secretary, 405 Eighth Street, Ambridge, Pa., urging the enactment of House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

4942. By Mr. WYANT: Petition of 80 railroad employees of Derry, Westmoreland County, Pa., urging support of a pension plan; to the Committee on Interstate and Foreign Commerce.

4943. Also, petition of 40 railroad employees of western Pennsylvania, urging support of Senate bill 3677 and House bill 9891, as sponsored by Railroad Employees' National Pension Association (Inc.); to the Committee on Interstate and Foreign Commerce.

4944. Also, petition of Women's Adult Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4945. Also, petition of the Ladies' Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Westmoreland County, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4946. Also, petition of Group No. 2357, Polish National Alliance, Latrobe, Pa., urging enactment of legislation designating October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4947. Also, petition of Men's Bible Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4948. Also, petition of Young Women's Bible Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4949. By the SPEAKER: Petition of the Charles E. Nelson Post of the American Legion, Keyport, Wash., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 25, 1932

The House met at 12 o'clock noon.

The Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Our Heavenly Father, as we bow in Thy divine presence this morning, we are not unmindful of the solemnity of this day and what it commemorates in the history of the world. As far as we are able to measure time, one thousand nine hundred and two years ago Thou didst reveal unto us, through Thy Son, the greatest evidence of love which our hearts have ever known; and we come in deep gratitude to Thee and thank Thee for what was done by the Lord Jesus Christ for us on Calvary's cross and to pray, as He prayed, that not His will but Thine might be done. So in our hearts and in our lives may our will be submitted to Thine in our own personal affairs and with regard to the greater affairs that have to do with our land. Let Thy blessing rest upon all our deliberations to-day that we may look upon Thee, not merely as a God of power and of might and of wisdom but a God of love who is leading us, we believe, among the nations, and who hast for us the desire that we usher in the kingdom that shall bring peace throughout the length and breadth of the earth. To this end, guide every one of us, for Christ's sake. Amen.

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

CALL OF THE HOUSE

Mr. STEWART. Mr. Speaker, I raise the point that no quorum is present.

Mr. CRISP. Mr. Speaker, evidently there is not a quorum present. I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Abernethy	Dyer	Kennedy	Sirovich
Amlie	Free	Kniffin	Smith, W. Va.
Beck	Freeman	Kurtz	Sparks
Beers	Gasque	Lewis	Spence
Buckbee	Gifford	Lozier	Stalker
Bulwinkle	Gillen	McGugin	Steagall
Busby	Golder	Parker, N. Y.	Stevenson
Carter, Wyo.	Gregory	Person	Strong, Kans.
Chapman	Griffin	Pettengill	Strong, Pa.
Collier	Hart	Pratt, Harcourt J.	Tucker
Corning	Haugen	Ramspeck	Vestal
Crump	Horr	Rayburn	Watson
Curry	Igoe	Reid, Ill.	Welsh, Pa.
Davis	Jenkins	Sabath	Wolcott
De Priest	Johnson, Ill.	Schuetz	Wood, Ga.
Dickstein	Kelly, Ill.	Selvig	Wood, Ind.
Douglas, Ariz.	Kendall	Shannon	

The SPEAKER. Three hundred and sixty-four Members have answered to their names, a quorum.

Mr. CRISP. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. CANNON. Mr. Speaker, I desire to announce that my colleague the gentleman from Missouri [Mr. LOZIER] is absent in Missouri, where he will deliver the keynote speech as temporary chairman of the Democratic State convention.

EXTENSION OF REMARKS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to insert a very instructive cartoon in the RECORD.

The SPEAKER. That can not be done by unanimous consent.

Mr. BOYLAN. I understood, Mr. Speaker, it was optional or discretionary with the Committee on Printing, and may the matter be referred to them, sir?

The SPEAKER. The gentleman's remedy is to apply to the Joint Committee on Printing or to change the statute in this particular.

Mr. BLANTON. I object, Mr. Speaker.

THE UNKNOWN SOLDIER

Mr. DRANE. Mr. Speaker, I ask unanimous consent to publish in the RECORD a speech made at the auditorium in the Arlington National Cemetery on May 10, 1931—Mother's Day—on the subject "I Knew the Unknown Soldier," by Hon. RUTH BRYAN OWEN.

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

There was no objection.

ADDRESS OF HON. RUTH BRYAN OWEN, OF FLORIDA, AT ARLINGTON NATIONAL CEMETERY, MAY 10, 1931

I knew the Unknown Soldier, that composite of the youth of our Nation and of other nations who answered the call to arms in the World War.

I first saw him as he marched through the streets of London, one of the "first hundred thousand." The sky was heavy with clouds and the pavements dark and shiny with rain. Only a few of the troops were clad in military uniforms. Many marched just as they had left the bench in the factory or the stool in the office. We were almost within sound of the guns there—thundering guns heralding the oncoming storm of war. So certainly were these first troops under sentence of death that there was no cheering in the streets as they passed. Bystanders with bared heads stood at attention in silence. But the Unknown Soldier was singing as he strode along. "It's a Long, Long Way to Tipperary," he sang to the thud of tramping feet on the wet pavement.

I saw him again where he was sent back to a rest camp on the edge of the desert after months of fighting. There was not much to suggest repose in that cluster of blisteringly hot tents set down in a waste of yellow sand. But there was a chance to slacken taut nerves and tired muscles. In the big recreation pavilion there were concerts under the flare of gas lights, while silver moonlight whitened the sands of the desert all around us. I wondered why the troops liked to sing these plaintive home and mother songs, with an ocean and a battle front separating them from their own firesides. Leaning back against the rough benches, with half-closed eyes, they sang about the long, long trail a'winding to the land of their dreams. And they whistled tunes from the music halls with a lilt and a swing to them, and forgot for an hour the mud and blood and anguish of the front line.

I next saw the Unknown Soldier when a slight wound had sent him into one of the stationary hospitals. Neither wound nor hospital discipline could quench his infectious good spirits. I remember we had a little table on wheels which carried surgical dressings from one bedside to another. When the nurses were out of the ward for a moment he would parade down the aisle be-

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tween the beds, pushing the table before him in a wonderful burlesque of a proud father wheeling his baby through the park.

He patted the carbolic bottle on its head and straightened the bows of its imaginary cap, to the noisy delight of the bedridden patients. He had smuggled a banjo into the ward, and at moments when no watchful eye was on him, out it would come from under his pillow and the patients who should have been resting quietly were waving a hand or nodding a head in time to his music. Although the nurses were obliged to repeat the rules to him severely, we could scarcely hide our smiles.

And how we all crowded to the window for a last glimpse of him when he was well enough to leave the hospital!

A strong offensive was about to begin. Train after train carried new reinforcements toward the firing line. Our discharged patients, with all their active-service kits swinging from their shoulders, were crowding the station platform, and while we watched them swinging along, we heard the order, "Get ready 500 beds; they will be needed after this attack."

I did not see the Unknown Soldier as he met the last shock of battle, but I received a letter which was taken from his pocket as he fell. A wave of our troops was sweeping forward when a bursting shrapnel halted him. A comrade stooped over him where he had fallen with a mortal wound. There was only time to seize the little metal disk with his name and to take from his pocket two letters which were all addressed for posting—one letter to his mother and the other which came to me. A little later when the tide of battle turned, retreating regiments swept back over the same ground, obliterating every trace which would identify him.

It is not necessary to read his letter. Its words are indelibly written in my memory * * *. "I send this on the eve of the offensive," the letter ran. "I have been thinking how fortunate my life has always been. I have had the best parents in the world and a wonderful home. So far my life has been all accepting. I've never given back, in return, any service to society. But while I have been out here at the front, I have had a lot of time to think, and I have been planning ways in which I believe I can justify the opportunities I have had. I have thought out how this life of mine can be made to fit usefully into the Bigger Plan * * *."

Then there was a line drawn across the page, with these words: "But if you receive this letter, it means that I will never be able to pay my debt to society."

He could not know how fully he paid that debt, but all the world knows. That is why they have raised a memorial to him in Westminster Abbey, where a nation's great lie sleeping, and at the heart of Paris's Arch of Triumph. It is the reason why our own Nation has built and dedicated this marble amphitheater above the Potomac, within sight of the Nation's Capitol, and all the world comes here to pay him tribute.

Heroes returning from the conquest of the sea or the earth or air share their laurels here. Presidents and kings bring their wreaths of palm, and little children with field flowers in their hands, come to learn their first lessons of devotion to country. To-day the mothers of America, recipients of the Nation's affection, lay their wreaths upon the tomb of this sleeping boy——

"Sleep on, brave heart, the drums are mute,
The birds in woodland call
Where cannons roared, the summer's flute
Holds listening world in thrall.
The glory yours. The night's deep calm
Her wings your field enfold.
Sleep on, unknown, beyond life's harm
Beyond the dawning's gold.

"Mourn not, dear ones, the tears will pass
The requiem chant is sweet,
But I sleep not beneath the grass,
Beneath the poppies' feet.
Beyond the shining morning bars,
Where phantom hosts have trod,
I walk the highway of the stars
And I have seen my God."

THE REVENUE BILL

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, the revenue bill, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. My understanding under the unanimous-consent agreement is that when we finish this section of the bill we are to turn back to page 36 and begin reading where we left off; is that correct?

Mr. CRISP. No; it is not exactly correct. The understanding was that we were to first finish this title.

Mr. RANKIN. I meant the title; yes.

Mr. CRISP. And then we are to turn back to page 36.

Mr. RANKIN. Is this the last amendment to this title?

Mr. CRISP. I can not tell how many amendments to the amendment will be offered or how long the debate may run, but when this title is finished, then, under the unanimous-consent agreement, we turn back to page 36.

Mr. RANKIN. And begin reading where the Clerk left off?

Mr. PARKS. Mr. Chairman, do I understand that we will not now finish this title and take up the oil paragraph?

Mr. CRISP. No; oil is in this title, and I think that will be disposed of before we turn back to page 36.

Mr. Chairman, I have a committee amendment to offer.

The CHAIRMAN. I will state to the gentleman from Georgia that paragraph (b) has not been read.

Mr. CRISP. My amendment is to paragraph (d). I shall have to wait until the Clerk has read the paragraph.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. In the amendment offered by the gentleman from North Carolina striking out certain portions of the first part of subsection (b) no reference in the amendment was made to the last parenthesis. Can the Chair inform the committee what the status of the amendment is so far as the parenthesis is concerned?

The CHAIRMAN. Referring to the inquiry of the gentleman from Wisconsin, the Chair will state that unanimous consent was given for the Clerk to make any typographical corrections that may be necessary.

The Clerk will read.

The Clerk read as follows:

(c) The tax imposed under subsection (b) shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the tariff act of 1930, and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that—

(1) the value on which such tax shall be based shall be the dutiable value (under section 503 of such act) of the article, plus the customs duties, if any, imposed thereon under any provision of law;

(2) for the purposes of section 489 of such act (relating to additional duties in certain cases of undervaluation) such tax shall not be considered an ad valorem rate of duty or a duty based upon or regulated in any manner by the value of the article;

(3) such tax shall not be imposed upon any article imported prior to the date on which this title takes effect;

(4) no drawback of such tax (except tax paid upon the importation of an article described in subsection (d) (4)) shall be allowed under section 313 (a), (b), or (f) of the tariff act of 1930 or any provision of law allowing a drawback of customs duties on articles manufactured or produced with the use of duty-paid materials;

(5) such tax shall be imposed in full notwithstanding any provision of law or treaty granting exemption from or reduction of duties to products of any possession of the United States or of any country; and

(6) when he deems such action to be in the interest of the revenue, the Secretary may direct that such tax with respect to any class of articles designated by him shall be levied, assessed, collected, and paid in the same manner and subject to the same provisions of law as the tax imposed by subsection (a).

Mr. CRISP. Mr. Chairman, I ask unanimous consent to address the committee for five minutes.

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

There was no objection.

Mr. CRISP. Mr. Chairman, yesterday when we had the test vote on the manufacturers' tax title, which was eliminated, it was understood that the remaining sections in the paragraph of the manufacturers' tax title were to be eliminated. The gentleman from North Carolina offered an amendment to strike out the paragraph, and incidentally it was so drafted that it had the effect of removing other excise taxes to be levied in the United States on wort, malt, lubricating oil, and that was not intended by the gentleman from North Carolina.

The effect of that amendment was to leave these items in the bill and make them subject to these high rates of duty for import and no tax on them at all if domestically produced.

Of course, that was not intended. The intention was to eliminate all of the manufacturers' tax proposition and leave these items in the bill for this committee to consider, if the committee desires to amend them or strike them out entirely. It was to leave the matter for your determination as to these matters.

Now, to try and carry out what was really intended and to put the matter before you where you will have the opportunity to consider these items as to whether or not you desire to leave these high taxes on domestic production of these commodities, the committee has prepared an amendment, which I desire to offer as a substitute to paragraph (d).

That amendment simply proposes that there should be levied and collected on these articles—lubricating oil, malt sirup, wort, concentrates of grapes, and imported oil, just as it was in the original bill.

It will be subject to amendment, just as in the original bill. You can offer amendments to it or move to strike it out.

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman.

Mr. SCHAFER. Is it not a fact that the tax embodied in the gentleman's amendment referring to malt, is the same in principle as the manufacturers' sales tax of 2¼ per cent, which has been stricken from the bill, only it is more obnoxious, for instead of having a tax of 2¼ per cent, you have singled out malt, including that which is used by the housewife and children for food and medicine, and put a manufacturers' sales tax of from 30 to 40 per cent on it.

Mr. CRISP. I think it is a sales tax.

Mr. SCHAFER. It will be subject to 30 or 40 per cent manufacturers' sales tax.

Mr. O'CONNOR. Will the gentleman yield?

I want to get the matter clear as to what is really to be collected on imported articles. The Clerk has read paragraphs (c) and (d), which pertain to imported articles, with a tax of 2¼ per cent in addition to present tariff duties.

They must be still in the bill, because the Clerk has read them. Will a motion be made to strike them out, or is it the intention to keep that tax on imported articles?

Mr. CRISP. The gentleman's inquiry is an intelligent one, and I shall try to answer it. That is kept in temporarily because in this amendment, that was in the bill and is a tax on imported oil and gasoline. If this committee should decide to retain the tax on imported oils and gasoline, that section is necessary. If the committee should decide not to tax imported oils and gasoline, then we will go back and move to strike out.

Mr. O'CONNOR. Following that up, subdivision (b) puts a tax on every imported article. Why do you have to retain that in the bill if you want to tax only oil?

Mr. CRISP. It is because in the scheme of the bill that is to apply to imported articles, and this text deals with imported articles, and if the committee retains this text on imported articles, this is necessary; if it does not, it is unnecessary.

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

Mr. CRISP. Yes.

Mr. BLANTON. Is it not a fact that in the adoption of the Doughton motion with respect to striking out portions of paragraph (b), and in such connection reforming the provisions of paragraph (d), that the provisions of paragraph (d) in effect were adopted by the committee already?

Mr. CRISP. I do not think so.

Mr. BLANTON. If they were adopted, as the gentleman knows, if the parliamentary effect of the motion of the gentleman from North Carolina in striking out portions of paragraph (b) affecting paragraph (d) is to approve of paragraph (d), then there could be no action now by the committee to affect that paragraph.

Mr. CRISP. I do not think it has that parliamentary effect. The parliamentary effect of this bill up to date is that there would be these high tariffs levied on imported wort, malt, and no tax whatever on domestically produced wort, malt, and so forth. Under the bill as written there would be a tax on imported oil, but the whole policy of the Committee on Ways and Means—and I have tried to acquiesce in it—has been to give Members full opportunity to express their will, to vote on everything that they wanted to vote on, and the effect of the amendment I shall offer is simply to give the House a chance to vote as to whether or not it desires to place these high taxes on wort, lubricating oil, grape concentrates, and the tax on gasoline, and this will be subject to amendment just the same as the original text.

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

Mr. CRISP. Yes.

Mr. SCHAFER. Is it not also subject to a point of order because the gentleman is trying to put into the bill what we took out yesterday?

Mr. CRISP. Oh, no; we did not take that out.

Mr. SCHAFER. The gentleman made the statement that we took out the excise levy on the products manufactured in this country, and left in the bill provisions for the tax on imported products. Therefore, if the gentleman's statement is correct, his amendment is not in order because he is trying to put back into the bill an excise tax on products manufactured in this country, that we took out yesterday.

Mr. CRISP. The gentleman is in error. The committee has never passed on whether there would be this special excise tax on wort. The committee under the parliamentary rules of this House voted to strike out the provision levying the two and a quarter per cent manufacturers' sales tax. It had nothing to do with this wort proposition. This wort simply happens to be in the same title. I can not yield further to the gentleman from Wisconsin.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. JOHNSON of Washington. Yesterday in the preliminary process, prior to the beginning of the reading of the bill, the gentleman from Georgia [Mr. CRISP] undertook to guarantee quite a number of us with regard to our requests to offer certain amendments.

Mr. CRISP. Oh, I never guaranteed anything.

Mr. JOHNSON of Washington. I think the gentleman was good enough and said that he would try to protect us in the right to introduce amendments.

Mr. CRISP. I shall do that, but I can not guarantee anything that this House will do.

Mr. JOHNSON of Washington. Quite true. Mr. Chairman, a great many Members are here with amendments with regard to goods from a country where convict or near convict labor is used. One gentleman will offer an amendment pertaining to matches, another amendment will be offered on coal, one on oil, one on manganese, one on lumber, and thereafter I expect to offer a blanket amendment for all, as a substitute for any of the 1-item amendments that may be adopted. Now, under the plan of the gentleman from Georgia, will there be an opportunity to offer these amendments, or should they be offered as amendments to the amendment the gentleman proposes now?

Mr. CRISP. I think they could be offered either way, provided they are germane. I think this proposition has nothing to do with that.

Mr. JOHNSON of Washington. But the amendments could be offered as amendments to the amendment the gentleman from Georgia is offering.

Mr. CRISP. Yes; if they are germane.

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

Mr. CRISP. Yes.

Mr. LINTHICUM. Do I understand the manufacturers' tax is taken off wort and malt by the gentleman's amendment, and that then there is a tax on imported wort only?

Mr. CRISP. Under the technical effect of the drafting of the amendment yesterday, that is the effect of it. The gentleman from North Carolina [Mr. DOUGHTON] will confirm me that it was not intended to do that. It is intended to still leave us those subjects in the bill, subject to special excise taxes, for the committee to decide whether or not it wants to keep them.

Mr. LINTHICUM. Do I understand that the gentleman's amendment will place malt and wort in the bill again subject to tax?

Mr. CRISP. The amendment I shall offer, if the committee adopts it as written, yes; but when that amendment is under consideration the Committee of the Whole has a perfect right to move to strike out any of these paragraphs and eliminate them from the amendment.

Mr. LARSEN. And how much revenue does that involve?

Mr. CRISP. About $50,000,000.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LAGUARDIA. Without going into the merits of the provisions now, I believe the gentleman is trying to straighten out the parliamentary situation. After the amendment was offered by the gentleman from North Carolina [Mr. DOUGHTON] I called the attention of the House to the fact that there was some confusion as to its meaning, and I called the attention of the House to the fact that what it did was to strike out the sales-tax provision in section (b), leaving in it the import provision.

Mr. CRISP. The gentleman has seen this amendment. Does not the gentleman think what I am trying to do is to get the matter fairly before the House?

Mr. LAGUARDIA. I think what the gentleman's amendment does is to bring back the articles enumerated in paragraph (d) before the House as they were originally intended in the bill.

Mr. CRISP. That is exactly what it does.

Mr. LAGUARDIA. For a decision on the merits?

Mr. CRISP. Yes.

Mr. DOUGHTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. DOUGHTON. I will say for those on this side of the House who supported my amendment that it is not the purpose and intention to have this paragraph covered by my amendment. I will say distinctly that that should not be covered by my amendment. In order to be consistent I think that the amendment offered by the gentleman from Georgia should be adopted.

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. RANKIN. The gentleman said in reply to the gentleman from Maryland that this amendment would restore the 2¼ per cent sales tax on these items.

Mr. CRISP. Oh, no. The excise tax. The sales tax is eliminated, gentlemen. I am not going to advocate that.

Mr. LAGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LAGUARDIA. The statement made by the gentleman from Georgia; I have seen his amendment and it is an amendment to paragraph (d). We have not yet reached paragraph (d).

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(d) In the case of the following articles, the tax imposed by this title shall be at the following rates:

(1) Lubricating oils, of the grades designated (at the time of the enactment of this act) by Society of Automotive Engineers viscosity Nos. 20 to 70, inclusive, 4 cents a gallon.

(2) Brewer's wort, liquid malt, malt sirup, and malt extract, fluid, solid, or condensed, if containing less than 15 per cent of solids by weight, 5 cents a gallon; if containing 15 per cent or more of solids by weight, 35 cents a gallon.

