensation act of September 7, 1916, to Albert D. Drury; to the Committee on Claims.

Also, a bill (H. R. 6566) for the relief of Mrs. A. H. Lawson; to the Committee on Claims.

Also, a bill (H. R. 6567) for the relief of Joseph Mastine Keefe; to the Committee on Naval Affairs.

Also, a bill (H. R. 6568) granting a pension to John P. Hurley; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H. R. 6569) granting an increase of pension to Patrick J. Hanrahan; to the Committee on Pensions.

Also, a bill (H. R. 6570) granting an increase of pension to Mary J. Evans; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 6571) granting an increase of pension to Sylvia Ann Dunn; to the Committee on Invalid Pensions.

By Mr. SANDERS of Texas: A bill (H. R. 6572) for the relief of the Terrell Military College, of Terrell, Tex.; to the Committee on Claims.

By Mr. SHREVE: A bill (H. R. 6573) for the relief of Nellie Barnard; to the Committee on Military Affairs.

By Mr. SNOW: A bill (H. R. 6574) for the relief of Frank J. Curran; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H. R. 6575) granting an increase of pension to John J. Cawley; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 6576) granting an increase of pension to Martha J. Woods; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

181. Petition of district stewards, pastors, and lay leaders of the Meridian district, Mississippi Annual Conference of the Methodist Episcopal Church South, unconditionally indorsing the eighteenth amendment to the Constitution of the United States of America; to the Committee on the Judiciary.

182. Petition of citizens of the State of Kentucky, urging the Congress of the United States to take such necessary steps or action that will eliminate unfair methods of competition against the rail-transportation system of the Nation by placing such competition under equal tax and regulatory conditions as govern the rail-transportation system operating within the United States of America; to the Committee on Interstate and Foreign Commerce.

183. By Mr. HOGG of Indiana: Petition of the Cigarmakers' Union, No. 37, of Fort Wayne, Ind., urging modification of the eighteenth amendment to the Constitution so as to permit the manufacture and sale of light wines and beers; to the Committee on the Judiciary.

184. Also, petition of young people of Garrett, Auburn, and Spencerville, in De Kalb County, Ind., in support of the eighteenth amendment, and urging its more strict enforcement; to the Committee on the Judiciary.

185. Also, petition of the Woman's Christian Temperance Union of Allen County, Ind., urging that there be no relaxation in the laws relating to enforcement of the eighteenth amendment; to the Committee on the Judiciary.

186. Also, petition of the members of the Ladies' Literary Club of St. Joe, De Kalb County, Ind., urging the furtherance of peace and prevention of war; to the Committee on Foreign Affairs.

187. Also, petition of citizens of Howe, La Grange County, Ind., urging more strict enforcement of the eighteenth amendment and the Volstead law; to the Committee on the Judiciary.

188. By Mr. O'CONNOR: Resolutions of the Substitute Letter Carriers' Association of New York City, petitioning Congress for more employment; to the Committee on the Post Office and Post Roads.

189. By Mr. PERSON: Petition of citizens of Detroit, Mich., and vicinity, to enact legislation to curb the activities of the "chain-store" system; to the Committee on the Judiciary.

190. By Mr. RUDD: Petition of New York Joint-Stock Land Bank, Rochester, N. Y., favoring the passage of House bill 5060; to the Committee on Banking and Currency.

191. Also, petition of Power City Local, No. 51, International Brotherhood of Paper Makers, Niagara Falls, N. Y., with reference to competition with foreign paper manufactures; to the Committee on Ways and Means.

SENATE

TUESDAY, DECEMBER 22, 1931

(Legislative day of Monday, December 21, 1931)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senator from California [Mr. JOHNSON] has the floor.

Mr. FESS. Mr. President——

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

Mr. JOHNSON. I yield.

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

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

Mr. JOHNSON. I do.

The VICE PRESIDENT. The clerk will call the roll.

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

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

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

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, the policy pursued by the opponents of independence to the Philippine Islands of giving parts of a statement or extracts from a statement still continues. I have read in numerous papers that Mr. Quezon, Filipino leader, president of the Philippine Senate, former Commissioner to the United States, has abandoned his position in favor of complete independence for the Philippines and would accept in lieu of independence an increased autonomy, which I presume meant the election of a Filipino governor by the Filipino people.

This statement is not correct, so I ask permission to insert in the RECORD the entire report of Mr. Quezon to the Philippine Legislature.

It will be noted that because of his continued ill health, it was accompanied by his resignation as president of the senate and leader of his party. His resignation was rejected.

The statement I insert is in full, just as it was given to the Philippine Legislature. No one who reads it and understands English or wants in any way to be fair could interpret it as any abandonment of the aspiration for independence. The leader does ask for independence with free trade for a period of 10 years, but the two go together.

There was no compromise offered and none suggested. All of the three plans suggested by Mr. Quezon embrace independence, and he very carefully states that if independence must be given on terms of disadvantage, hardship, or even strain upon the Filipino people, it would be accepted, no matter how difficult the impositions might be.

The VICE PRESIDENT. Without objection, leave is granted.