(3) Grape sirup, grape concentrate, and evaporated grape juice, if containing more than 35 per cent of sugars by weight, 40 per cent of the basis on which the tax is computed under subsection (a) or (b) of this section or section 603, as the case may be.

(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, imported into the United States, 1 cent a gallon; but no article described in this paragraph shall be exempted upon importation from tax under this title as an article for further manufacture, and no credit or refund of tax imposed upon the importation of any article described in this paragraph shall be allowed under section 605 (a).

Mr. CRISP. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

Mr. OSIAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OSIAS. Has paragraph (c) been acted upon, or should it not be acted upon before the committee amendment to paragraph (d) is acted upon? I wanted to offer an amendment to paragraph (c).

The CHAIRMAN. Paragraph (c) has been passed. It is too late to offer an amendment now. The gentleman should have offered it when the paragraph was read, which the gentleman did not do.

The Clerk will report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 228, strike out lines 9 to 24, both inclusive, and lines 1 to 5, both inclusive, on page 229, and insert in lieu thereof the following:

"(d) There is hereby imposed upon the following articles sold in the United States by the manufacturer or producers, or imported into the United States, a tax at the rates hereinafter set forth, to be paid by the manufacturer, producer, or importer:

"(1) Lubricating oils, of the grades designated (at the time of the enactment of this act) by Society of Automotive Engineers viscosity Nos. 20 to 70, inclusive, 4 cents a gallon.

"(2) Brewer's wort, liquid malt, malt sirup, and malt extract, fluid, solid, or condensed (unless sold to a baker for use in baking or to a manufacturer of malted milk or medicinal products for use in the manufacture of such products), if containing less than 15 per cent of solids by weight, 5 cents a gallon; if containing 15 per cent or more of solids by weight, 35 cents a gallon.

"(3) Grape sirup, grape concentrate, and evaporated grape juice, if containing more than 35 per cent of sugars by weight and not containing preservative sufficient to prevent fermentation when diluted, 40 per cent of the price for which sold or, in case of such articles imported into the United States, 40 per cent ad valorem.

"(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, 1 cent a gallon; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

Mr. SCHAFER. Mr. Chairman, a point of order. I make a point of order against the amendment, that the amendment is an attempt to place into this bill and before this committee for action a provision which this committee had before it yesterday and acted upon and removed from the bill. I do not believe we require any more authority than the statement already made on the floor of the House to-day by the distinguished parliamentarian, the gentleman from Georgia, the acting chairman of the Ways and Means Committee, Mr. CRISP.

The gentleman calls the tax, as enumerated in this section, an excise tax. When we refer to this section we find that it refers to the manufacturers' sales tax of 2¼ per cent, and particularly refers to that tax in such a manner as makes this section a manufacturers' sales tax. In fact, the section, instead of providing for 2¼ per cent manufacturers' sales tax, directly and specifically provides for a manufacturers' sales tax in some cases as high as 30 and 40 per cent.

The distinguished parliamentarian, the gentleman from Georgia [Mr. CRISP], a few moments ago on the floor of the House indicated that it was necessary to adopt the pending amendment which he has offered, and incorporate it in the bill in order to tax the products enumerated in his amendment, if they were produced in this country.

The gentleman maintained the position that without this amendment the tax would be levied only on these products listed in the gentleman's amendment in case they were imported, and therefore it is necessary to adopt the gentleman's amendment in order to place a tax on those commodities manufactured in this country. We therefore admitted that on yesterday when we adopted the Doughton amendment. We struck this sales-tax provision from this title in so far as relating to American-made products. Very clear and logical reasoning, because, reading the entire title of the section, the language which refers to these various items upon which it is proposed to levy an excise or sales tax refers to a manu-

facturers' sales tax as provided in this title shall be along the line of the amounts enumerated in the gentleman's amendment.

It is clear that if the Chairman follows the position of the expert parliamentarian, the acting chairman of the Ways and Means Committee [Mr. CRISP], the Chair should have no reluctance in holding that the point of order is well taken.

The CHAIRMAN. The Chair has given consideration to the question raised by the gentleman from Wisconsin as the debate proceeded. The Chair is clear that the amendments are germane and in order, and the Chair overrules the points of order.

Mr. CULLEN. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read the amendment, as follows:

Amendment offered by Mr. CULLEN to the Crisp amendment: At the end of the Crisp amendment insert a new paragraph, to read as follows:

"That there shall be levied and collected on all nonintoxicating beer, lager beer, ale, porter, or other similar nonintoxicating fermented liquor containing one-half of 1 per cent and not more than 2.75 per cent of alcohol by weight brewed or manufactured and hereafter sold or removed for consumption or sale within the United States, by whatever name such liquors may be called, a tax at the rate of 3 cents per pint, such article to be bottled at the brewery: *Provided*, That no such article shall contain more than 2.75 per cent of alcohol by weight: *And provided further*, That the manufacture and transportation of such articles shall be conducted under permits to be issued in accordance with the national prohibition act and under such regulations, including assessment and collection of the tax, as shall be promulgated by the Secretary of the Treasury and the Attorney General of the United States: *And provided further*, That no such article shall be permitted to be transported into any State or Territory of the United States, or the District of Columbia, the laws of which forbid the manufacture or sale thereof."

Mr. BLANTON. Mr. Chairman, I desire to make a point of order against the amendment, that it is not germane either to the bill itself or to the section to which it is offered, or to the amendment offered by the gentleman from Georgia, and that it is clearly in contravention of the Constitution of the United States and of the Volstead Enforcement Act. I want to be heard on the point of order just a few minutes, if the Chair pleases.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. BLANTON. I know it has been ruled by several very distinguished parliamentarians who have occupied the chair at various times, and also by several Speakers, that neither the Chairman of the Committee of the Whole House on the state of the Union nor the Speaker had anything to do with constitutional question. I realize that; but it seems to me that for the Chairman of the Committee of the Whole House on the state of the Union to do that or for the committee, following his ruling, to do that which is a futile thing, which is a useless thing, and which will cause nothing but trouble, expense, and harassment to the Nation, would be out of all reason and ridiculous.

Mr. CELLER. Mr. Chairman, I submit that the gentleman is out of order in not discussing the point of order.

Mr. BLANTON. I am addressing my remarks to the Chair on my point of order and I submit to the Chair that I am in order.

The CHAIRMAN. The gentleman from Texas is in order.

Mr. BLANTON. That which is a futile and useless thing and that can only cause trouble and expense to the Nation should not be done by chairmen of committees or by Speakers. If an attempt were made to carry out the amendment and manufacturing of 2.75 per cent beer should occur thereunder by brewers, as is suggested by this amendment, it would be in clear violation of the Constitution of the United States, and the Supreme Court would so hold. So the whole action of the House in passing such an amendment would be a futile thing, and the Chairman has the prerogative and the right, if he sees fit, to disregard these precedents and to establish a new and proper precedent of his own.

The CHAIRMAN. Will the gentleman from Texas permit the Chair to ask him a question at that point?

Mr. BLANTON. Yes; certainly.

The CHAIRMAN. Is the gentleman making the point that the Chair should capriciously and of his own motion undertake to set aside well-established precedents of the House?

Mr. BLANTON. If in doing so the Chair would do the right thing; yes. I want to call the Chair's attention to a precedent on that point, which was finally upheld by the House and is the rule to-day of this House. For many years, if the Chair pleases, there were points of order made to what was known as the garden-seed appropriation in the agricultural bill. Chairman after Chairman of the Committee of the Whole House on the state of the Union had ruled that it was in order, and different Speakers of the House had sustained the rulings of such Chairmen. Speakers, on motions to recommit, had held it in order. There were precedents after precedents upholding it by some of the very best parliamentarians in the country. Then one day there sat in that chair a distinguished parliamentarian from Connecticut, who was once the distinguished leader of the Republican Party, our colleague the gentleman from Connecticut [Mr. TILSON], than whom there is no better parliamentarian in the United States nor one more honest or fearless. [Applause.] He sat in that chair, and a point of order was made against the garden-seed appropriation and he disregarded the previous precedents and sustained the point on the ground that the appropriation was against the law; that there was no substantive law authorizing it. There was an appeal taken from his ruling to the Committee of the Whole, and the Committee of the Whole voted to sustain his action. Then the question went to the Speaker, and Mr. Speaker Gillett sustained the action of Chairman TILSON and of the committee and held it was against the law. That is the ruling to-day. So bad precedents may be set aside and disregarded.

While I am not sure that I even have hopes that the present Chairman will exercise that prerogative on this question, and he may have decided that there should be a vote on it, yet he has that right to disregard existing precedents if he wants to exercise it. He can overrule these precedents; and if he believes this is clearly unconstitutional and that it is really a futile thing, he has the right to rule that this amendment is unconstitutional and to rule it is out of order.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BLANTON. I will yield if I still have the floor. I have the floor by the sufferance of the Chair.

Mr. COCHRAN of Missouri. I would like to ask the gentleman if he has been designated by the Supreme Court to make this advance ruling?

Mr. BLANTON. No. But I am a practitioner before the Supreme Court and have been such a sworn officer of the Supreme Court of the United States for quite a number of years. I have the right to speak as a lawyer in this case.

Mr. COCHRAN of Missouri. But not for the court.

Mr. BLANTON. And it is my duty as a lawyer and a Representative in Congress of the people of the United States not to vote for and help to pass a law which I firmly believe to be in contravention and violation of the Constitution of the United States, which I am under solemn oath to uphold and defend without evasion or equivocation. We can defeat this proposed beer amendment, but it is my opinion that the Chair should sustain the point of order.

Mr. CRISP. Mr. Chairman, I will detain the Chair only a moment in making one or two observations on the point of order.

I believe the amendment is germane to this bill. The Committee on Ways and Means, which prepared the bill, considered it and voted it down, but that committee considered it as being germane.

This is a general bill raising taxes and many items are enumerated in it; for instance, wort, malt, and other things. Whether a constitutional question is involved or not is a matter for the House to consider as to the merits of the amendment, and it is for the House to determine whether they will adopt the amendment. I believe it is germane.

I simply desire to share any responsibility that might attach to the Chair should he rule it is germane by making this statement. [Applause.]

Mr. HOCH. Mr. Chairman, will the Chair bear with me very briefly on the point of order?

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. HOCH. It seems to me that the question is not entirely free from doubt from a parliamentary standpoint. On the question of whether it involves something unconstitutional, of course, we will agree that an amendment which may be unconstitutional may at the same time be germane, but it seems to me it is not the Constitution that is involved here but rather the enforcement act.

Now, what does this amendment propose to do? It proposes to levy a tax upon the sale of certain liquors with alcoholic content of more than one-half of 1 per cent. Under existing law the sale of such liquors is unlawful. I am not talking about the Constitution; I am talking about the enforcement act.

Now, one of two things must be true. Either this amendment involves a change of existing law, and if it does, clearly it is not germane to the bill; if it involves an amendment to the Volstead Act, clearly it is not germane to this bill; or if we take the other view of it and say that the result will be that no tax will be collected, since it will still be unlawful to offer any of these liquors for sale, then we have declared that the amendment is an utterly futile thing and can be nothing but a mere gesture. Now, you have to take one of the two horns of that dilemma—either it is not germane or it is an utterly futile thing.

Mr. CELLER. Will the gentleman yield for a question at that point?

Mr. HOCH. Yes.

Mr. CELLER. Do not some of the States, for example, tax gambling devices, the use of which would be unlawful and illegal, and does not, for example, the Income Tax Unit collect an income tax upon the profits of bootleggers?

Mr. HOCH. I do not think that has anything to do with the parliamentary question, but I might ask the gentleman whether he believes we should try to collect a tax upon a thing which it is illegal to do?

Mr. CELLER. Yes; we do that all the time.

Mr. SCHAFER. If the gentleman will permit, if the language of the bill to which the pending amendment is directed is germane, certainly, the amendment is germane, for this reason. You can not hold that the amendment is not germane on the ground of interfering with prohibition enforcement, because there is not one Member of this House who can name one thing that you can use brewers' wort for except to make wildcat brewery beer, in many cases by the Capone gangsters with an alcoholic content of 9 per cent. With respect to the enforcement of prohibition angle, to-day there are 60 gentlemen in the dry State of Michigan under indictment for violating the prohibition law by reason of their activity in the wort industry.

Mr. HOCH. Mr. Chairman, of course I am not debating the merits of the matter at all. I was simply attempting to present this point as to the change of existing law involved in the amendment.

Mr. CHINDBLOM. Mr. Chairman, inasmuch as I took part in the ruling to which the gentleman from Texas [Mr. BLANTON] referred, on the seed amendment, having made the point of order which was sustained by the gentleman from Connecticut, I merely want to remark that there was no settled, definite, or final determination of the House upon that question. It had been ruled on variously from time to time, and the question was recognized as largely political.

The CHAIRMAN. The gentleman from New York [Mr. CULLEN] has offered an amendment, which has been reported at the Clerk's desk and which now appears in the RECORD. A point of order is interposed by the gentleman from Texas [Mr. BLANTON] that the amendment is not germane either to the bill or to the amendment to which it is proposed.

The Chair is very clearly of the opinion, from an examination not only of the precedents but of the bill itself and the amendment, that the amendment is germane at the place at which it is offered, and the Chair will very briefly state the reasons that have led him to this conclusion.

It is not the purpose of the Chair to render any elaborate decision upon the proposition. In its very essence the bill pending before the House is a bill to raise revenue. It is entitled "To provide revenue, equalize taxation, and for other purposes." The section of the pending bill to which the amendment is offered undertakes to raise taxes by levying an excise duty on a number of enumerated articles. The Chair is clearly of the opinion that the additional article of taxation sought to be set up by the amendment of the gentleman from New York [Mr. CULLEN] merely provides another and an additional source of revenue. The Chair is very clearly of the opinion, and believes he is sustained by precedent and reason, that it comes clearly within the proposition heretofore decided, and decided many times in the Committee of the Whole, "that to a bill raising revenue by several methods of taxation, the Committee of the Whole"—and in this instance they overruled the decision of the Chairman of the committee—"held an amendment proposing an additional method of taxation to be germane."

It seems to the Chair that this precedent, which could be supported by many others, clearly announces a general proposition of germaneness with reference to revenue bills.

It is not the legitimate province of the Chairman of the Committee of the Whole to set himself up as a judge to determine whether or not a proposed amendment is constitutional or unconstitutional. It is not the proper province of the Chairman of the Committee of the Whole to undertake to determine whether or not it may, by inference, repeal some other existing law. As a matter of fact, for aught appearing on the fact of this amendment, it makes no reference whatever to any existing law and, as stated, in the amendment, only refers to nonintoxicating beverages, and, so far as the Chair has learned, the Supreme Court of the United States itself has not gone to the point of determining that 2.75 per cent beer is, as a matter of fact, an intoxicating beverage. So that although, of course, this amendment does not express the personal views of the Chair, the Chair feels inclined, by precedent and by reason, to hold the amendment germane, and overrules the point of order.

Mr. CRISP rose.

The CHAIRMAN. For what purpose does the gentleman from Georgia rise?

Mr. CRISP. To see if we can get some agreement as to the time for debate on the amendment offered by the gentleman from New York. I will ask unanimous consent that there be 40 minutes' debate on a side, the time for those in favor to be controlled by the gentleman from New York [Mr. CULLEN], and in opposition, the time to be controlled by myself, for I am opposed to the amendment.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that debate on the Cullen amendment shall be limited to 80 minutes, one-half to be controlled by the gentleman from New York [Mr. CULLEN] and one-half by himself. Is there objection?

Mr. BLANTON. A point of order, Mr. Chairman. I make the point of order that the arrangement to control the time can not be agreed to in committee. The agreement as to the time to be used in debate can be, but its distribution should be controlled by the Chair.

The CHAIRMAN. The Chair recognizes the proposition suggested by the gentleman from Texas, that it is usual primarily, where the time is limited in committee, that the time shall be controlled by the Chair, but the Chair feels that there is no hard and fast rule in regard to it, and especially where the Chair desires to be relieved of the responsibility.

Is there objection to the request of the gentleman from Georgia?

Mr. CRISP. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CULLEN] for five minutes.

Mr. CULLEN. Mr. Chairman and members of the committee, the Government of the United States at this time

faces a most grave and serious economic crisis. We all know that the operating expenses of our Government exceed its income, and this deplorable condition not only affects the stability of our Government but likewise affects the welfare of each individual citizen.

With that realization in mind, the Committee on Ways and Means of the House has reported to the House a revenue bill, H. R. 10236, after months of careful consideration which has been of a wholly nonpartisan nature.

As a member of this committee and as one who has taken an active part in its many deliberations on the subject of revenue, I feel that I am well qualified to speak of the wonderful cooperation and spirit shown by my colleagues, and which I am thoroughly convinced has by this time been amply demonstrated to the House in Committee of the Whole.

We have endeavored to the best of our ability to present to the House for its consideration a revenue bill which has for its purpose the balancing of our National Budget. I, for one, am willing to admit that any revenue bill is deemed obnoxious and unpopular with the Congress and the people. However, those of us who have our country's welfare at heart fully realize the necessity of the passage of such a measure.

I want to reiterate that the bill has been prepared by our committee without a feeling of partisanship, and we have endeavored to the best of our ability to report to the House a bill which would not in any way be unjust or discriminatory against any class or group of individuals.

It is my purpose at this time to submit to the House for consideration an amendment which, if adopted, will bring into the Treasury in the neighborhood of $450,000,000 without disturbing any industry but the bootlegging industry. My amendment would permit the manufacture of 2.75 per cent beer, and taxing it would yield the Treasury between $350,000,000 and $450,000,000 in revenue.

What could be more fair and equitable and at the same time would not be an additional burden upon industry but, on the contrary, would lighten the burden of industry and give employment to several hundred thousand people. [Applause.]

The Congress could adopt my amendment without any constitutional difficulty. We need only define the difference between the Volstead Act and the eighteenth amendment to prove my contention. To amend the eighteenth amendment we would have to get a two-thirds vote of Congress, while as to the Volstead Act we only need a majority vote to legalize and define what should constitute intoxicating beverages.

If we are rational and fair-minded we must realize that legalizing 2.75 per cent beer would meet with the approval of the vast majority of our people.

The American Federation of Labor, which in its adopted policies represents the viewpoint of the poor man, has gone on record favoring the return of beer. In addition we have the great American Legion, the American Medical Society, the American Bar Association; and numerous other prominent and reputable organizations are advocating the restoration of the beer industry, not only as a means of raising revenue but also to give real relief to a vast number of our people who are at present unemployed. The legalization of beer would make a new industry in the United States; it would bring to this industry new capital and incidentally bring happiness to millions of our people.

I would like to discuss for a few moments the situation as it exists in other countries in regard to the industry. In Great Britain approximately one person out of every six finds employment in connection with the brewing of beer in that country. In France and Germany, by reason of the numerous sidewalk restaurants, gardens, and entertainment halls, the ratio is substantially greater.

It is important to know that in addition to the persons directly employed in the brewing of beer there are others who are vitally affected, such as the railroads, farmers, truck drivers, glass workers, bottle manufacturers, and any number of other industries which time does not permit me to enumerate.

In connection with these remarks I am primarily concerned with the revenue features of this proposed amendment, although I realize there are many other important features in an amendment of this kind.

The sanest way of approaching this tax problem would be by way of spreading the tax burden in such a way as not to lay an undue burden upon any particular class of people in the country. I am thoroughly convinced that if my amendment is adopted and a tax is placed on 2.75 per cent beer, the burden will be lifted considerably, and, furthermore, the revenue can be easily checked because we collect it at its source and the Government could have in its Treasury within 30 days after the passage of the bill the revenue from this industry for the purpose of the necessary functions of Government.

In conclusion I would like to quote you a paragraph from the life and writings of Thomas Jefferson on the question of taxation:

> I rejoice, as a moralist, at the prospect of a reduction of the duties on wine by our National Legislature. It is an error to view a tax on that liquor as merely a tax on the rich. It is a prohibition of its use to the middling class of our citizens and a condemnation of them to the poison of whisky, which is desolating their houses. No nation is drunken where wine is cheap, and none sober where the dearness of wine substitutes ardent spirits as the common beverage. It is, in truth, the only antidote to the bane of whisky. Fix but the duty at the rate of other merchandise, and we can drink wine here as cheap as we do grog; and who will not prefer it? Its extended use will carry health and comfort to a much-enlarged circle. Everyone in easy circumstances (as the bulk of our citizens are) will prefer it to the poison to which they are now driven by their Government. And the Treasury itself will find that a penny apiece from a dozen is more than a groat from a single one.

[Applause.]

Mr. GRANFIELD. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. GRANFIELD. The gentleman's amendment will provide about $350,000,000 in revenue in the course of a year.

Mr. CULLEN. Up to $450,000,000.

Mr. GRANFIELD. And may I further suggest to the gentleman from New York that it is authoritatively computed, and these figures are reliable estimates, that our Federal Government, and our State governments, and their political subdivisions have sustained a loss in revenue since the enactment of the eighteenth amendment, a sum equivalent to $12,000,000,000. This sum, as the gentleman well knows, would stem the ever-increasing tide of deficit. The adoption of the gentleman's amendment would prove a real stimulus to business in our country, as well as giving replenishment to our depleted Treasury.

Mr. CULLEN. The gentleman is right. I want to say further, that if my amendment is adopted, it will bring nearly $450,000,000 a year toward the amount stricken out by the sales-tax provision.

Mr. CELLER. The tax provided for in the gentleman's amendment amounts to about $7.50 a barrel?

Mr. CULLEN. About that.

Mr. CELLER. And during the war, the tax was $6, and this will be higher than the war tax?

Mr. CULLEN. On the basis of $7.50.

Mr. BOYLAN. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. BOYLAN. Is it not a fact that the tax collected on beer, according to the gentleman's amendment, would only come from the consumers of the beer? Those who did not consume the beer would not pay any tax.

Mr. CULLEN. The gentleman is absolutely correct.

Mr. BLANTON. Mr. Chairman, I accord to my colleagues who are proposing and supporting this amendment the same sincerity of purpose as I claim for myself in opposing it.

If it were just a question of raising revenue, with equal excuse and propriety we could pass a law establishing and taxing an international lottery here in the city of Washington that would easily raise revenue of several billions of dollars a year; but it would not be wise, it would be against the best interest of our people, and not a colleague here would entertain that proposition for one moment, regardless of the amount of revenue that it would raise.

If it were just a question of raising revenue, we could pass a law providing for and taxing prize fights and cock fights and bull fights here in the Nation's Capital and have every expert along those lines come here from Germany, Spain, and Mexico to compete, and such taxes would raise lots of revenue.

We could legalize and tax many other demoralizing attractions, such as open gambling houses, that would provide revenue. We could out-Reno Reno and provide for divorces here in the Nation's Capital that could be gotten overnight, filing the bill one day and getting the decree rendered the next day, and thousands of rich spouses would gladly pay an enormous tax for that privilege, and people would no longer go westward to Reno but would flock to Washington. But who here among us would entertain for one moment a proposition of that kind?

It is against the fundamental law of the land to manufacture or sell intoxicating liquors. That is the Constitution of the United States, that we are sworn under solemn oath to uphold, without evasion and without equivocation. Is this proposed amendment to legalize beer, that we all know will be intoxicating, upholding the Constitution without evasion? My friend from New York [Mr. CULLEN] is frank enough and intelligent enough to admit that if you were to pass this amendment, you would legalize the manufacture and sale of beer of 2.75 per cent alcoholic content, and that such beer would have plenty of kick in it to satisfy.

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

Mr. BLANTON. In just a moment. He admits that.

Mr. CELLER. Does the gentleman admit it? Will the gentleman yield?

Mr. BLANTON. In just a moment. I admit it. And all of us admit it. That is just what is intended. That would be a violation of the Constitution. My friends know it, and my friends here know that 2.75 per cent beer is intoxicating. My friends here know, and I know, that if we were to authorize 2.75 per cent beer the manufacturers would fudge a little just as they have always fudged in the past, and they would have 4.75 per cent and 5.75 per cent whenever they got ready, and whenever they were haled into court they would bring in their expert chemists, who would swear that it was only 2.75 per cent alcoholic content. Would not that be a ridiculous situation?

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

Mr. BLANTON. Please let me finish my statement, and then I will yield. I have only five minutes and would like to make a connected statement, then I will gladly yield to any and all questioners. Would not that be a ridiculous situation? And just how would we square ourselves with the oath we have taken to uphold and defend the Constitution without evasion?

Mr. CELLER rose.

Mr. BLANTON. Just one moment, please. I hope my friend will first let me finish my statement. I see every distinguished wet in Congress here to-day. They are all here, and they are here for a particular purpose. They are here to try to vote intoxicating beer into the law of the land against the Constitution and against the Volstead Act, even though they designate and call it "nonintoxicating."

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

Mr. BLANTON. Please let me first make my connected statement, and then I will gladly yield. I want to make my statement in a connected form. I am allowed only five minutes and have been interrupted repeatedly. If you were to bring in a bill here to amend the Volstead Act, my friend from New York [Mr. BLACK], whom we call "the great chief justice," knows that that would go not to the Committee on Ways and Means but to a committee of lawyers, the Committee on the Judiciary. It could not go to the Ways and Means Committee, yet this bill comes from the Ways and Means Committee.

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

Mr. BLANTON. Mr. Chairman, I ask unanimous consent for five minutes more so that I may yield to answer questions.

The CHAIRMAN. Is there objection?

Mr. CELLER. I object.

Mr. McCORMACK. Mr. Chairman, the Committee on Ways and Means for 8 weeks and the Members of the House during the past 10 days or 2 weeks have had a very serious responsibility. None of us have any desire to increase taxes. There is not one of us who wants to vote for any item going into the revenue bill which increases taxes upon any particular class of our citizens, and particularly upon the worker or upon business.

This is a time when we should, if possible, relieve the burdens of taxation, but unfortunately the state of our Treasury is such that the best interests of the country compel thinking minds to a realization that it is essential to balance the Budget for the fiscal year 1933. The Committee on Ways and Means considered the problem just the same as you gentlemen here are considering it, and practically every member of that committee, in my opinion—and I am not undertaking to quote any member of the committee—as well as practically every Member of this House, would like to be able to modify or repeal the Volstead Act if he had the opportunity. In my opinion, within 10 days the Volstead Act would be repealed if the Representatives in both branches of Congress felt that they could carry out the views of the people of their various districts or States. I realize the difficulty that confronts some Members of the House that come from districts where the sentiment is considered to be in favor of prohibition, or where the division is close. Under the theory of representative government, some Members feel that they should carry out the wishes and will of the people of their districts. I realize, in talking with many of them, that if they felt the sentiment of the people of their districts was different they would have no hesitation in trying to bring about a more rational condition under our prohibition laws.

We are now confronted with a national emergency, where we have to raise money, and the proposition before the committee now will raise from $350,000,000 to $400,000,000. It is the proposition to legally permit the manufacture and sale of 2.75 per cent beer. That is what the liberals on this question have in mind. I do not believe in making an idle gesture. When the motion was made, it was for the purpose of manufacturing and selling beer if the amendment should pass both branches of the Congress. The adoption of this amendment would assure the balancing of the Budget and lift a great load from the shoulders of the taxpayers. But I have also in mind another important aspect, and that is the problem of unemployment. At the present time there are approximately six to eight millions of our citizens out of work, with millions of others on part-time employment. We know from actual experience that machinery has been intensely and extensively used in industry during the past 10 years, and that the result of such use has produced an evil that we must solve. It is conservatively estimated that at least 2,000,000 workers are unemployed at the present time as a result of the substitution of machinery for human labor. This is a big problem and is connected up with the economic feature of the amendment proposed by the gentleman from New York. We need new business in order to reabsorb into industry our workers who have been displaced by the extensive use of machinery. This is the only industry that I see on the horizon which, as a result of its recreation, would tend, directly or indirectly, to afford employment to at least 500,000 of the workers who have been displaced. The adoption of this amendment will also bring about a great reduction in the cost of government—not only to the Federal Government but to the several States of the Union.

Not only will this amendment bring revenue into the Federal Treasury, but it will also produce revenue for the several States of the Union and their subdivisions, whose people view this question from a liberal angle.

I respect the viewpoint of the men who differ with me; but, frankly, under our dual system of Government, I can

not see where, if one State desires to have prohibition exist, it should say to a neighboring State or some other State or States in other parts of the Union, "You shall not." There is much more that could be said on this question, but five minutes is a very limited period to make a detailed statement of my views. However, the adoption of this amendment, from an economic angle, will result in the raising of a tremendous sum of money for the Treasury at a time when we need it, will likewise similarly assist some of our States and their subdivisions, relieve the burden of taxation for all of our people, and permanently help to solve the problem of unemployment.

I hope the amendment will be adopted.

[Here the gavel fell.]

Mr. WILLIAM E. HULL. Mr. Chairman, I favor the relegalization of beer at 2.75 per cent alcohol by weight, which is equal to 3.46 per cent alcohol by volume. This beer would be nonintoxicating and would yield the Government, on a basis of 66,000,000 barrels of beer per year that was brewed in 1917, $500,000,000.

The first clause of this amendment taxes an article described as—

Nonintoxicating beer, lager beer, ale, porter, or other similar nonintoxicating fermented liquor containing one-half of 1 per cent and not more than 2.75 per cent of alcohol by weight.

The article is stated to be nonintoxicating within the limit of 2.75 per cent of alcohol by weight.

It may be "brewed or manufactured" and sold or removed for consumption or sale within the United States by whatever name called. The tax is then imposed at 3 cents per pint, and the article must be bottled at the brewery. This language alone would be sufficient to legalize any such product as nonintoxicating and therefore valid under the eighteenth amendment, which forbids only intoxicating liquors for beverage purposes. The first proviso, however, expressly forbids a greater alcoholic content than 2.75 per cent by weight. This plainly amends the national prohibition act as to alcoholic limit.

But the proposed amendment goes further. Its second proviso requires that—

The manufacture and transportation of such articles shall be conducted under permits to be issued in accordance with the national prohibition act and under such regulations, including assessment and collection of the tax, as shall be promulgated by the Secretary of the Treasury and the Attorney General of the United States.

Thus the entire system of the present national prohibition act governing issuance of permits is made applicable to the manufacture and shipment of these nonintoxicating articles within the limit of 2.75 per cent of alcoholic content by weight. The present law regulates and controls and requires permits for the manufacture of one-half per cent alcoholic fermented liquor. The language last quoted, therefore, amends the national prohibition act by applying the permit system thereof to the manufacture of the proposed nonintoxicating beer. The Secretary of the Treasury and the Attorney General are given power to make regulations governing the manufacture of the newly authorized product as well as governing the assessment and collection of the tax thereon.

The last proviso of this proposed amendment states that—

No such article shall be permitted to be transported into any State or Territory of the United States, or the District of Columbia, the laws of which forbid the manufacture or sale thereof.

This final language adds to the national prohibition act an appropriate provision under the powers of Congress by which a State forbidding the manufacture of any beverage containing one-half per cent or more of alcohol is fully protected from the importation into its territory of proposed nonintoxicating 2.75 per cent beer.

In other words, no brewer would be authorized by his permit to ship his product into a State forbidding manufacture or sale of such an article. His Federal permit would be revoked if he made such shipments.

This amendment, if adopted, will by its simple language simultaneously amend the national prohibition act as to alcoholic limit in nonintoxicating beer and tax the product made thereunder.

The enactment of this amendment will result in the investment of between $200,000,000 and $300,000,000 in the rehabilitation of breweries, the greater part of which will go to labor, including, as the American Federation of Labor states, employment in all the building and mechanical trades. It will restore a great tonnage to railroad traffic in the way of materials into the breweries, products shipped out, and returned bottles and boxes. It will benefit the coal industry. It will result in the immense purchases of bottles, boxes, labels, and other supplies. It will greatly benefit agriculture. It means the purchase of thousands of automobile trucks by the breweries. [Applause.]

Stuyvesant Fish, president of the Illinois Central Railroad, when the national prohibition act was enacted, stated the loss of the brewery business would be disastrous to the railroads. Time has demonstrated the truth of his prophesy.

This amendment means the restoration of an industry to the United States without violation of the principle of the eighteenth amendment. This will be a continuing industry, with vast expenditures in the rehabilitation of the industry and thereafter continued benefits to farmers, to the building and mechanical trades, and all of the host of industries that would be called to the assistance of the brewing trade in rebuilding the breweries and in continuing their operation.

This will also aid agriculture on a basis of one bushel of barley for every barrel of beer that is manufactured, which would on a basis of 1917 output give the farmer the sale of 66,000,000 bushels of barley; that is, aside from hops and other ingredients used in beer. As this business grows, as it surely will grow, the farmer will have the advantage of any increase in the sale of his product. Within a 2-year period, it was estimated, it will run to at least 120,000,000 bushels of grain. Taking 120,000,000 bushels of grain as a basis of all the grain that goes to the primary market, it would take away from the cash sales of grain at least one-third of the grain sold on a cash market, and that would increase the price of the product of the American farm equal to 15 cents a bushel.

Gentlemen, considering all of the advantages in starting a new industry on such an extensive basis as opening the breweries and starting the wheels of progress going to make a product that is nonintoxicating, that will drive out the bootlegger, do away with the illicit sale of beer, and give the people of the United States a good, wholesome health beverage, it seems to me that any Congressman, regardless of what his district contends, could see his way clear to vote for a bill of this character, and I hope everybody on the floor of the House who desires to bring back prosperity will support this amendment. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. MAY. Then the Sugar Trust is getting the benefit of the sale of the product rather than the farmer?

Mr. WILLIAM E. HULL. To that extent; yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLIVER of New York. Mr. Chairman, the wets offer to drink up the deficit. If that offer is not accepted, then we are going to ask the drys to balance the Budget. [Laughter and applause.]

They say prohibition is the child of the church. As soon as the child was born it was turned over to the Government, and then the Government brought it up as a bandit. Now we want to take away the swords and pistols from the bandit and send it back to the church, and at the same time we want to turn to the underworld of criminals and assassins and bootleggers and highjackers, to whom we have given the great liquor traffic of the United States, and say to them, "Prohibition has financed crime, and we intend to take back from you this magnificent industry and make it finance the Government of the United States." [Applause.]

It is time for the drys to be patriotic.

I listened in the debates to the demand made on everybody to sacrifice economic views in order to balance the Budget. I say to you now with wealth facing crushing taxes, and with the effort by the sales tax to levy on the back of poverty the deficit of the Government, prohibition is on the spot. Wealth, to save itself, must drive prohibition from the statute books. Poverty, to save itself, must drive prohibition from the statute books. Those who stand in the way will be swept aside, for this Nation will no longer permit prohibition to finance crime and drag down Government; will no longer permit prohibition to have a deficit in the Federal Treasury. We have had dry Congressmen, dry Senators, and dry Presidents for 10 years, and now we are faced with a dry deficit.

The drys have got to back up from their law of hypocrisy and folly and balance the Budget of the United States.

To-day business after business is crashing down into bankruptcy because of the weight of the taxes levied to support the Government. The only business that is not crashing down is the business of crime. Crime, if we want to hit it a death blow, must be broken by breaking the back of prohibition.

Every economic argument of prohibition and every spiritual argument of prohibition has been found fallacious. You have not closed jails and insane asylums; you have not brought prosperity to the people; you have not bettered government; you have not bettered the home; and you have not lifted up the ideals of the people. All of this is false, and America in this dread hour facing the insolvency of the Government, intends to take back from the world of crime and hypocrisy one of its greatest business enterprises, tax it, and make the Government sound, solvent, and secure. [Applause.]

Mr. DYER. Mr. Chairman, this matter of modification of the prohibition enforcement act, so as to permit the manufacture and sale of a nonintoxicating beverage, with 2.75 per cent of alcohol by weight, has been before the Judiciary Committee of the House for a good many years. I was on that committee when the resolution was presented for the eighteenth amendment and during the days when the enforcement act was considered. During all of this time and since it has been given consideration.

I was one of those—and probably the first one—who introduced a bill, years ago, to modify the enforcement act so that this beverage could be manufactured and sold. We had extensive hearings for weeks in a number of sessions. The evidence before the committee showed that 2.75 per cent of beer by weight is not intoxicating. We had before us scientists, chemists, and people from all sections of the country who were capable of testifying upon that subject, and not in one single instance was any substantial evidence presented contrary to the fact that it is nonintoxicating. I think that is established. I think that is accepted by the whole country.

When the matter was brought before the House for consideration, I was one of those who urged that we confine it to the percentage of which I have spoken, because I do not think there is any question about the fact that 2.75 per cent by weight is nonintoxicating.

The testimony before the committee went into other matters. One was upon the question of temperance. Every man and every woman in America is in favor of temperance. It was shown by men and women who testified before that committee that if we would permit the manufacture and sale of a nonintoxicating beverage, it would result in a lot of people quitting the speak-easies, drinking corn liquor, and patronizing illicit stills, as well as drinking the highly alcoholic beer that is now available. Also that it would result in 60 per cent of the people who want something of that nature to drink being satisfied with this beverage.

Gentlemen of the committee, this is a most important matter for us to consider, especially in view of the conditions which exist in this country to-day. You can not go into any community without being able to buy highly intoxicating beverages and alcoholic drinks of all kinds. You find stills in every city; you find speak-easies in every city and in most every State of this Union. You find that in the South they have 40,000 bootleggers who sell corn liquor. Therefore, we must all agree that the bootleggers, the stills, and the speak-easies are now sapping the lifeblood of this country, financially and otherwise.

If we will enact this legislation, it will bring temperance. It will not only bring about temperance but it will aid in the enforcement of law.

The people of the United States, Mr. Chairman, as they have expressed themselves many times in various elections upon referendums and otherwise, have shown that they do not consider that the Government was fair to the people when it enacted into law the Volstead Act that says that one-half of 1 per cent or more is intoxicating and shall not be manufactured. They agree that the definition of one-half of 1 per cent, as put in the enforcement act defining what is intoxicating liquor, is neither scientific, honest, or truthful. They say, in effect, that if you place in the law such a dishonest and untruthful statement touching what is intoxicating they will not participate in the enforcement of such a statute.

I call your special attention to the question of revenue. The Wickersham Commission estimated that in 1930 the Department of Justice, exclusive of the Prohibition Bureau, spent $12,137,239 in the prosecution of prohibition cases and in the handling of prohibition prisoners. To the Wickersham estimate for 1930 we have added the increase in the department's budget for 1931, exclusive of the Prohibition Bureau. This increase, $3,200,000, if added to the Wickersham Commission's estimate for 1930, brings the total to a little over $15,000,000. This sum is less than half of the total budget of the Department of Justice, exclusive of the cost of maintaining the Prohibition Bureau. In 1931 two-thirds of all criminal cases in the Federal courts and one-half of the civil cases to which the United States was a party were prohibition cases. Over two-thirds of all Federal prisoners were sentenced for violating national prohibition laws.

The direct cost of prohibition enforcement may be safely estimated at $51,000,000. If we deduct $4,000,000 for fines and penalties collected annually, the net cost of enforcement for 1931 comes to roughly $47,000,000.

The total cost of prohibition enforcement from 1920 to 1931 may safely be estimated at $370,000,000. Of this, $238,000,000 involves outlays of the Prohibition Bureau, the Industrial Alcohol Division, and the Coast Guard. These figures are official. During this period we estimate that the Customs Bureau has spent $35,000,000, while the Department of Justice has spent $97,000,000. If we deduct fines and penalties collected during this period, approximately $60,000,000, the net cost of prohibition enforcement for the first 12 years has been $310,000,000.

The Federal Government ended the fiscal year 1931 with a deficit of $903,000,000. According to Secretary Mellon, we shall incur a deficit of $2,123,000,000 in 1932, and a deficit of $1,417,000,000 in 1933. The inability of our Federal Government to balance its Budget for a 3-year period has made Federal taxation and finance a national emergency.

When we complain of mounting taxes, we seldom think that in preprohibition days the United States Treasury used to receive $600,000,000 yearly in internal revenue from a moderate tax on liquor. Since 1918 the Government has passed up about $7,800,000,000 from this source alone. This astounding total does not include the revenue lost by States and municipalities—also running into billions.

Restoration of legal beer, according to informal opinion of the late Actuary McCoy, of the Treasury Department, whose estimates were accepted as gospel by the House Ways and Means Committee, will produce $1,000,000,000 a year in additional income for the United States.

Of this sum the Treasury would get about $250,000,000 annually, assuming that the tax on beer will be between $3 and $5 a barrel. Beer was taxed $3 a barrel in 1918, and in that fiscal year a total of 50,266,216 barrels was consumed, providing Federal revenue of $150,789,648. During the war the tax was raised to $6 a barrel. Additional revenues

would be provided States and municipalities through license fees, thereby helping to relieve the deficits faced by the States and cities.

In 1914, the peak year of the brewing industry, when 66,189,473 barrels of beer were manufactured, there was a total of $792,914,000 invested in the industry and $46,767,000 in the malting industry. There were 1,347 brewing and malting establishments employing 77,364 men whose wages totaled $83,378,000.

The Fuel Administration estimated in 1917 that 123,666 carloads of freight were involved in the beer industry, including coal, brewers' materials, machinery, beer in kegs and bottles, and grain.

Restoration of beer would stimulate markets for grain, for automobiles, for cooperage, machinery, bottles, coal, building materials, and real estate. Restoration of beer probably would place 100,000 men at work at a minimum estimate.

Taxes have been raised on the farmer, the home owner, the manufacturer, the business man to make up for the revenue lost through the adoption of the eighteenth amendment.

England has increased her internal-revenue tax substantially in order to meet budget needs. If the United States imposed the same rate, it would receive at least $3,000,000,000 annually and our national liquor bill would not be half what it is to-day under the tribute levied by bootleggers, gangsters, and corrupt politicians in the Federal service, States, and municipalities. Towns and cities would get an income from licenses that would ease the burden on real estate, industry, and business.

Whatever else prohibition may have done or not done, it has certainly convinced hotel men that they are in the wrong business. One New York hotel that was making a profit of $800,000 a year a few years ago is now in the hands of a receiver. Another big hotel lost a million dollars last year, and another lost $1,200,000. It may interest you to know what has happened to income taxes formerly paid by corporations operating hotels. There will be no income from that source in 1931 or 1932.

This is stated merely as a matter of interesting fact. Nothing will be done about it, or can be done about it, for the present. Customers of New York hotels sleep in the hotel, eat and drink in the speak-easy.

This reference to hotels can be made to apply equally to other lines of industry and business.

How long, Mr. Chairman, will the people of the United States stand for this? Shall we return to normalcy and saneness or continue to be fooled and deceived by the proponents of prohibition, most of whom have no other object in life but to deceive and misrepresent as to this eighteenth amendment and the Volstead Act.

Mr. COCHRAN of Missouri. Mr. Chairman, if it is possible to assess a painless tax, you have it here. This is a tax which will be cheerfully paid. It is the only tax you can conceive of that you can assess where you can help the unemployment situation. [Applause.]

The city which I have the honor to represent has over 100,000 people out of employment. Before the eighteenth amendment became a part of the Constitution the brewing industry was one of our industries. Picture, if you will, one plant that takes in as much ground as the acreage from the Lincoln Memorial to the Navy Yard and from Pennsylvania Avenue to the Potomac River, with 32 railroad tracks running into its yards and 125 buildings upon its property, employing 25,000 or more people. You put it out of business overnight. It was sending its products to every corner of the globe; and when you enacted prohibition, you simply destroyed the trade of that corporation and transferred it to some other corporation in a foreign land. You put 200,000 people out of employment in this country. Did you stop the making of beer? No; some foreign country increased its output and took over the trade this St. Louis brewery formerly controlled.

Two hundred thousand people, at the lowest estimate, will be placed at work if the brewing industry is permitted to manufacture 2.75 per cent beer. One hundred and twenty-eight million bushels of grain which your farmers raise will be used in the manufacture of beer.

You have an opportunity here to-day to bring to the Treasury of the United States between $300,000,000 and $400,000,000, to place men to work, to provide a market for your surplus grain. The amendment protects the dry States. No permit can be issued by the Prohibition Unit unless the State laws permit the manufacture and sale of 2.75 beer. Your position will be the same as it is to-day, provided you desire to remain dry. Could anything be more fair?

You tax malt and wort to be used for the manufacture of illegal beer. Why do you draw the line; and why not provide for legal beer? Oh, some say, it will impede the progress of the bill if you add the amendment. On the contrary, it will hasten the enactment of the bill, because it will provide the additional money needed to balance the Budget.

You say you need money. Here you can secure the money, and the only industry that will be affected is the bootlegging industry. A vote against this amendment is a vote for the bootlegger. A vote for this amendment will help the farmer, will increase the price of his grain.

I want to ask some of the gentlemen from the rural districts to realize how many farmers it takes to raise 128,000,000 bushels of grain. I get the figures from the Treasury Department. Then vote for this amendment and put your farmers to work. By so doing you will absorb your surplus of grain.

The brewery industry is ready to begin work to-morrow. You see, you can help the unemployed and at the same time you can raise the money that you need to balance the Budget.

If this is not a political bill, as has been stated here on the floor—if it is an American bill, as you claim—you have the opportunity here to do something for your country by voting for this amendment.

What objection can the people in Florida have if the people in Missouri want a glass of beer? We do not seek to control you by dictating what beverage you use.

Do not complain if taxes are levied on the goods you produce in your States if this amendment fails. The money is going to be raised in some way. If you accept this proposition, you are sure to eliminate a tax on automobiles, on amusements, on checks, or a raise in postal rates. Do not cry on Monday when the committee brings in its suggestions if you do not take advantage of this opportunity.

This provision is not in conflict with the eighteenth amendment; 2.75 beer is not intoxicating. The gentleman from Texas [Mr. BLANTON] would lead us to believe that he had been authorized by the Supreme Court to say, "If you pass this, the court will declare it unconstitutional." I have never heard of the court rendering decisions in advance of the hearing of a case, nor has anyone else.

The gentleman from Georgia urged you early in the week to vote for your country, to forget your political future, and balance the Budget. I make the same appeal to you now. Vote for this amendment, and you will balance the Budget. [Applause.]

Mr. GUYER. Mr. Chairman, we are celebrating this year the two hundredth anniversary of the birth of George Washington and in grateful memory of his deathless services to his country we are studying all the known words of him who was "first in war, first in peace, and first in the hearts of his countrymen." On the anniversary of the signing of the Constitution, the 17th day of September, 1796, he read in the historic hall in which both the Declaration of Independence and the Constitution were conceived, his Farewell Address, the greatest admonitory statement that the founder of a nation ever handed down for the guidance of posterity. I want, in connection with the proposed amendment to impose a tax on beer of a certain alcoholic content, to read one thing he said in that document which will be revered as long as patriotism exists in the hearts of his countrymen. It speaks volumes on this amendment. He was referring to the Constitution of the United States. He was familiar with that Constitution, for seven years before he had presided over the convention which wrote it. Without him it could

not have been written, and without his mighty influence it could never have been ratified. It was dear to him, for he knew above all others what it cost and he knew, too, what its supremacy meant to the future of his country.

This is what George Washington said:

> The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the Constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all.

[Applause.]

Mr. HARLAN. Will the gentleman yield?

Mr. GUYER. I yield.

Mr. HARLAN. Does the gentleman disagree with the Supreme Court of the United States in its decision that Congress has the power to define intoxicating liquor in fact?

Mr. GUYER. The Congress has only the power to decide upon the alcoholic content, subject, of course, to the Supreme Court, and that content has already been declared to be one-half of 1 per cent. That court, of course, will always decide that any beer that is intoxicating violates the eighteenth amendment, and therefore unconstitutional. Every sincere man here knows that any beer that is not intoxicating would never please our wet friends. Of course, such a law-abiding group as liquor sellers would pay no attention to any alcoholic content determined by Congress. They never obeyed any law, either of God or man. Under the smoke screen of 2.75 beer they would not only sell every per cent beer but with characteristic defiance of law would sell every other kind of liquor.

This amendment seeks to do just what Washington was warning against in his Farewell Address. This amendment seeks to do by indirection that which can not be done directly. The object is to nullify the Constitution by act of Congress. It has been boldly said here this afternoon by the gentleman from New York [Mr. OLIVER] that this amendment would break the back of prohibition, and prohibition is a part of the Constitution. I have no complaint to make against those who in accord with the provisions of the Constitution seek to repeal the eighteenth amendment, however much I may disagree with them. That is their sacred right. But I do not indorse any crosscuts back to the old saloon, except by the path set out in the Constitution.

Of course they want to "break the back of prohibition." Let them go ahead in the orderly method of repealing this amendment and follow the pious admonition of Washington and obey the Constitution while they are doing it. Why pretend loyalty to the Constitution while stabbing it in the back with this amendment? Yet they have hurled at us the anathema of the Gallilean: "Scribes, Pharisees, hypocrites." Take the hypocrisy out of this amendment and there will be nothing left. These same Members yesterday were shedding tears over the tax that would be levied on the buttons of the poor man's coat, for nearly everything else was excepted, but to-day they tell you that they will raise $450,000,000 from this beer tax. They admit it is the working man, the poor man, who will drink the beer and who will, of course, pay the tax. Oh, they say he will willingly pay it to get his beer. Yesterday they objected to an almost invisible tax on the working man, to-day they would take $450,000,000 out of his pocket and pay the tax of the rich, take the tax for booze that the poor man should put in shoes for his children.

It has been said here to-day that the vast majority of the people are against the eighteenth amendment. How did you find that out? Four years ago the Democratic candidate for President, though his party adopted an enforcement platform, a dry platform, wired the convention that nominated him that he must run as a wet. Thus, he ran and was the worst defeated candidate that ever ran for President. I honor him for his manly and frank statement of position, for in that he showed himself a man of character and integrity. But in spite of his fine executive record he was ignominiously defeated by the dry sentiment of his own party. There may be a lot of froth on this so-called revolt against prohibition like there is on this imaginary beer that we are going to vote down by an overwhelming majority. These storms of so-called sentiment against prohibition are like the surface of the sea that is whipped to foam and fury. There is more or less impressiveness in the spectacle, but down beneath the froth and foam the waters of the deep sleep unmoved by all the fury of the shallow surface. So sleeps like smoldering volcanic fires the old hatred of the good people of this country for the outlaw liquor traffic that seeks in this amendment, like a camel, to get its head under the prohibition tent. [Applause.]

Mrs. NORTON. Mr. Chairman, first, I want to say that I rise to support the amendment of the gentleman from New York [Mr. CULLEN]. I do so with the firm conviction that this amendment is going to bring not only revenue to a depleted Treasury but a great deal of happiness to this country. I say this, and I think you gentlemen know that I would not say it if I did not absolutely believe it. After listening to the arguments advanced here to-day, the only picture in my mind is one of corruption, suffering, and a long stream of crime as a result of the past 12 years of prohibition.

No thinking man or woman, whether or not he or she believes in prohibition, can believe that prohibition has made this a better country in which to live. We know that crime is rampant. We know that our State and Federal prisons are overcrowded to-day as a result of the eighteenth amendment, and we know that many homes are desolated because of it. It has not stopped drinking, it has only moved the saloon into the speak-easy. It has created hypocrisy, and there are many men here on the floor of this House who, I feel certain, would be greatly relieved if this question were taken out of Congress and politics.

I have great respect for my colleagues in the House. I know there are many of you who are ardent believers in prohibition and practice it, and for you I have the greatest respect. But I also know there is another class of men here who, while preaching prohibition, fail to practice what they preach. I am not finding fault with them. I am simply stating a fact, and I feel sure that they would be glad, if they could take their places as honest men and vote as they drink and as they believe.

What is this question before us to-day? It is a question of finding revenue. We have been arguing it from an economic point of view, and I believe in that. I think it would bring a great deal of money into the Treasury, money that the bootleggers now have in their possession and upon which they are not taxed.

The present tax on beer is $6 a barrel. The greatest production of beer, 66,000,000 barrels in 1914, with a tax of $6 a barrel, applied on this pre-prohibition production would amount to about $400,000,000 a year.

Mr. Woodcock, the Director of Prohibition, in a recent survey showed that there were 22,000,000 barrels of beer manufactured in the cellars of the people for the year ending June 20, 1930. If this beer had been manufactured in legal breweries and subjected to the present tax of $6 a barrel, it would have yielded the Government a revenue of $132,000,000.

The population of the United States has increased 20 per cent since 1916. In that year, according to figures submitted to the Committee on Agriculture by Prof. Irving Fisher, of Yale, and Prof. T. M. Carver, of Harvard University, about 80,000,000 bushels of grain were used in the manufacture of beer. It would take about 80,000 farmers to grow that amount of grain. Would not this go a long way to bring prosperity to the farmers of the country as well as to balance the Budget?

Does it ever occur to gentlemen here to wonder where the two billions of money is hoarded to-day? You know perfectly well where that money has gone. It is being hoarded by the bootleggers and the racketeers of this country. They are afraid to put it into banks or to invest it in stocks and bonds, because they know that it would carry a tax and arouse suspicion. Therefore they are hoarding this money, and that is why so much money has been taken out of circulation.

Then I am thinking of another consequence of this horrible law, which has taken place in my own State very recently, where a home has been desolated through the kidnaping of the Lindbergh baby. Why? Because this underworld that we know and hear so much about is organized in every State in the Union. There is no crime that it hesitates to commit. Certainly those of us who are here supposed to make laws to bring happiness ought to give some consideration to this thought. We are not happy, and the people of this country are not happy, and they are not going to be any happier when they find that they have a tax levied on pretty nearly everything essential to life. Why not give them what they want? It is not going to do them any harm—not nearly so much harm as the kind of beer that they are drinking to-day. It is going to provide for a great deal of employment for men and women everywhere, and I believe we ought to give more consideration to both the economic and particularly the moral side of this question. [Applause.]

Mr. CRISP. Mr. Chairman, may I see if we can not make some agreement as to closing debate. [Cries of "No!"] I have do desire to cut off anybody, but we must make some progress if we are going to get through this debate. I move that debate upon this Cullen amendment close in 40 minutes.

Mr. SIMMONS. Mr. Chairman, may I call the gentleman's attention to the fact that seven wets have spoken and only two drys have been recognized, and certainly the drys are entitled to have this debate run along for a little while.

Mr. CRISP. The Chair would take care of that situation.

Mr. SIMMONS. I wish the gentleman would withdraw his motion.

Mr. CRISP. Mr. Chairman, in order to test the House, I move that debate close on this amendment in one hour, which will be 15 minutes past 3 o'clock, and then the entire membership of the House, in their offices and on the floor, may know when the vote will come.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia that all debate on the Cullen amendment close in one hour.

The motion was agreed to.

The CHAIRMAN. The Chair desires to divide this time equally between those for and against. He does not know what the personal attitude of gentlemen is on this question. He would be glad to have them indicate to the Chair when they take the floor. The gentleman from Nebraska is recognized for five minutes.

Mr. SIMMONS. Mr. Chairman, I ask unanimous consent that I may speak for 10 minutes.

The CHAIRMAN. Is there objection?

Mr. SWEENEY. Mr. Chairman, I object.

Mr. SIMMONS. Mr. Chairman, the gentleman from New York [Mr. OLIVER] claims all of the patriotism in this country belongs to the wets, and the gentlewoman from New Jersey [Mrs. NORTON] thinks all of the political honesty and other honesty in the House likewise belongs to the wets. May I suggest that neither statement does them honor. All of the patriotism and all of the political honesty in this House, I think, can pretty well be divided among its entire membership. It ill behooves any Member to question the patriotism or loyalty or honesty of any Member of this House.

As I see this proposal, there is nothing new in it. We have heard here to-day the same statements that you will find in all of the history of the fight against either the regulation or the control or the prohibition of the use of intoxicating liquors. The wets are appealing to the pocketbooks of the wealthy. They are appealing to the necessities of the country, they are appealing to the necessities of the farmer in an effort to bring back a traffic that has always damned and corrupted and ruined everything and everyone that it has touched. [Applause.] I take it that neither the farmer nor the taxpayer nor the Government is going to be bribed by an effort of this kind.

The statement has been made here that the American Federation of Labor wants the return of beer. I understand that their resolutions have been to that effect. But the American Federation of Labor is one of the four great organizations in America that have carried on a campaign against the sales tax. They are one of the four great groups that the Democratic leader, Mr. RAINEY, condemned the other day as an invisible and otherwise objectionable lobby. I refer to the American Federation of Labor, the American Farm Bureau Federation, the National Grange, and Farmers' Union.

The American Federation of Labor fought the sales tax. We defeated it overwhelmingly in this House yesterday. They were fighting a 2¼ per cent sales tax, and now the wets attempt to put that same organization in favor of a 30 per cent sales tax on beer. I do not believe that the American Federation of Labor for one minute would so change its whole attitude on the sales tax that they would favor this amendment with the pernicious sales tax in it. I have far too much respect for the American Federation of Labor to believe that they would reverse their position on the sales tax for a glass of beer.

Then again they quote an organization that has honored me, the American Legion. I challenge any man to show that the American Legion is in favor of a return of intoxicating liquor in the United States, beer or otherwise.

Mr. SWEENEY. Did they not adopt a resolution to that effect?

Mr. SIMMONS. They did not. They adopted a resolution asking for a national referendum, and every word of the debate shows that that was the purpose of the resolution. May it be said to the credit of the American Legion in my State that they did not vote to favor the referendum. Our department of the American Legion believed that the Legion as an organization has no business in the prohibition issue.

Mr. KARCH. They were the only ones.

Mr. SIMMONS. No; they were not.

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

The CHAIRMAN. Does the gentleman yield, and to whom?

Mr. SIMMONS. I decline to yield.

The CHAIRMAN. The gentleman from Nebraska declines to yield.

Mr. SIMMONS. What do we have here? We have an attempt to shift the burden of taxation from the wealthy. The gentleman from New York [Mr. OLIVER] said, "Wealth itself must take prohibition from the statute books." Why? In order to shift the burden that this House has ruled that wealth should carry in this country onto those who consume and want beer. Beer consumption by great numbers would be necessary to make this tax effective and that means a tax on great numbers. One of the du Ponts only a few years ago made the statement that if we could have a beer tax in the United States comparable to that which they have in England, one of his corporations alone would save $10,000,000 a year. Because the Government could remove the tax on incomes and corporations if such a tax were levied.

Gentlemen talk about wanting a nonintoxicating beer. That is not the purpose of this amendment. The American citizen now has available a nonintoxicating beer. The purpose of this amendment is to secure an intoxicating beer in defiance of the Constitution.

City Members here plead for beer as a farm-aid measure. The answer is that not one great farm organization favors it.

I believe it can be established that the grains and farm products now used in the production of soft drinks, milk, and so forth, more than equal the possible consumption of grains in the manufacture of beer. But even if it did not the farmers of America would be against this measure because of the physical and moral problems involved. And again, Thomas Jefferson is quoted by a wet. Thomas Jefferson probably used the words credited to him, but we have advanced somewhat since Jefferson's time in all things; why not in our views on prohibition? Jefferson was a leader in the early movement that led finally to prohibition.

The statement quoted was made not in an argument for but against the use of intoxicating liquors and in an effort to curb their ravages among our people. Another gentleman says he does not want a return of the saloon. What he means is that they will not call it a saloon. The fact remains that, call it what you will, this proposal means that the thing once called a saloon will be returned with all its resultant vice, corruption, and evils. The gentlewoman from New Jersey pleads for this measure to restore happiness to our people. To what home or person did intoxicants ever bring happiness or health, joy or contentment, peace or prosperity? The use of intoxicants has always brought unhappiness, disease, sorrow, discontent, and poverty to those who became its users. There is no hope that the legalization of beer would have any other effect.

Admittedly national prohibition is not yet achieved as a fact—admittedly conditions are far better now than in the days of the saloon—else why should all the wets loudly proclaim that even they do not want the saloon to return?

National prohibition is an ideal that the American people have set for themselves. It is worth fighting for. This beer proposal is a movement backward, a surrender to the organized liquor traffic, an admission of defeat. There is but one place from which the drys can fight, and that is on the basis of complete prohibition. This is but the entering wedge. The wets will be content with nothing less than a return to the legalized sale of all intoxicants. The American people should recognize this fact. When they do, there will be a distinct and overwhelming rejection of every new proposal. [Applause.]

Mr. MEAD. Mr. Chairman, this amendment, as well as the Hull-O'Connor bill, which proposes a tax of 4 cents a pint, or $10.08 on a barrel of 31½ gallons, will produce Federal revenue of at least $660,000,000 based upon the production of beer at the peak rate of 1914, at which time the total capital invested in breweries and malting was $750,000,000. There were then 1,347 corporations, companies, and individuals engaged in the business, and they employed 77,000 workers, whose wages totaled $84,000,000. These figures do not include the carpenters, coopers, painters, glassworkers, ironworkers, varnish makers, electricians, box makers, mechanics, and scores of other lines of workers in industrial plants who were more or less dependent upon the brewing industry for their livelihood.

In 1914 the value of grain and hops purchased for brewing brought $88,000,000 to the producers on the farms of the Grain Belt and the hop-growing sections.

In 1917 the breweries used 2,000,000 tons of coal, which required 40,000 cars for transportation. Brewing material, machinery, beer, and the by-products—brewers' grains—brought the total to 123,666 carloads for the transportation of which vast tonnage the railroads collected freight charges.

From the standpoint of revenue it should be recalled that while in 1914, the peak year, the output of beer was over 66,000,000 barrels, upon which taxes at $3 per barrel were collected, with the increase in population during the past 18 years it is reasonable to assume that the probable demand for legalized beer will reach 100,000,000 barrels per annum. During the last quarter of the year 1919 the tax on beer was $6 per barrel. At that rate the income to the Federal Government on 100,000,000 barrels would be $600,000,000, besides which at least an equal amount could be collected by the Federal Government and the States in the form of sales taxes and license fees.

The proposed amendment if adopted by the House and approved by the Senate will accomplish two prime purposes. It will so increase the revenues of the Treasury as to reduce by fully 50 per cent the deficit and it will promote temperance, which the Volstead law certainly has not done.

Some of the advocates of continuing the present policy toward the enforcement of the Volstead law, or the extreme drys, as they like to call themselves, are prone to exaggeration in all their arguments. For example, a speaker addressing a meeting in a church in my district declared last week—

That the Government is annually collecting approximately $120,000,000 in fines against violation of the eighteenth amendment.

That speaker should receive an appointment as bookkeeper under the prohibition division of the Department of Justice. He might be able to point out what has become of the fines collected, for the Treasury Department can account for not to exceed $6,000,000 in any one of the years which have passed since the enactment of the Volstead law and less than half that mythical $120,000,000 in the whole of the 10 years. This is but a sample of the exaggeration which is the popular basis of the so-called arguments of the drys, especially such of them as are on the rolls of the Anti-Saloon League and similar organizations whose financial receipts depend upon their ability to exceed the late Eli Perkins or his predecessor, Baron Munchausen, in the "penurious frugality" with which they employ truth in their speeches before audiences, who apparently like to be humbugged so long as the humbugging is of the very driest character which can be produced with a good dictionary and a vivid imagination.

The Congressional Districts Modification League, an organization chartered under the laws of the District of Columbia, formed some three years ago for the purpose of ascertaining the sentiments of the citizens of the country toward the restoration of the legal right to manufacture and sell beer and wine, has just submitted a report of its survey to Members of Congress.

The result of the league's survey up to date is shown in the petition for the modification of the Volstead law which has been presented to this House. That petition is signed by some 5,000,000 citizens scattered through 319 congressional districts in 35 States, and it is indisputable evidence that the great body of the voters of this country are emphatically in favor of the modification of the prohibition law to the extent of legalizing the sale of malt liquors, as is proposed by the pending amendment.

The organizers of the Congressional Districts Modification League report that from 85 to 90 per cent of all the men and women they have seen gladly signed the petition for modification and that more than 5 per cent of those who sign voluntarily join the organization.

From this petition I learn that more than 20,000 of the signatures were attached by residents and voters in several of the rural and semirural counties of the State of New York.

With a tax of 4 cents a pint on beer, as proposed by the Hull-O'Connor bill, the Federal Treasury will be enriched by many hundreds of millions of dollars in annual income; the brewer can keep his employees constantly employed at decent wages, and the consumer will not be compelled to pay exorbitant prices. It may be well to look into the facts to prove this. When barley is selling for anything less than $1 a bushel the cost of materials entering into the brewing of a barrel of beer, approximately 32 gallons, will be in round figures 1 cent a pint, or $2.50 a barrel, figuring the overhead at 100 per cent on the cost will bring the total to around $5 for 32 gallons. Add to this a tax of 4 cents on each pint, as proposed by the Hull-O'Connor bill, or $10.24 on 31½ gallons, it will be seen that the cost of materials, brewing, and overhead with the tax added on a case containing 24 pints will not exceed $1.44. Then allow 36 cents more for distribution charges, and we find that by selling a case to a consumer in his home the retail dealer can make a fair profit at $2.40 a case, or 10 cents a bottle.

Besides bringing about the direct employment of many thousands of men in the breweries now closed, the effect of the proposed change in the law will be immediate and important in many other industries. For instance, millions of new bottles will be needed, thus increasing employment among glass blowers, also millions of cases will be required, for those now in use will not be available to contain 16-ounce bottles, which must be substituted for the 12-ounce containers. It has been estimated that between one and two million men will be gainfully employed as a result of the modification of the Volstead law.

As to the cost of attempting to enforce the Volstead law, the Treasury Department informs me that from 1921 to 1930 the appropriations for the Prohibition Unit and the Narcotic Division aggregated $111,471,270, of which $11,029,460 was

set aside for enforcement of the narcotic law. Thus the balance for prohibition enforcement authorized by Congress was $100,441,810, and the growth of this drain on the Treasury has been steady since 1921, when the allotment was $6,350,000, until 1930, when upward of $14,000,000 was appropriated, and these enormous sums represent only a minor portion of the cost incurred through the attempts to enforce an unenforceable act of Congress, for the added cost of trials and of the maintenance of the Coast Guard and Customs Service bring the annual drain on the resources of the Treasury up to $40,000,000.

Nor should it be forgotten that it has been necessary for Congress to provide additional judges, more jails and penitentiaries, and to add hundreds of employees to the rolls of the departments which have to do with enforcement.

Advocates of dry laws are prone to direct attention to the alleged fact that near beer "containing not more than one-half of 1 per cent of alcohol" furnishes a market for hundreds of thousands of bushels of grain. In answer to those statements I quote from a letter just received from the manager of the only brewery remaining in operation out of the 16 or 18 which did business in Buffalo before 1919. This writer says:

I do not know if you are familiar with this situation: That out of the 16 or 18 breweries that we formerly had in Buffalo that the Iroquois is the only one left making a near beer. I understand there is still one operating in Rochester, do not think there is any in Syracuse, one in Utica, and I do not know if the Albany one has closed or not. Lang, of Buffalo, have discontinued for over a year and a half. The breweries at the Falls, Dunkirk, and all the smaller towns have all closed, and we are the only plant left making near beer in this section of the country. Our sales have dropped from 125,000 barrels of near beer during the first year of prohibition down to 10,000 barrels per year. In the first couple of years of prohibition this plant sold 125,000 barrels of near beer, and at that time six other breweries were operating on the same basis. Now, with all of them closed, our sales dropped to about 10,000 barrels a year.

COST TO MANUFACTURE NEAR BEER

The cost of a barrel of near bear is greatly in excess of that of the real beverage. The reasons are readily understood when it is known that 100 gallons of beer containing 2 per cent or more of alcohol loses 25 per cent of its volume when dealcoholized. Then, too, the double boiling necessary to expel the excess alcohol is a costly process requiring far more fuel than is used in the original brewing process, much more time on the part of the workmen, and other expenses which bring the cost of production—figured upon conditions existing before the passage of the prohibition law—up to $9.56 per barrel, as compared with approximately $1.13, which was labor cost of a barrel of real beer in 1914.

When consideration is also given to the falling off in demand, which throughout the State of New York is fully 80 per cent, compared with the annual sales of real beer before the alcoholic content allowed was fixed at one-half of 1 per cent, it can be readily understood why near beer costs nearly eight times as much to manufacture as did the real article.

How do we account for this heavy falling off in demand? No one but a man or woman who is blind by choice can fail to realize that bootleg beer is consumed in larger quantities than is near beer in practically every community where beer has been the favorite beverage. But that is not the only reason for the slump in the near-beer demand. Moonshine whisky and synthetic gin can be so much more easily transported than the bulkier but far less potent beer that the stronger beverages have been substituted for the milder everywhere. Only those same voluntary blind persons have failed to see the evidences of the frightful increase in the drinking of strong intoxicants among young people especially, which has been apparent everywhere in the land since the enactment of the so-called Volstead law.

It is this growth in the business of distributing illicit whisky and raw alcohol, the basis of "bathtub" gin, which actuated the Congressional Districts Modification League to ascertain, through personal contact with the electorate, how wide is the sentiment of the country in favor of the modification of the Volstead law to the extent of legalizing the manufacture and sale of malt beverages and light wines with alcoholic content greater than that which Congress has permitted. The league has carried on this investigation during the past three years at a cost of upward of a quarter of a million dollars, every dollar of which has been voluntarily contributed by individual members of the league in the form of annual dues at the rate of $1 each. And this canvass is still in progress.

Legalize the manufacture and sale of beer of 3 per cent alcoholic content and we shall increase the Federal, State, county, and town revenues by a billion dollars annually, make unnecessary the greater part of the increases in taxes proposed by this bill, promote temperance, put a crimp in the business of the racketeer and the bootlegger and at the same time insure employment for hundreds of thousands of unemployed brewers, maltsters, glass workers, coopers, box makers, electricians, miners, railroad men, and their fellows, besides thousands in related industries, and at the same time relieve the courts of much of their burden and in a hundred ways restore respect to the laws now so frequently held in utter contempt.

THE VOLSTEAD LAW

The Volstead law is an act of Congress. That law was placed on the statute books by and with the votes of a majority of each House. The Volstead Act and not the Constitution itself or any amendment thereto fixed one-half of 1 per cent as the maximum alcoholic content of beer to assure its nonintoxicative character.

Congress is as competent a judge of the intoxicating effect of a given percentage of alcohol as was Mr. Volstead.

Congress can declare beer containing 2.75, 3, or 4 per cent of alcohol a nonintoxicant without violating the Constitution or the eighteenth amendment.

The late Joseph Cannon declared that buttermilk frequently contains more than 4 per cent of alcohol.

No one ever found a man or woman in a condition of drunkenness from indulging in an orgy of buttermilk. And no one has disproved Speaker Cannon's statement.

Aroused public opinion demands that this law be modified; an improved economic order and a better government will result. [Applause.]

Mr. FINLEY. Mr. Chairman, I dissent from the cold-blooded and cynical proposition implied in this amendment, that there are no values for legislators to consider except those measurable in dollars and cents.

I deny that government has discharged its whole duty when it has secured to its citizens their rights of life, liberty, and property.

The people are the fiber of the state. The people are the fabric of the state. The people are the very state itself.

Government was made for the people, not the people for government. Development of the highest and best in its citizenship is the highest and noblest function of government.

That government is false to its citizens and false to its duty of self-preservation which does not guard them against disease of body and mind.

That government is recreant to its duty which does not consider the education of its citizens and lifting them to higher levels of civilization and nobler ideals of life.

The mightiest values in any state are the sobriety, the sanity, the health, and the morality of its citizens.

Their price is not quoted in any mart or on any exchange, but they are the foundation on which the perpetuity of every government rests.

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay.

For men are the fiber and fabric of every land.

The incurable and fatal weakness of the wet philosophy is just here, that it ignores utterly the mightiest of all values—intrinsic human values.

The pending amendment illustrates what I say.

At a time when our Government is in dire need of revenue the liquor traffic dangles before our eyes an offer of $600,000,000 for the legal right to destroy the sobriety, impair the sanity, undermine the health, and degrade the morality of our people; the legal right to rot as widely and com-

pletely as it can the fiber and fabric of our Government; the legal right to make drunkards of every man, woman, boy, and girl under our flag.

That is what his license entitles a liquor manufacturer or a liquor seller to do.

Think of it! For a money consideration the liquor traffic asks this Government to authorize and sanction destruction of the very material, the very fiber and fabric of its own being!

In the wilderness Satan offered the Savior of Men the wealth and the power of the whole earth in exchange for the human race.

The liquor traffic offers us a paltry and doubtful $600,000,000 for all human values in this Nation.

The devil estimated human values higher than the liquor traffic does. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, I shall support this amendment. I am one of those Members of this House who came here after the adoption of the eighteenth amendment and in no way participated in that adoption, either in its submission by the Congress or its ratification by the States, but I have quite generally and quite consistently supported the enforcement of the eighteenth amendment, because, like my colleagues, I have believed it the duty of Congress to provide enforcement. However, I will not concede that supporting enforcement is at all inconsistent, either with support of the resubmission or the repeal of the eighteenth amendment, or with modification of enforcement, which is legal and constitutional. [Applause.]

There are some general grounds upon which I shall support this amendment. First, it will raise revenue, and we are considering a revenue bill and are at our wits' ends to find some substitute for the proposals which only yesterday the House refused to accept by way of suggestion from the Committee on Ways and Means. [Applause.]

Mr. CLANCY. Will the gentleman yield for a parliamentary inquiry?

Mr. CHINDBLOM. No; I can not yield.

Secondly, I am for this amendment and I shall favor the legalization of beer of a proper alcoholic content, because I know that in the large centers of population in the United States that one act will do more to stop lawlessness than anything else that might be done by the Congress of the United States. [Applause.] The greatest problem we have in the cities to-day is traffic in beer, not in the ordinary hard liquors.

Third, I know that the passage of such a proposal as this would allay discontent among the laboring masses of our large metropolitan communities, because they are aware of the fact that the rich man to-day can get liquor, provided only he has the price. The poor man has to pay an excessive price for the vile stuff which is being made in the alley breweries.

Mr. BURTNESS. Will the gentleman yield?

Mr. CHINDBLOM. No; I do not have time.

On the question of constitutionality, I will say frankly that that concerns me; but during the war we had 2.75 per cent beer when all other so-called alcoholic beverages were prohibited. The world over, beer of this alcoholic content is not considered intoxicating liquor but is sold as an ordinary beverage. Only the other day I joined with the great mass of the membership of this House in passing an anti-injunction bill. Only 13 Members of the House voted against it and only 5 Members voted against it in the other body; but the Attorney General, in advising the President upon the provisions of that bill, said very frankly that he was not at all certain that all of its provisions were constitutional, but to-day gentlemen who rushed gladly and enthusiastically to the support of that measure are expressing much concern about the constitutionality of this amendment. The Supreme Court, it is true, has not passed definitely upon the question; but those who have had experience with reference to the use of beer of this alcoholic content, 2.75 per cent by weight, will themselves know that there can be no just claim as to the constitutionality of it under the prohibition of intoxicating liquor. Personally, I do not believe such beer is intoxicating in fact.

I think the time has come, Mr. Chairman, when we can no longer stand upon our old views on prohibition, if we have had any, but we must recognize the conditions which prohibition has created in our fair land and which exist to-day. [Applause.]

[Here the gavel fell.]

Mr. JOHNSON of Washington. Mr. Chairman, I did not expect to be recognized at this moment. I have just sent to the Congressional Library for the autobiography of Benjamin Franklin, as I wanted to read the contribution of that printer, philosopher, and statesman on the subject of beer. However, without the book in my hand I am able to remember his comment on beer. About 200 years ago, after Franklin had moved from Boston to Philadelphia, had passed his apprenticeship and become a full printer, he went to London and served for about a year. While working there he noticed that the other printers and apprentices were drinking beer with their meals. They marked that he did not drink with them and remarked that he was stronger without the beer than were they with it. Franklin, whose mind even then was analytical, made a study of the question of drinking beer with luncheons and came to the conclusion that the food value of the beer was not worth its cost.

He came to the further conclusion that the exhilaration produced with beer during the hour at luncheon time was such that it lifted one up for a short time and then let one down still further, so that neither he nor the apprentices were as good at their work during the major part of the afternoon.

I think that is worth remembering, and it is worth stating it in this debate, principally his remark that the food value was not worth the cost. I wish I had the time to quote, in these piping times, a few remarks from Franklin on thrift.

Mr. Chairman, in the recent vote, the test vote, so called, on the Beck-Linthicum resubmission amendment, I voted yea on the proposal that the House consider the question of submitting a constitutional amendment to the States.

But because I did I do not want it thought that I must follow that leadership on such a proposition as the one now before us. Congress should submit this question before it lays a tax on the product of unauthorized breweries. Such a tax would not authorize a barrel of beer to be sold in a State such as Washington, nor would one cent of tax be collected there. Further, I am certain that in these times of great unemployment, running into the millions, with distress, bread lines, and community kitchens in all parts of this Nation, it is no time to propose that the people shall drink themselves into prosperity. [Applause.] That can not be done. [Applause.]

Mr. Chairman, Franklin's Autobiography has just been handed to me, and as an extension of remarks I shall print his exact words in the RECORD.

At my first admission into Watts's printing house (in London) I took to working at press, imagining I felt a want of the bodily exercise I had been used to in America, where presswork is mixed with composing. I drank only water; the other workmen, near 50 in number, were great guzzlers of beer. On occasion, I carried up and down stairs a large form of types in each hand, when others carried but one in both hands. They wondered to see, from this and several instances, that the *Water-American*, as they called me, was *stronger* than themselves, who drank *strong* beer! We had an alehouse boy who attended always in the house to supply the workmen. My companion at the press drank every day a pint before breakfast, a pint at breakfast with his bread and cheese, a pint between breakfast and dinner, a pint at dinner, a pint in the afternoon about 6 o'clock, and another when he had done his day's work. I thought it a detestable custom; but it was necessary, he supposed, to drink *strong* beer that he might be *strong* to labor. I endeavored to convince him that the bodily strength afforded by beer could only be in proportion to the grain or flour of the barley dissolved in the water of which it was made; that there was more flour in a pennyworth of bread; and, therefore, if he would eat that with a pint of water, it would give him more strength than a quart of beer. He drank on, however, and had 4 or 5 shillings to pay out of his wages every Saturday night for that muddling liquor, an expense I was free from. And thus these poor wretches keep themselves always under.

Watts, after some weeks, desiring to have me in the composing room, I left the pressmen; a new sum for drink, being 5 shillings, was demanded of me by the compositors. I thought it an imposition, as I had paid below; the master thought so, too, and forbade my paying it. I stood out two or three weeks, was ac-

cordingly, considered as an excommunicate, and had so many little pieces of private mischief done me, by mixing my sorts, transposing my pages, breaking my matter, etc., etc., if I were ever so little out of the room, and all ascribed to the chapel ghost, which they said ever haunted those not regularly admitted, that, notwithstanding the master's protection, I found myself obliged to comply and pay the money, convinced of the folly of being on ill terms with those one is to live with continually.

I was now on a fair footing with them, and soon acquired considerable influence. I proposed some reasonable alterations in their chapel laws, and carried them against all opposition. From my example, a great part of them left their muddling breakfast of beer, and bread, and cheese, finding that they could with me be supplied from a neighboring house with a large porringer of hot water gruel, sprinkled with pepper, crumbed with bread, and a bit of butter in it, for the price of a pint of beer, viz, 3 halfpence. This was a more comfortable as well as cheaper breakfast, and kept their heads clearer. Those who continued sotting with beer all day were often, by not paying, out of credit at the alehouse, and used to make interest with me to get beer; their *light* as they phrased it, *being out*. I watched the pay table on Saturday night, and collected what I stood engaged for them, having to pay sometimes near 30 shillings a week on their accounts. This, and my being esteemed a pretty good *riggite*—that is, a jocular verbal satirist—supported my consequence in the society. My constant attendance (I never making a St. Monday) (St. Monday, a Monday holiday observed by lazy printers) recommended me to the master; and my uncommon quickness at composing occasioned my being put upon all work of dispatch, which was generally better paid. So I went on now very agreeably.

Mr. Chairman, the press on which Franklin worked while at Watts's in London was purchased by an American and is now, I believe, on exhibition in the Patent Office in Washington.

Franklin was born in 1706; died in 1790.

Mr. BRITTEN. Mr. Chairman, I desire to offer a substitute amendment for the Cullen amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRITTEN as a substitute for the amendment offered by Mr. CULLEN: "There shall be levied and collected on all beer, lager beer, ale, porter, stout, and other malt, brewed, and fermented beverages containing one-half of 1 per cent of alcohol by volume and not more than 2.75 per cent of alcohol by weight, which maximum percentage hereby declared to be nonintoxicating in fact, brewed or manufactured and hereafter sold, or removed for consumption or sale within the United States by whatever name such beverages may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of 4 cents per pint to be collected under the provisions of existing laws."

Mr. BLANTON. Mr. Chairman, the reading of the substitute has gone far enough to show that it is an amendment in the third degree, and I make the point of order against it that it is out of order being an amendment in the third degree.

Mr. STAFFORD. Mr. Chairman, I question that. I think the amendment should be reported. The gentleman offers it as a substitute, and I think the amendment should be read in full so that the chairman may pass intelligently upon the question of whether it is a substitute or not.

The CHAIRMAN (Mr. MCMILLAN). The Chair is satisfied the amendment, although offered as a substitute, is clearly an amendment within the third degree.

Mr. STAFFORD. Will the Chair reserve his decision until I can make an argument on the question?

The CHAIRMAN. The Chair will reserve his decision, but the Chair is clearly of the opinion that the amendment, although offered as a substitute, is clearly an amendment within the third degree.

Mr. BRITTEN. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BRITTEN. The amendment as I have offered it is very largely a copy of the Cullen amendment with three or four additions which certainly should not affect the germaneness of my amendment. For instance, Mr. Chairman, I raise the tax carried in the Cullen amendment from 3 cents to 4 cents. That does not change the germaneness of the amendment. I provide in my amendment—and, by the way, my amendment is nothing more nor less than about 80 or 85 per cent of the so-called Hull-O'Connor bill which is now pending before the Ways and Means Committee of the House as a revenue measure. In that bill there is a section which calls for the consumption of the product away from the place of purchase. That clearly is not covered in the Cullen amendment, but it is covered in my amendment, and that is done with the view of doing away with the corner saloon. Surely that does not affect the germaneness of the amendment.

Mr. BLANTON. Mr. Chairman, I make the further point of order that the gentleman is addressing his remarks to the committee rather than to the Chair.

Mr. BRITTEN. No; I am trying to show the difference between the two amendments. There is very little difference between them.

Mr. CULLEN. Will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. CULLEN. My amendment carries, in effect, all of the language that the gentleman's substitute carries, with the exception of raising it from 3 to 4 cents. As the amendment is offered to my amendment, it is clearly out of order and should be ruled that way.

Mr. STAFFORD. Will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. STAFFORD. The gentleman from New York is going pretty far in saying that is the only difference. Other differences are involved in the proposal, such as that which has just been adverted to by the gentleman from Illinois in reference to the consumption of the product away from the place of purchase.

Mr. CULLEN. If the gentleman will permit, that is absolutely taken care of in my amendment, because my amendment provides, distinctly, that the saloon shall be barred.

Mr. STAFFORD. I do not find any such provision.

Mr. CULLEN. Language to that effect is there.

Mr. STAFFORD. Mr. Chairman, if the gentleman from Illinois has concluded, I should like to be heard.

I take it that at any time a Member may offer a substitute which does not infringe in any way the rule of amendments in the third degree. We have had this question before us in numerous instances where the chairman of a committee offers a substitute to the entire bill as originally introduced and gives notice that if the substitute is adopted he will then strike out the remaining sections after the first section.

It is fundamental, and is found in the express rules of the House, that there may be pending at one time an amendment, an amendment to the amendment, a substitute, and an amendment to the substitute. I call the Chair's attention to Rule XIX, where that rule of procedure is found in express language:

It shall be in order to offer a further amendment by way of substitute, to which one amendment may be offered.

There is express recognition under the rules of the House.

Now, is this a substitute? I respectfully submit it is a substitute in that it changes in a substantial way the amendment under consideration. It first modifies the amount that shall be charged from 3 cents per pint to 4 cents. It adds many other provisions relating to the licensing of the article.

The Chair would be going very far, indeed, to say that this is not a substitute. It is, in many ways, a substitute for the original proposition, and under the rules of the House just referred to the committee has the right to consider it as a substitute, regardless of the rule of third degree, because the rule of third degree as to amendments does not apply to substitutes.

The CHAIRMAN. The amendment of the gentleman from Illinois [Mr. BRITTEN] is offered as a substitute for the Cullen amendment. It appears to the Chair that the Cullen amendment having been offered as an amendment to the Crisp amendment, the amendment now offered by the gentleman from Illinois as a substitute for the Cullen amendment is in the third degree, and therefore the point of order is well taken. The Chair sustains the point of order.

Mr. BRITTEN. Mr. Chairman, I desire to be recognized on the pending amendment.

Mr. Chairman, every argument that has been made here to-day and every argument that will be made here to-day in opposition to this amendment will be based upon one theory, and that is that 2.75 beer is an intoxicating beverage, which, of course, is wrong. I will go further than that. The argument made against this amendment by the so-called drys is illogical because they would be against it just the same if it were a 1 per cent beverage, in the so-called interest of the preservation of prohibition.

We have to determine for ourselves and for the country this afternoon whether we are going to collect a voluntary and a cheerful tax on beer to the amount of five or six or seven hundred million dollars or whether we are going to apply a lot of nuisance taxes to collect that same amount. You will impose stamps on checks, and you will provide for heavy luxury taxes on automobiles?

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

Mr. BRITTEN. All right, a brief question.

Mr. BLANTON. In reply, I want to tell the gentleman we are not going to do that. We are not going to put a stamp tax on checks.

Mr. BRITTEN. Yes; you will have to do that to collect revenue to balance the Budget.

Mr. BLANTON. We are going to do just as we did yesterday.

Mr. BRITTEN. I do not yield further. I yielded for a question, and the gentleman is trying to tell me something instead of asking a question.

Mr. Chairman, it is evident that the situation is critical. No one believes that the revenue from customs duties will be increased under the present tariff act. The receipts from this source are, indeed, more likely to decrease. Income and corporation taxes have fallen off tremendously during the present depression, with little likelihood of improvement this year.

How much relief could be obtained by legalizing the manufacture and sale of malt beverages? It is undisputed that lager beer was the most popular beverage in the 20 years before the war. It had been perfected by many inventions and improved processes. The air and the water were filtered and sterilized, the beer itself was pasteurized and then carbonated with its own gas, and with the invention of the ice machine and artificial refrigeration it can be made under any climatic conditions all the year round. Moreover, it could be stored with a minimum of alcohol, so that it was the mildest alcoholic beverage in the world. But until the great development of machine-made bottles and of mechanical devices for filling, capping, and labeling the bottles, and of cleaning the empty bottles by machinery, most of the beer was put up in wooden barrels. It had to be sold in the saloon, where it could be kept cold and served under mechanical pressure. Naturally, it was largely a city business, for the country saloon did not sell it fast enough to keep it in good condition. Now that it is divorced from the saloon, it can take its rightful place as a temperance drink—with just enough alcohol to be mildly stimulating. A 3½ per cent beer means a beverage than contains 91½ per cent of water, 5 per cent of nutritive solid matter and 3½ per cent of alcohol. With the improvements in bottling methods and the network of State highways and the development of the motor truck, there is no reason why bottled beer should not be kept in every drug store, grocery, or delivered by the case to all families who are living on a good road. The only question is one of price. Beer must be cheap to be popular. Here is where the question of the tax comes in. Bottled beer costs more than draught beer, but it was sold in the old days as low as $1 a case of 24 bottles. The beer tax was for many years $1 a barrel, which contained 31 gallons. Then it gradually crept up to $2.50 until the war, when it paid a war tax of $6 a barrel. The saloon keeper got even by serving beer in pony glasses instead of seidels. However, in these stressful times the tax would, no doubt, be all that the traffic could stand. What a rumpus the soft-drink people would make if soda-fountain drinks carried a supercharge of 2 cents a drink!

The amendment I have sent to the Clerk's desk provides for a tax of 4 cents a pint.

Mr. Chairman, now let us see how much this 4-cent tax would yield. At the present time it is computed that the sale of beer, made from wort and from malt sirup (what is popularly known as "home brew") totals about 20,000,000 barrels, or about 40 per cent of the legal output in 1918. This figure is arrived at on the basis of the hop crop of 1930, which has simply disappeared.

How much of the former beer market could be recovered immediately is a debatable question. Nine States—California, Maryland, Massachusetts, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, and Wisconsin—would swing into line at once. These nine States formerly produced more than half the beer in the whole country. In the other States legislation would be necessary to correct their State enforcement acts, but it is probable that Connecticut, Illinois, Kentucky, Louisiana, Michigan, Minnesota, Missouri, and Ohio would soon follow suit. This would bring back all but one or two of the industrial States, with the resultant recapture of over 90 per cent of the productive territory. Allowing for the increase in population since 1918, the enormous growth of urban suburbs, and the development of good roads, it is certainly reasonable to estimate that the beer production would be at least 50,000,000 barrels within a year. By the way, in 1914 New York, New Jersey, and Pennsylvania produced one-third of all the beer in the country, and what is more, consumed it all within their own borders.

Figuring 256 pints to a barrel and a 4-cent tax per pint, we would collect the large sum of $500,000,000 the first year on an output of 50,000,000 barrels. This sum would practically equal the total amount that will be collected under a manufacturers' sales tax. It could be substituted for a sales tax or for a lot of so-called nuisance taxes. And right here, Mr. Chairman, let me repeat what I have frequently said, that so long as this Government of ours refuses to take advantage of its opportunity to collect $700,000,000 or $800,000,000 on a beer tax which would be voluntarily and cheerfully paid, I shall oppose any reductions in the salaries of Federal employees. The postal clerk and carrier are already underpaid. Officers and men in our military services can now barely provide a living for themselves and their families. Ninety per cent of all Federal employees get less than $150 per month. To reduce these salaries in order to save a few millions of dollars to the Treasury, while refusing to tax beer, is immediately the highest form of intolerance and a lack of appreciation of faithful service. It puts the now broken remains of prohibition on a sacred pedestal and says, "Thou shalt not touch." Heavy taxes shall be applied, salaries reduced, industries crippled, employment reduced, and all because the Government refuses to hear the appeal of millions of our people who would enjoy a palatable health-giving drink and who are willing and happy to pay a tax to do so.

Mr. CLANCY. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BRITTEN. Yes.

Mr. CLANCY. Will the Chair entertain the suggestion that succeeding speeches be cut down to one minute or two minutes so that a much larger number of Members may be heard on this proposition?

The CHAIRMAN. The Chair will endeavor to divide the time as equally as possible among the Members.

Mr. BRITTEN. Mr. Chairman, how about the question of employment? At the peak of the brewing industry the brewers and maltsters employed about a hundred thousand men, including clerks, drivers, and salesmen. But this is only part of the story. There are something like 60 other industries which formerly did an important business with the brewers. In 1918 there were 1,100 breweries in active operation. To-day only 164 are running. Think of the army of carpenters, painters, mechanics, electricians, plumbers, and laborers who would be required to recondition and reequip 900 brewing plants. Think of the fuel that will have to be mined and shipped, the barley, hops, rice, and

corn that will have to be purchased and transported, with the additional farm labor that would be required. Think of the demand for a billion bottles, and for cooperage, brewing, bottling, and refrigerating machinery, for labels and stationery, and it is easy to visualize a working force of half a million men. On the basis of 4 to a family this means feeding, housing, and clothing 2,000,000 individuals.

Mr. Chairman, what about the allied trades? To get some definite idea of the importance of the allied and associated industries, it is but necessary to visualize more than a hundred manufacturers and dealers in brewing, bottling, and refrigerating machinery, and in a large number of articles that are used in bottling establishments. This also includes maltsters, hop merchants, and purveyors of such articles as sirup, brewing sugars, isinglass, pitch, varnish, enamel, rubber goods, brass fittings, labels and labellers, electrical apparatus, faucets, bungs, bunging machinery, corks and crown caps, brooms and brushes, malto-dextrine, brewing salts, grain driers, cooperage and other containers, and a whole lot of special machinery, such as pasteurizers, coolers, pumps, tanks, gas compressors, and washing machines.

Mr. Chairman, how about the traffic question? The "official classification" figures of the railroads give an incomplete picture of the importance of the brewing industry from the traffic standpoint. Their figures cover the brewer's shipments but not his receipts.

It is interesting to calculate the number of carloads of freight that go into and out of the breweries in one year. The number of carloads of beer, together with the return shipments of empty packages, I am told, would total more than 700,000 carloads. What a boon a resumption of this one industry would be to the railroads of the country.

Mr. Chairman, let me emphasize the matter from an agricultural standpoint. The injury of prohibition to the farmer has been of a regional character. The production of barley has actually increased under prohibition, but it is now used largely as a feed grain at a great reduction in price. Perhaps the most serious effect of prohibition has been that farmers have lost their market for the finest grades of barley which were formerly used and purchased by brewers at premium prices. There is no doubt whatever that the leading brewers of the country would be ready and willing to pay at least 75 cents a bushel for malting barley when beer comes back.

In 1921 a congressional inquiry was instituted to consider the question of a possible revival of the barley industry by increasing the demand for barley malt. Mr. R. E. Jones, of Wabasha, Minn., a grain merchant dealing principally in barley, testified that before prohibition—

> The consumption of barley for brewing purposes was 80,000,000 bushels a year. The production of barley was from 200,000,000 to 225,000,000 bushels a year. This last year the crop was brought down to 184,000,000 bushels. It necessarily had to drop down on account of the awful reduction in price.

Taking it year by year, the brewers used from 30 to 35 per cent of the barley crop.

Let me go a little further, as my time is limited.

We are going to do one of two things here this afternoon. We are either going to accept this tax on beer, which will be voluntarily and cheerfully paid, on a nonintoxicating beverage, or we are going to provide revenue to the amount of six or seven hundred million dollars from nuisance taxes—taxes which will make the payer very unhappy.

You gentlemen talk about helping unemployment. This amendment, if carried into effect to-day, would provide 700,000 carloads going in and out of the breweries of the country in 12 months. Do you realize what employment that would produce? In 1918 the barley and rice and hops required for the brewing industry alone came from 12,000,000 acres of land. Think of it; 12,000,000 acres of land to grow barley for beer in this country. Talk about employment, there are millions to be employed in dollars as well as individuals by the acceptance of this amendment. The amount of money invested in breweries in 1918 was $846,000,000. It will cost $200,000,000 to rehabilitate these breweries if this amendment is carried. This $200,000,000 will go into every walk of industrial life.

Mr. COOPER of Ohio. Will the gentleman yield for a short question?

Mr. BRITTEN. No. The gentleman is an outstanding dry in this House, and I do not wish to enter into any controversy with him concerning prohibition. The amendment before the House is a revenue measure.

Mr. COOPER of Ohio. Will the gentleman yield for one moment?

Mr. BRITTEN. No; I can not; my time is limited.

Mr. Chairman, before prohibition it took about 12,000,000 acres of land to produce the barley used for malting purposes. If we add the acreage under cultivation to hops, rice, and other materials used in making beer, it would certainly bring the total up to at least 15,000,000 acres. On the other hand, there are some compensations from the agricultural standpoint. The corn growers have undoubtedly profited by prohibition, especially in the Southern States, where illicit distilling flourishes on a large scale. The enormous increase in the manufacture of corn sirup has been brought about very largely by its use in illicit distilleries for the making of moonshine whisky. In the corn country of the Middle West many farmers have been making illicit liquor themselves; and in the apple sections of the country, particularly in the Northeastern States, the sale of cider has been promoted by prohibition, while the greatly increased market for grapes is an old story.

The head of the National Grange is of the unsupported opinion that the increased use of milk is due to prohibition. Leo Wolman in Recent Economic Changes gives the following reasons for the increased sale of dairy products:

> Higher purchasing power of consumers is undoubtedly one. Greater assurance of safety in the use of whole milk, as a result of public inspections and improved private practices, is another which has had cumulative effects. Wider appreciation of the special virtues of these foods, as a result of medical advice, the work of school and district nurses, the circulation of literature on child feeding, home economics teaching, and commercial advertising has probably been a major factor.

On January 27, 1922, in Washington, Mr. Henry Altenbrand, of Montana, testified that "prohibition in 1920, through the decreased selling price of barley alone, cost the farmers of the United States $224,000,000."

At the 1921 tri-State convention of the Country Grain Shippers' Association Mr. John R. Mauff, a noted barley expert, pointed out that the growing of pedigreed barley for malting purposes was done at the solicitation of the United States Department of Agriculture. The price of barley and the value of barley land have decreased enormously under prohibition. Mr. Mauff presented a petition signed by 101 barley growers recommending that 2¾ per cent beer be exempted from the act defining intoxicating beverages, in the interest of temperance and to "eliminate the disastrous bootlegging trade." It was stated that the restoration of beer would prove to be "the salvation of our barley crop."

Mr. Chairman, what is involved in the reestablishment of the brewing industry?

The last available figures show that in 1914 the brewing and malting industries represented a capital investment of $839,631,000. It is estimated that the rehabilitation of the industry would require a capital investment of at least $200,000,000. But this new capital will not be forthcoming unless there is a reasonable prospect of permanency in the industry. The brewery can adapt itself to any conditions that government imposes, but the business of manufacturing beer must be stabilized. In all the various Canadian and Scandinavian plans that have been put into operation for the promotion of temperance, the actual brewing has been left in the expert hands of the brewer. In Quebec the government has taken over the retailing of wines and spirits, but malt liquors are still sold by the brewer, under government regulation. In Ontario the government dispenses all alcoholic beverages in its own stores, except 2 per cent beer, but the brewer does the manufacturing. The Scandinavian countries encourage the consumption of mild beers by a system of favorable tax discrimination. There is no reason why a similar product should not be encouraged by our Federal Government. The legitimate American brewer wants no tolerance. He has played fair with the Govern-

ment during the whole 13 years of prohibition, but the Government has not played fair with the law-abiding brewer. He has seen his business taken over by the underworld, which has bought protection from Federal, State, and municipal agents with amazing and devastating success. All the brewing industry wants is to be put on the same dignified footing as any other great manufacturing enterprise.

The real question is, What do the people want? Will they be satisfied if they get beer back? Possibly they will not, but it will relieve the situation and would be of immediate value from the economic standpoint. In the decade preceding the war larger beer made up, in volume, over 90 per cent of the total sale of all alcoholic beverages in the United States. The report of the Internal Revenue Department for 1918 gives the following figures:

	Distilled spirits	Wines	Malt liquors
	Gallons	*Gallons*	*Gallons*
1916	139, 973, 684	47, 587, 145	1, 818, 275, 042
1917	167, 740, 325	42, 723, 376	1, 885, 071, 304
1918	93, 850, 294	51, 598, 024	1, 556, 378, 953

To be exact, the relation of the malt-liquor production to the entire output of alcoholic beverages for these three years is as follows: 1916, 90½ per cent; 1917, 89⅘ per cent; 1918, 91½ per cent.

But, as I have shown, the lager beer consumption was mainly in the centers of population, and probably 75 per cent of it was consumed by the wage-earning class. Undoubtedly, the demand for it was becoming more general every year, just as in this prohibition period the demand has shifted back to "hard liquor." Evidently, the whole prohibition law should be repealed, but in the meantime the competition of good, well-brewed, cheap, and wholesome beer, with bad and expensive whisky would undoubtedly be a great help.

[Here the gavel fell.]

Several Members rose.

The CHAIRMAN. Will the committee indulge the Chair for a moment? There are only 24 minutes left before debate upon this amendment will close. The Chair desires to divide the time so as to give each Member who desires to be recognized an opportunity to speak. According to those on the list at the Chair's desk there appear to be about 15 who desire recognition. In view of that, the Chair feels that about two or three minutes will be as much as can be allotted to any one Member.

Mr. ESLICK. Mr. Chairman, I have no speech to make upon this subject. I voted against this amendment in the committee and I shall vote against it to-day. It presents to me two lines of thought, two questions. It is introduced in the first place as a revenue-producing amendment, an amendment to a revenue bill. If it is to produce revenue at all, it will produce it from an unlawful and an outlawed source, or else—and I regard this as the dangerous feature of this provision—by necessary implication it will modify the existing enforcement laws of the country. It must either bring revenue from an outlawed source or it is the entering wedge against existing enforcement prohibition legislation, and from either viewpoint as a Member of this House I am against it. It would produce results indirectly in modifying enforcement legislation, which this House by a direct vote has denied. [Applause.]

Mr. LINTHICUM. Mr. Chairman, I heard a story some time ago about a man who went into the internal-revenue office and said, "I want to pay my income tax." The clerk laughed and the man asked the clerk what he was laughing at. The clerk replied, "You are the first man who has been in here at any time who wanted to pay his income tax."

Mr. Chairman, if the House will pass this amendment, there will be millions of people in this country who will want to pay their taxes. They will be willing to pay their taxes so that they can get some good beer. Then again, we will not be increasing the consumption of beer at all, because there is just as much beer consumed in this country now as there will be if we adopt this amendment. The only difference is that we will transfer the making of it from the homes of the people to the brewery, where it will be brewed in proper form and in a healthy manner. I am absolutely in favor of this amendment. [Applause.]

What this country needs at the present time is to get a smile on the face of its people. If you will pass this amendment allowing them to have some well-brewed beer containing not over 2.75 per cent, it will not only be within the constitutional amendment but it will produce around $400,000,000 revenue, and in addition to that it will put a smile on the faces of our people and certainly relieve us from the present depression. Now, when you really think of what this amendment means, it does not affect us so much. We get well-brewed beer for our people, and it will not increase the drinking of beer, because just as much beer is taken now as would be after this amendment. The great difference would be that the beer would be brewed in a scientific and proper manner in breweries established for that purpose, under proper temperatures and seasoning, whereas now the beer is brewed in the homes of the people or in some alley or perhaps in some stable or garage. It does not have the proper time, is not scientifically brewed, and in many cases is injurious to those who take it.

The saloon, the great demon of the past, which caused us all this trouble, could not and would not exist under the wording of this amendment.

The prohibition act has cost this country not only its good standing but has deprived it of over $10,000,000,000 of revenue. If we but had this $10,000,000,000 revenue there would not be any Budget to balance at this time, and the States throughout the Union would have revenue to carry on their operations, to provide for their public improvements, and the education of their children.

Some one has said, "Do you want to have the people drink us into prosperity?" I say, "no," but the people are already drinking the beer, common as it is, and we are getting no revenue. I do not think it is in violation of the Constitution because the Supreme Court has decided that it is within the scope of the Congress to determine the alcoholic content. We are coming to a pretty pass when we tax in this bill malt and wort, excluding malt that goes into food products and taxing that which goes into the making of beer. It is certainly a very peculiar situation for Congress to wink its eye at the violation of the Constitution in the making of beer and then to argue that this amendment should not be passed because it might violate the Constitution.

I want this amendment adopted, which will bring prosperity and peace to our country, and I want to see the tax on malt and wort eliminated. [Applause.]

Mr. SUMMERS of Washington. Mr. Chairman, I hold in my hand a letter from an organization of millionaires—the Du Ponts, Couderts, Forgans, and other multimillionaires—who only yesterday denounced all of us who helped to defeat the sales tax as communists and demagogues. They very strongly appeal for a beer tax and for a sales tax on the necessities of life. They are for the sales tax. They are for a beer tax. They are against increased income and inheritance taxes. These multimillionaires want the tax burden shifted to the backs of poor people. To the food and clothing of women and children and the uncontrolled appetite of husbands and fathers.

My friend from New York [Mr. CULLEN], the recognized Tammany leader in this House, who offers this amendment, says it will raise $400,000,000 to $500,000,000 in revenue. That would be only a small fraction of what would be expended, for we must remember the $500,000,000 refers only to the tax and not to the outlay for beer. My friends, you can not buy boots and booze with the same dollar, and I am for boots and against booze. You can not buy clothing and groceries for the family with the dollars spent for liquor. You can not spend the pay check in the beer saloon and take the family to the movies. Legislators and business men must take their choice.

You can not buy milk for little children and booze for the boozer with the same dollar, and I am for the dairyman and the little children and the milk to nourish them. You

can not put women and children in better homes by making husbands less efficient, and you can not better clothe them or better feed them. If you can show me that this amendment will do these things, I am for the amendment.

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

Mr. SUMMERS of Washington. I have not the time. This is a machine age. There are 50,000,000 people in the United States who drive automobiles. Are you going to add to highway hazards by putting beer saloons on every corner? Are you going to make better machinists, or worse? Are you going to make safer railroad engineers? Are you going to supply air pilots with this beverage? Will this amendment put more children in school, or is it going to keep poor children out of school? Is it going to increase the efficiency of man, or is it going to decrease his efficiency? The last man hired and the first man fired is the drinker. Everybody concedes that. You can not make an individual or a nation prosperous by making them inefficient.

This amendment violates the Constitution of the United States; it violates the enforcement act. In effect, it violates more than 60 decisions of the Supreme Court of the United States, and there is no probability on earth that it would be upheld by the Supreme Court of the United States. We are wasting valuable time on a futile amendment.

It is a sales tax in another form, taxing appetite and helpless women and children. It is favored by the Du Ponts and the Atterburys and the Raskobs and Tammany, and I am opposed to it. [Applause.]

Mr. HORR. Mr. Chairman, by a happy coincidence I follow my colleague from Washington [Mr. SUMMERS]. I am dry personally, I am wet politically. I am opposed to this so-called prohibition law. My colleague made reference to the fact that he wanted his dollar to go to the purchase of boots. Who are buying those boots? Those boots are on the bootleggers in the State where he and I come from and he must know it. [Laughter.] In respect to taxing this product, beer, where did our good friends get this thought that they are so fearful of taking money from illegal enterprises? That the Government is not now participating in profits and taxes from unlawful enterprise? Those of us who have practiced law and many who have defended the bootleggers in court know that after a penalty is imposed on the bootlegger and after he has been convicted and sentenced that, under the revenue law as it now exists, Uncle Sam steps in and demands that a tax be paid on the illicit product of the still. Do many of you know that the Government now taxes the illegal moonshine? My friends, do we find any objection to using that kind of revenue? Why, then, object to a tax on beer?

Mr. GRANFIELD. Will the gentleman yield?

Mr. HORR. I yield.

Mr. GRANFIELD. And the gentleman knows they do not hesitate to tax the incomes of the bootlegger.

Mr. HORR. Yes. Did anybody for a moment hesitate to take his money—the money derived from taxes on the bootlegger's income?

Mr. BURTNESS. Will the gentleman yield?

Mr. HORR. In just a moment. If the gentleman will get me some more time I will answer all of you.

May I ask of you sentimental souls who are afraid to accept this money, why did you finance a California industry in the amount of $3,000,000 that makes nothing but wine? Money that was appropriated for farm relief. [Applause.]

I say to you gentlemen from the dry South, I have been down there and I recognize the hospitality of the gentleman from Texas, who invited me to participate, and I am going to accept as soon as it becomes legal. [Applause.] But you have ceased down there in the Southland to measure your corn product by the bushel; you measure it now by the gallon because of your corn-whisky production. This is no reflection on the gentlemen from the South. Your hospitality in the land of corn whisky and mint julep is a legend.

Mr. BURTNESS. Will the gentleman yield?

Mr. HORR. I yield.

Mr. BURTNESS. I know the gentleman is an eminent lawyer, and I would like to get the gentleman's construction of this matter. Is this amendment a proposal to place a tax on an illegal product, or is it a proposal to modify the Volstead Act so as to make the sale of beer specified in this amendment legal?

Mr. HORR. Even as a Member of Congress and recognizing all the prerogatives we have here, I am not the Supreme Court. I will say that as to whether 2.75 beer is legal or intoxicating in fact is for court construction. As far as conscience is concerned, I do not see how the gentlemen of the dry persuasion can hesitate in voting for this measure when we consider that these same dry gentlemen had in this bill a provision taxing malt, grape concentrate, and wort.

How can one who honestly believes in the eighteenth amendment and the Volstead Act conscientiously vote to tax grape concentrate, when he knows that grape concentrate is used for one purpose, and only one purpose, and that is in the manufacture of wine?

How can a conscientious dry vote to tax wort, when he knows that the only article that can be made from wort is beer?

Yet the drys put wort and grape concentrate into this bill to be taxed and yet are against taxing beer. Consistency, thou art a jewel.

No, you will not tax beer, but you tax the money the bootlegger makes out of its sale. A strong and rather acrobatic mind is needed to follow such thought, you must admit.

Why does the Government not step in and destroy the foundation of crime and the "racket"? It is the illicit beer baron that finances crime. Take from him this revenue on beer and the financial backing is gone. Capone rose to greatness, if you so desire to classify his status, through the beer racket. Illicit beer has made possible organized crime. Take this revenue away from the underworld. Tax directly what we are taxing indirectly. Put the cake of yeast into the wort and do legally what we are now doing illegally. Instead of taxing incomes and illicit products from the still, tax directly the product. In conscience we can not do otherwise. [Applause.]

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

Mr. WEEKS. Mr. Chairman, a few moments ago a speaker said that if this measure should be passed it would furnish three hundred and fifty or four hundred million dollars in revenue. The gentleman failed to say anything about the millions of homes that would be disastrously affected if it should become a law. [Laughter and applause.] The gentleman knows what I mean.

Why am I a supporter of prohibition? Not by reason of a childhood supervision, although that would be a good reason. Not because I or any member of my family have suffered from the evil of intemperance; that, too, would be a laudable reason. I am unalterably dry because an experience of 27 years as a public official connected with public welfare and penal institutions of the State of Vermont has proven to me beyond the question of a doubt that almost without exception the troubles, misfortunes, and sad experiences of the unfortunates whose cases I investigated by the hundreds were traceable directly or indirectly through heredity and environment or both to the curse upon humanity—intoxicating liquor.

Representing, as we do, 122,000,000 of people, we should fully realize our responsibility in a measure of this character and what it entails. Our obligation is stupendous when we consider the future welfare of this vast throng of humanity. May we remember that intemperance is responsible for more crimes, more unhappy lives, more ruined homes than any other one cause.

The CHAIRMAN. The time of the gentleman from Vermont has expired. [Laughter and applause.]

Mr. STAFFORD. Mr. Chairman, the Committee on Ways and Means, by its recommendation to tax wort 5 cents a gallon, which is nothing more than unfermented beer, recog-

nizes the principle of raising revenue from beer. There is no other consequence that can follow. Here we are proposing to extend the principle recommended by the committee to 2.75 per cent beer, which even the Supreme Court has not said is intoxicating and which doctors and persons qualified to testify say is nonintoxicating.

If there is one thing that this amendment will do, it will divert revenue that properly belongs to the Government from the hands of the racketeers, like Capone, into the proper channel of the Treasury of the United States. One-fifth of all the revenues for the support of Great Britain comes from a tax on beer and ale and liquors. In Canada the same percentage is received in support of their government.

In these times of financial stress are we going to recognize racketeers and continue to approve of what you know is a fact in the large cities, of the racketeers appropriating the revenue that rightfully belongs to the Government, or are we going back to the old times of recognizing the collection of revenue at the brewery, which will bring in three hundred and fifty to four hundred million dollars? Thirty-five million barrels of beer is being brewed to-day by wildcat breweries. If we recognize this principle of revenue regulation 50,000,000 barrels of beer will be authorized to be brewed, for which the Government will receive at the rate of $9 a barrel, or about $400,000,000. More, it will give employment to thousands of men in the brewing and allied industries that will go a long way toward reviving business in my home and other industrial centers. These are times when even the drys should have some sense and regard the Treasury rather than racketeers. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, in the time I have I want to reply to the contention that this is a farm-relief measure, as has been suggested by some of the wets on this floor. I tell you that as a farm-relief measure, this is a 100 per cent fake. There is no farm relief in it. If there was any farm relief in legalizing beer, do you suppose the heads of the great farm organizations of this country would be opposing it? Do you suppose the master of the National Grange of this country would be appearing before committees of Congress opposing the legalization of beer? You can not fool the farmers of this country by telling them that beer will furnish a market for their products. All the grain that was consumed in the manufacture of beer in this country before prohibition would not constitute more than 1 per cent of the 5,000,000,000 bushels of grain that we produce in this country every year.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. HOPE. I do not have time to yield.

If you will take statistics showing the production of agricultural crops in this country since we have had prohibition, you will find we are producing and consuming twice as much barley now as we were in the preprohibition period. How is that barley being used? It is being fed to the dairy cows of this country, and they are producing milk used in the manufacture of butter, ice cream, and such products which are being purchased with the dollars of the workingman to-day Instead of spending his money for beer he is spending it for these healtful products. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, the sales tax is a little different from the tax on beer. The sales tax was on necessities. The beer tax is a voluntary tax. There is a great difference.

The question before the Congress is not whether we are going to bring back beer. Beer is here. It always has been and always will be probably. There is only one question facing Congress in this matter, and that is whether we are going to collect a tax for the benefit of the people through the Government, or whether we will continue to let the gangsters and racketeers collect it for the criminals. [Applause.]

We are financing crime to-day on the greatest scale the world has ever seen, and I tell you gentlemen who are endeavoring to write a tax bill to eliminate the deficit that every year crime costs this country twelve times the total amount of our deficit, and if you cut the cause of crime in half you will not have any deficit. In fact, there will be a surplus. [Applause.]

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

Mr. SWEENEY. Mr. Chairman, I am going to support this Cullen amendment to tax 2.75 beer, because it is consistent. The committee amendment seeks to recognize products used in an illegal industry—brewers' wort, malt sirup, grape concentrate. If you vote down the Cullen amendment and want to be consistent then put a tax on kidnapers, a tax on machine guns, a tax on racketeers, and a tax on speak-easies, all by-products of prohibition. If you do that, you will be consistent.

This is a time for every liberal man in this House to act. The wets should stand pat and boycott this revenue measure until such time as Congress comes to its senses. If they would do that, they would get some action on this proposal. This is a time for every liberal man here to say there will be no revenue bill passed unless action is taken to raise the necessary revenue as provided in the amendment. Therefore every liberal man in the interest of the Nation should vote for the Cullen amendment. Let the Supreme Court in due time decide the constitutionality of our action if the issue be raised in the future.

Mr. GREEN. Mr. Chairman, I was particularly interested in a statement made recently by the gentleman from New York [Mr. MEAD] relative to prohibition America. During the past 12 years or 15 years the greatest strides that have ever been made in any nation have been made in America. This is the only nation that is having to prevent immigration to any appreciable extent. It is the nation to which nearly all foreigners desire to come, it being the richest of all nations, yet it is the only prohibition nation in the world. [Applause.] It would not appear that prohibition has ruined America.

I just want to predict this—and that is why I desired recognition—that the national political party that adopts a plank in its platform providing for the repeal of the eighteenth amendment will be defeated next November. [Applause.] I hope the real friends of the Democratic Party will not be misled by including such a plank. Without repeal plank and with Speaker GARNER or Governor Roosevelt nominated victory is certain.

Mr. O'CONNOR. Mr. Chairman, two weeks ago yesterday the gentleman from Georgia in taking this floor to make the opening speech on the tax bill stated with great emphasis that this Nation of ours had now the greatest deficit that any nation in the world ever had. Note you, also, that this Nation of ours is to-day the only prohibition nation in the world. Every other nation in the world obtains the bulk of its income from the alcoholic traffic. For example, England, with less than one-third of our population, receives nearly $700,000,000 a year income from its taxes on alcoholic beverages. In the same proportion we could obtain $2,000,000,000 a year. If the other nations of the world are not burdened with the stupendous deficits we have had for three years, and at the same time we are the only prohibition Nation in the world, must there not necessarily be some relation between prohibition and governmental deficit? [Applause.]

Mr. KADING. Mr. Chairman and my colleagues, in the brief time allotted to me I desire to call your attention to the fact that of the 19 amendments added to our Constitution each one of them after having been adopted by the legislature of three-fourths of the several States was accepted as a matter of course excepting the eighteenth amendment.

From the time that the eighteenth amendment became a part of our Constitution up to the present time there has been widespread dissatisfaction and objection to the same by the people in a great many States and quite generally by the press. It is unnecessary to comment or discuss the question as to whether the eighteenth amendment has improved conditions or made them worse. You all have your

own sources of information and knowledge of the general conditions and a right to your own opinion as to whether the noble experiment has been a success or a failure.

Our Government is one of, by, and for the people. In nearly every case where the dry and wet question was an issue in the election two years ago the wet candidate won. The same is true in connection with elections to fill vacancies that have taken place since November, 1930. The people of a republic usually eventually get what they want. My State—the great State of Wisconsin—wants the eighteenth amendment changed so as to permit each State to decide for itself whether it desires to be wet or dry, and I predict that the time is close at hand when the eighteenth amendment will be thus amended, and not until then will the people be satisfied.

Before we recently voted on the Linthicum motion to discharge the committee that had refused to report out the Beck-Linthicum resolution and give us an opportunity to vote on resubmitting the eighteenth amendment to the States I was in hopes that the membership would vote in favor of such motion, but the motion failed, 187 voting wet and 227 voting dry.

When you take into consideration the result of the Literary Digest poll now being taken, which indicates that over 40 States are wet by a substantial percentage, as compared with only 1 State—Kansas—being dry, it is reasonable to assume that the next Congress will in all probability be wet. By taking notice of these indications and knowing that the people demand an opportunity to be heard in this matter, why not do now that which we know will be done in the near future? Why not legalize 2¾ per cent beer, levy a tax on the same which will produce between three hundred and fifty and four hundred million dollars annually, and balance the Budget?

The gentleman from Nebraska [Mr. SIMMONS] stated in substance that the American Federation of Labor was inconsistent in having opposed the manufacturers' sales tax and now being in favor of a tax on beer; that in both cases the tax would be paid by the people. I contend that there is no inconsistency; the sales tax covered those things that the poor man must have, and a tax on legalized beer will be paid only by such as consume beer. The beer tax is a tax on a luxury. The general public is drinking beer now—bootleg beer, unwholesome beer, beer made in some barn under insanitary conditions and sold to the public the next day at 20 or 25 cents a pint. The bootlegger profits and the Government collects no revenue, and besides the Government spends large sums trying to catch the bootlegger.

If we legalize 2.75 per cent beer and impose a tax on it, the Government will receive revenue; the bootleggers will be put out of business; the consumer will be able to buy a pint of good beer at less than prevailing bootleg prices for unwholesome beer; the manufacturers will be making a substantial profit after paying the tax; the employment situation will be helped; business will be revived; justice will be done; and the first step will have been taken to solve the prohibition question. If a tax is placed on beer, the amount of revenue will be such that it will make it unnecessary to consider imposing a tax upon gasoline, automobiles, radios, checks, receipts, or to increase the postage from 2 to 3 cents on first-class mail in order to balance the Budget. [Applause.]

Mr. MILLARD. Mr. Chairman, I want to speak briefly on the question of raising revenues by the taxing of light wines and beer. I am strongly against prohibition because it is fundamentally wrong, is not enforced, can not be enforced, and, therefore, should be repealed, or some substitute presented to take its place. To coerce the body when what is necessary is to educate the soul has always failed and always will. I believe that the eighteenth amendment and the accompanying Volstead Act have been contributing causes to our present economic depression. The "boom era" after the war was another cause, and the two together should share the major responsibility for the collapse of the recent stock market which brought down values, destroyed dependable business, caused a loss of confidence in the programs of essential industries, and a depreciation in credit that is terrifying in its possibilities.

There is an apparent increase of over a billion dollars in the Nation's drink bill. And no taxes are paid on liquors under prohibition.

It is everywhere apparent that the laws intended to uphold prohibition can not be enforced. When the Volstead Act was passed it was never even imagined that our Federal courts and prosecuting agencies would have to be greatly expanded to handle 70,000 criminal and civil cases a year made necessary by prohibition.

Since 1920 one of the major duties of the Department of Justice, including our Federal courts, is the prosecution of violations of the Volstead Act. I wish to call attention to the fact that every year the United States has lost nearly a half billion dollars in revenue receipts plus an average of $300,000,000 more annually for law enforcement.

Commissioner Doran reported in 1928 that $300,000,000 a year would be needed for the adequate enforcement of prohibition. As a matter of fact, the actual cost, by the most conservative calculation, is at least three times that amount. Add to the direct appropriations for enforcement the loss of State and Federal revenue, the debit against the taxpayer is over $950,000,000 a year. In fact, the bill the taxpayers of this country have to pay for prohibition nearly equals the total revenue received by the Federal Treasury from individual income taxes, which in 1929 were slightly over a billion dollars.

In my opinion another economic loss can be credited to prohibition—unemployment.

Indirectly near a half of the 6,000,000 of the present unemployed was brought about by the economic changes caused by the prohibition law. Had we adopted the wise plan of other countries and increased the tax on alcoholic beverages rather than wipe them out by destroying the businesses which made this income possible, there would be millions of men and women at work to-day—happy, contented, and prosperous to the point of paying taxes which are so sorely needed.

So suddenly was our greatest volume of income shut up with the adoption of the Volstead Act and the immediate demand for new millions of money to pay for law enforcement that no scientific or businesslike plan could be or was put into operation to meet the fiscal requirements, of which the increased cost of Government operation was one. Then followed hastily conceived efforts to replace the lost and needed income, and unfair and vicious taxes were imposed with the result that the tax bill of our railroads alone doubled and public utilities suffered to the same extent. This brought about hardships on going business concerns and their employees, as well as the transportation systems themselves.

Former Secretary Mellon recently discussed the problem of the deficit, and emphasized the serious financial condition in which the Federal Government finds itself, due chiefly to our unbalanced system of taxation. He said:

> We depend to-day largely on two sources of revenue: First, internal-revenue taxes, including individual and corporation income taxes, and such other taxes as those on tobacco and estate taxes; and, second, customs duties.
>
> Customs duties are fairly stable and, in spite of all we hear to the contrary, may be relied on to produce an even flow of revenue except in the most abnormal years. Taxes on tobacco are also a very dependable and important source of government revenue.
>
> The individual income tax, however, has become so restricted in its application that it has become a class rather than a general tax, with its incidence limited to a comparatively small number of taxpayers.
>
> Obviously, we should retain some other taxes which can be relied on in times when a slowing up of prosperity may cause a falling off in incomes and a consequent drop in taxes from this source.

The New York Herald Tribune in its leading editorial on May 25 said:

> He [Mr. Mellon] does not mention it, but no doubt the thought has not escaped him that an excise tax on liquor would prove a godsend to the Treasury not only at this juncture but as a means

of cushioning the tax structure for all time. He speaks of the taxes on tobacco as a "very dependable and important source of government revenue." Experience has shown that those on liquor are even more so.

I therefore ask the fullest consideration for the measure to put a tax on light wines and beer. Some one will say, however, "How can you do this without modifying the Volstead Act?" My reply is that if a majority of the Members of the House and Senate are in favor of this method of raising revenue, the same persons will vote for a modification of the act. This in my mind will provide a new source of Federal revenue which will very materially and possibly adequately extinguish the present deficit. [Applause.]

Mr. CRISP. Mr. Chairman, I hope this amendment will not be adopted. [Applause.] I voted against it in committee. I could not get my consent in this revenue bill to come in and propose a tax on something that, in my judgment, is prohibited by the eighteenth amendment to the Constitution of the United States. Another committee has jurisdiction of proposed legislation amending the Constitution or the Volstead Act.

Some of my friends may say that this bill has a tax on wort and malt sirup used to make beer. This is true, but there is this difference. When the tax is levied on wort and malt, it is a perfectly legal product and does not violate any provision of law. To make that become obnoxious to the Volstead Act you must add water and yeast. I may say further that I opposed those propositions in the committee because I did not want prohibition injected into this revenue bill. [Applause.] If you adopt this amendment, you jeopardize this tax bill, and it is an imperative need of the United States Government that the Federal Budget be balanced. [Applause.]

The CHAIRMAN. The question is on the adoption of the amendment of the gentleman from New York [Mr. CULLEN] to the amendment of the gentleman from Georgia [Mr. CRISP].

Mr. O'CONNOR. Mr. Chairman, I ask for a division.

Mr. CULLEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CRISP and Mr. CULLEN.

The committee divided; and the tellers reported that there were—ayes 132, noes 216.

So the amendment to the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I offer an amendment to the Crisp amendment.

The Clerk read as follows:

Amendment by Mr. McCORMACK: Strike out page 4 of the Crisp amendment.

The CHAIRMAN. Without objection, the Clerk will report the matter proposed to be stricken out.

The Clerk read as follows:

(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, 1 cent a gallon; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. McCORMACK. Mr. Chairman, the purpose of my amendment is to strike from the bill the tax on imported oil or any of the by-products which are produced from oil in its crude form.

The committee reported in the pending bill a tax of 1 cent a gallon on imported oil, which amounts to 42 cents a barrel. Last year there were about 86,000,000 barrels of oil, either crude oil, fuel oil, gasoline, or some other by-product of crude oil, imported into the United States. There were about 850,000,000 barrels of oil produced in the United States.

There is no question but what this is a tariff provision. The proponents of this tax admitted this at the hearings before the Committee on Ways and Means. It is my opinion that it is fundamentally wrong, and a bad precedent to establish, to incorporate in a revenue bill a provision which is distinctly tariff in its purpose and in its operation. The purpose of the provision is to provide a tariff and to assure protection, and you gentlemen of the committee know that in considering a revenue bill the primary question in your minds, and, in fact, the only question in your minds after you had determined that additional revenue had to be raised, would be the way to raise the revenue, and not for anybody other than the Treasury of the United States. Every other provision of the bill, whether we agreed or disagreed with it, had as its objective the raising of revenue for the Treasury of the United States. There are no other great interests that are going directly to benefit from any of the other provisions of the bill, but this provision has for its primary purpose the stopping of the importation into the United States of a substantial portion of the eighty-six-or-so million barrels of oil that are imported into the United States each year.

The meaning of a tax of 42 cents a barrel is that the domestic producers, I submit, can increase the price of oil, or its by-products, to the American consuming public.

If we place an import tax of 42 cents a barrel on oil coming into the United States, it necessarily follows that the domestic production can and will increase its price 30 or 35 or 40 cents a barrel, or just enough to keep under the increase that the imported oil is compelled to pass on to its consumers.

Under the guise of raising revenue a tariff provision is placed in the bill, and if there is no reduction in the amount of imported foreign oil, if this provision becomes law, this tax would bring into the Treasury $31,000,000; or if, as the Treasury Department has stated, it is a barrier or an embargo, it will produce nothing for the Treasury. The committee has frankly stated in its report that it is estimated it will bring in $5,000,000. If any of the above estimates are true, we are enabling the domestic producers—not necessarily the independent producers but the big companies—to pass on to the American public an increase in their price which will produce for them, by way of legalized tribute from the American consuming public, at least $250,000,000 a year.

When the witnesses appeared before the committee I asked some of them if the purpose of this tax was not to enable the domestic producers to increase their price, and they very frankly said that it was.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

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

There was no objection.

Mr. McCORMACK. This provision is put in the bill for the purpose, supposedly, of raising revenue, yet primarily for the purpose indirectly of allowing powerful oil corporations and interests in this country to exact from the American public a stupendous sum of money. This is unfair, it is unwise, and it is a bad precedent for the Congress of the United States to establish.

There is another aspect to this matter, and that is, by the imposition of this tax in a revenue bill, a bill designed to raise revenue for the Treasury and not for anyone else, it will enable domestic producers and sellers of domestic oil to increase their prices and pass on to the American consuming public an additional burden of approximately $300,000,000 a year, which is nothing more than legalized tribute. In addition, this tax will seriously affect the farmer by imposing additional burdens on him. It will be particularly disastrous to the industrial sections of our country, not only in New England, New York, and the industrial States along the Atlantic coast but in other industrial States of the Union. This is nothing but a fight, through the guise of a revenue bill, to compel the people of the industrial sections and the farmers to pay $250,000,000 tribute to some of our most powerful corporations.

The farmer is in a serious plight. He has his difficulties, and we all recognize that fact, and the imposition of this tax will impose more burdens upon him. We should consider the farmer, and we should also consider the worker in the industrial areas. The farmer, despite his unfortunate situation, at least has a home, he has his land upon which he can produce foodstuffs for his family and thus obtain at least the bare necessaries of life; but, on the other hand, the worker in the industrial area, when he is out of employment,

has no shelter, he has no land upon which he can grow farm products to assure him and his dependents the bare necessities of life.

Mr. MAY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MAY. I would like to ask if it is not a fact that the evidence before the committee showed that a million barrels of South American oil are being imported into the country, coming in direct competition with our coal industry, thereby putting the coal industry out of business and causing untold unemployment in the coal fields?

Mr. McCORMACK. Let me frankly say to the gentleman that problems along that line should not be determined in a revenue bill. We have other legislative means of determining that serious problem. I admit that the independent producers of oil have a case. The independent oil producer convinced me that he had a case, but he did not convince me that he had made out a case to make use of a revenue bill for tariff purposes. He did convince me we should help him in some other way.

I am in favor of helping the independent oil producers by making the pipe-line companies give the same kind of service as the railroad companies give the American public in the transportation of goods.

I submit that the independent producers are not pursuing the right course; that they should not ask us to employ a revenue bill for tariff purposes. Such legislation imposes additional taxes upon all our people; it is disadvantageous to the farmer, to the industrial worker, and to all users of fuel.

I submit, Mr. Chairman, that the House should eliminate this from the pending bill, and let the Ways and Means Committee proceed to a consideration of the subject in a separate bill, or let the Interstate Commerce Committee report out the bill which is pending before that committee. The bill pending before the Interstate and Foreign Commerce Committee, if it becomes law, will make pipe-line companies common carriers.

Coming back again to the effect of this tax upon the industrial worker. When the worker in the industrial areas is out of employment, he is helpless; no place to turn to, no place to go; nobody to give him credit. The old community store where in bygone days he could obtain credit to tide him over has been supplanted by the powerful chain stores, who extend no credit and whose business is carried on a strictly cash basis.

In a period of depression it is the worker in the industrial area out of employment who more keenly feels the unfortunate conditions and who, from every angle we may look at it, is entitled to the greatest of consideration. I do not know this will affect other industrial areas, but if this tax is imposed it will mean that in addition to the tens of thousands of workers in Massachusetts and other New England States, who are out of employment, thousands upon thousands of others will be thrown on the streets, unemployed, and become mere objects of charity. I speak for the New England worker. I speak for the many thousands already out of employment up in New England, who are looking forward to the return to normalcy, knowing that that is necessary in order for them to return to work. I also speak for those who are employed and through whose minds is running the feeling of fear as to the security of their positions; who do not know from day to day when they will be discharged. The imposition of this tax will mean that many, many thousands in New England and in other industrial sections of the country will be forced out of employment.

We should speak for the farmer and we should consider the plight of the farmer, but it is about time that somebody also considered, in conjunction with the farmer, the toiler and the worker in the industrial areas. The imposition of this tax will mean a substantial decrease in the cost of operating business in the industrial sections. They are already laboring under conditions where many of them are losing money but are carrying on in order that they might give employment to as many as possible. This additional burden will mean further retrenchment, and the employee is the first to be affected whenever retrenchment takes place.

Let us look at this question honestly and fairly. First, should a tariff provision be included in a revenue bill? Are we not establishing a precedent which will constantly stare us in the face in the future? Second, under the present circumstances, is it advisable to impose such a tax, taking into consideration the tribute that this tax will exact from the American public, the farmer, and the toiler in the industrial areas?

This is not a tax for the Federal Treasury. This is a tax for the benefit of the producer and seller of the domestically produced oil. Approximately 850,000,000 barrels of domestic oil are produced annually. The imposition of a tax on imported oil will enable the domestic producers and sellers to increase their price per barrel at least 35 or 40 cents. Therefore, considering the production of domestic oil last year, based upon this probable increase, you will realize the stupendous sum which would be exacted from the American public as the result of the imposition of the tax on imported oil.

Oh, you can condemn New England, but she has been for 300 years making wonderful contributions toward the progress of our country. I have heard Members refer to New England caustically, but I wonder if they realize its history, traditions, and contributions. Our workers up there are human beings, just the same as are workers in any other sections of the country. They know the pangs of hunger and they know the dreadful results of unemployment. Give consideration to the effect of this tax on the farmer, but I urge that consideration be given also to the effect upon the workers in our industrial areas. This tax should be defeated. [Applause.]

Mr. SANDERS of Texas. Mr. Chairman, there seems to be a good deal of confusion here because many people think this is a tax on domestic gasoline, whereas as a matter of fact it is a tax imposed on imported oil and not on domestic gasoline. Gasoline in the United States is now being taxed for all purposes 85 cents a barrel. I do not think anyone can justify that exorbitant rate, when imported oil is coming in tax free. Let me give you the figures of what is being shipped into this country. In 1930 there were imported into the United States 62,129,419 barrels of crude petroleum. During that year there were imported 26,080,383 barrels of fuel oil, and of gasoline 16,926,800 barrels, of lubricating oil 24,728,000 barrels. If a tax of 2 cents per gallon were levied upon that importation, and this bill proposes only 1 cent, it would amount to $102,571,198.72. Under the bill as proposed it would bring in a revenue to this Government of $58,000,000 annually. I care nothing about the statement made here that it will produce only $5,000,000. You can take the importations into this country and take a pencil and figure it out and you will be able to tell how much revenue it will produce.

I was surprised at the argument of the gentleman from Massachusetts [Mr. McCORMACK]. His whole argument seemed to be based upon the fact that this tariff measure ought not to be placed in a revenue bill. I am going to be honest and frank with you. A tariff is a tax, and in one way you might say that this is a tariff, but call it a tariff or a tax, I appeal to the people on the Democratic side not to be swept off their feet when they talk about a tariff, because anyone who says that the Democratic Party is a free-trade party does not know the history of the Democratic Party. I shall quote you an authority dating back to the early history of this country. For more than a generation people have been talking about the Democratic Party being a free-trade party. Mr. Madison, who was a Democrat, who assisted in writing the Federal Constitution, who was eight years Secretary of State under President Thomas Jefferson and later President of the United States for eight years, wrote the first tariff bill, and here is what he says in the preamble:

> Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and encouragement and protection, that duties be laid on goods, wares, and merchandise imported, etc.

That is the Democratic doctrine initiated at that time and repeated in the platforms, which are to be found in this little book which every Member has, down to the last platform in 1928, and that will be found to be very much stronger than the others. You may call this a protection if you wish. I hope it will protect, because if it does not, then the independent oil operators in the United States are going out of business, and the hearings before the Ways and Means Committee disclose evidence to that effect which no one can deny.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SANDERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

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

Mr. SANDERS of Texas. Yes.

Mr. YON. Does the gentleman think in these depressed times that the same rate of imports will come into this country, under this tax or duty?

Mr. SANDERS of Texas. I suggest that the gentleman read the testimony of Mr. Wirt Franklin, president of the Independent Oil Co. of the United States, and also the testimony of Mr. Fremming, representing many different organizations, one of which was the American Federation of Labor—and, thank God, the Federation of Labor has taken up this matter. If the gentleman will read the testimony of those two gentlemen he will know that, as a matter of fact, it can not be an embargo. It was proposed to put a tax of 1 cent a gallon. That means 42 cents a barrel. The testimony as shown by figures from the Department of Commerce is that foreign oil is being shipped into the United States, and that they can land it in any town on the Atlantic seaboard cheaper than you can produce it anywhere in the United States and place it at the same port. The difference is $1.05 a barrel in favor of the foreign oil.

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

Mr. SANDERS of Texas. Yes.

Mr. HARLAN. Has the gentleman the figures of the export of American oil? Does the gentleman know how many barrels are exported every year?

Mr. SANDERS of Texas. I have not those figures.

Mr. HARLAN. Will the gentleman say that it is not a fact that we export about three times as much as we import?

Mr. SANDERS of Texas. I am not yielding for a speech. I do say that the testimony shows and that the figures of the Department of Commerce show that the people in foreign countries, in Venezuela, can place oil in any town on the Atlantic seaboard at $1.03 a barrel cheaper than we can produce it in the United States and put it at the same place. If you subtract 42 cents from that, anybody can see that it is not an embargo and it will not stop the importation of foreign oil. It will produce at least $58,000,000 a year for the Treasury of the United States.

One of the great reasons given here by the Democrats for their platform from time to time on the tariff is to fight monopoly. The testimony before our committee is that in all these countries where the big oil companies have a monopoly people are paying 35, 38, and 40 cents a gallon for gasoline, and just as sure as we are here unless this legislation passes the independents are going out of business, and when they do and the big four oil companies of the United States, which is a trust now controlling prices, come into power, they will put up the price, and the folks here who are shivering for fear this tax of 1 cent a gallon on imported oil will raise the price of gasoline will find themselves paying a great deal more per gallon. I call attention now to one matter in the hearings. I want to show why I say there is a trust in the United States, and that is the power that we have to fight here. One of the companies is the Gulf Co., controlled by Andrew Mellon. He is across the water it is true, but his voice is still heard here.

This is shown in the hearings on page 1153. It is an extract from the Republic Shares Corporation, of Chicago, dated March 13, 1931:

> The time to push our Standard Oil Trust is now. The papers refer to the present situation as a crisis in the oil business. Do not let yourself be disturbed by that. It is just when these crises do occur that Standard Oil gets the benefit of its dominating position.

Not only that but other extracts which I have show where the Standard Oil people say, "Now is the opportunity; when these independents can not live, when they are struggling to get on their feet, let us reach out and take them at low prices," and they will finally get to be a bigger monopoly than they are now.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I offer a perfecting amendment, which I have sent to the desk.

The Clerk read as follows:

> Mr. BLANTON offers a perfecting amendment: In section 4 of the Crisp amendment strike out "1 cent" and insert "2 cents."

Mr. BLANTON. Mr. Chairman, I want to address my remarks particularly to my good friend, the gentleman from New York, Doctor CROWTHER, and those who follow him on the other side of the aisle, on tariff questions.

The gentleman from Texas, my colleague [Mr. SANDERS], has told you that the undisputed evidence before his Ways and Means Committee shows that the foreign importer of oil has an advantage over our American producers of $1.03 per barrel. The importer of foreign oils has a $1.03 advantage, if you please, over the American producers. My amendment would take 84 cents out of that advantage of $1.03. My amendment would still leave the foreign producer and importer of foreign oils an advantage of 19 cents a barrel over every American producer.

Are you not willing to vote for an amendment like that? The importations of oil from Venezuela and Mexico, where they use foreign peon labor, have run out of business every independent in the United States. In MORGAN SANDERS's district, in east Texas, there have been hundreds of thousands of barrels of oil sold for 2 cents a barrel during the past year, which has bankrupted many men formerly millionaires. Just think of it. Run out of business. If you will vote for this amendment I have offered, it would put back to work in Oklahoma and Texas alone 100,000 idle men. [Applause.] Do you not think it is worth while? Is it not worth while to put back to work and give employment to the heads of 100,000 families in two States? [Applause.] It would materially help the families in such States as Kansas, in such States as Missouri, in such States as Arkansas, in Tennessee, Kentucky, Pennsylvania, Ohio, and in every oil-producing State in the West. Why not adopt it?

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. JOHNSON of Oklahoma. And incidentally it would help New England and the entire country?

Mr. BLANTON. Yes; it would help my friend the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. Will the gentleman tell the House whether it is a fact that these foreign oil companies have refineries located on the upper borders of Mexico and produce oil with cheap labor?

Mr. BLANTON. Oh, yes; and in Venezuela; and they do use cheap labor. They are shipping it here in tank loads to our eastern ports; and as my colleague the gentleman from Texas said, they are laying it down with an advantage of $1.03 per barrel over our independent producers in the United States, who maintain the American standard of wages.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. In advocating the passage of the Cullen amendment we proposed the very same argument, did we not, which the gentleman proposes?

Mr. BLANTON. I want to answer that.

Mr. BOYLAN. Well, the gentleman did not vote for our amendment.

Mr. BLANTON. I want to answer that. Certainly not; I did not vote to legalize beer, both because it was not for the best interest of our people and because it was unconstitutional. My friend the gentleman from Massachusetts [Mr. McCORMACK] is now very uneasy about using a revenue bill to protect the independent oil industry from foreign monopolistic importations, but the gentleman was willing to protect the beer industry, was he not? It was all right to put beer protection in this revenue bill.

I say to the gentleman that neither this amendment of mine nor the Crisp amendment will add one single cent to the price of gasoline produced in the United States. It does not tax American gas. It will not increase the cost of the gasoline one single penny. [Applause.] Why not vote for it? I hope that every Republican tariff man and woman here will vote for this reasonable amendment.

Mr. BOLAND. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOLAND. Will the gentleman be satisfied to put a tax on foreign anthracite coal coming into this country?

Mr. BLANTON. Yes. Certainly I will. And this very amendment of mine protects the coal industry of the United States, because foreign imported oils have shut up coal mines. It protects every miner who works underground, in the darkness, without the light of day. It will protect him. I hope your colleagues will all vote for it.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I listened with considerable interest to the statement of my friend and colleague, the gentleman from Massachusetts [Mr. McCORMACK], that this provision had no place in a revenue bill. Whether it is called a tax or a tariff, it could be treated only in a revenue bill, and clearly it will produce revenue.

In this session of Congress we have been seeking to help industry in its various ramifications, because industry is now at a low ebb in this country. This provision is designed to help an industry which is now suffering, and suffering greatly.

In that vast section of the country where I live a man was once considered rich who owned an oil well. To-day the possession of one is generally regarded as a liability. Oil is no longer profitable. Many of our wells are shut down, and those which are operating are so reduced in their output that the industry is practically at a standstill.

Now, it is a little surprising to me that the opposition to the effort to revive these industries by a tax on importation should emanate from New England.

That whole section has been built up on a protective tariff. This particular provision is not a protective tariff. In the old days it was said that the sea was New England's farm, but it has ceased to emphasize its fisheries, and through high protective duties it has built up great manufacturing concerns and various industries in its great domain which keep it thriving. And now we ask New England—not from the standpoint of protection, but from the standpoint of revenue—to help carry out the purposes of this bill and, incidentally, to revive an industry which is lagging all over this land.

Now, stop and consider the situation. I say this is not primarily protective. If it were a protective tariff, the gentlemen from New England ought to be rising, in accordance with their theories, to suggest that the amount specified in the committee amendment should be doubled or trebled or quadrupled. The protection is purely incidental, but the adoption of this provision will have one very great stimulating effect. And what will that effect be? It will enable the independent oil people of this country, who have invested their time, their talents, and their money in this industry, to have a better opportunity to compete with the favored interests of our land.

Now, gentlemen, when we come to consider the tariff normally it is usually for the purpose of protecting American citizens against foreign nationals. [Applause.] But when we come to consider this proposition we are simply asking you not to allow one set of American citizens to discriminate against another to their disparagement and to the ruin of their business, because it is well known to all of you that much, if not most, of the foreign oil importations coming to our country have back of them American capital and American brains.

So I trust that whether you regard this as a tax or a tariff you will pause to consider that it will add revenue at a time when the need for it is both pressing and imperative. [Applause.]

[Here the gavel fell.]

Mr. NELSON of Maine. Mr. Chairman and members of the committee, there is no Member of this House who does not know that this tariff item on oil has no proper place in this revenue measure, and that it was politics and not economics that placed it there.

This item is avowedly designed not to produce revenue but to keep out imports. The Treasury experts report to the committee as follows:

> Such a tax (1 cent and 2 cents per gallon imported oil) would yield no revenue, since the levy which would be added to the import price exceeds the margin of advantage under which the oil is imported into this country, and would, therefore, exclude the products affected.

Crude oil and fuel oil are included in this bill, although they are to produce no revenue. Not only is a tariff placed upon them but a tariff that, in the view of the Treasury experts, constitutes an embargo. What justification then can there be in including these items in a revenue measure?

The morning press carries the news that Democratic leaders in the Senate are laying the groundwork for making the tariff an issue in the coming campaign, especially with reference to its effect on our foreign trade. Is it Democratic doctrine that in tariff matters the rate should exceed the difference in cost at home and abroad, and that under the guise of a revenue bill a tariff may be imposed, and that under the guise of a tariff an embargo may be laid against a vital necessity of all industry and all agriculture?

Mr. O'CONNOR. Does the gentleman want that question answered?

Mr. NELSON of Maine. Certainly.

With crude and fuel oil we find in this paragraph a tariff on gasoline on which the Treasury experts have offered no estimate of revenue. The committee estimate at best a revenue of $5,000,000. The gentleman from Maryland [Mr. LINTHICUM] has shown conclusively that this item will increase governmental expenditures for national defense alone by over $8,000,000.

In this attempt to balance the Budget there are included two items that promise no revenue at all and one that promises a deficit of from three to eight million dollars.

A revenue measure should lay its burdens equally and equitably upon every part of the country, yet this measure, in addition to the general taxes imposed upon the country as a whole, lays an additional tax of 70 per cent on the industry, the agriculture, and the shipping of a particular section of the country. It would impose a tax of 70 per cent on the fuel bill of the industries of the Atlantic seaboard, industries already suffering from the general depression, already operating in the red, with many on the point of failing and adding to the general business depression and unemployment distress. [Applause.] That this item would disrupt our industries is evidenced by the fact that the coal operators of the country are importuning their Representatives here to support this embargo on oil.

This bill offers a serious threat to New England and the Atlantic seaboard. We see in it the final blow to many of our industries, the crippling of our shipping, the destruction of the business at our ports, the loss of our export trade in petroleum and its derivatives, the transfer of our $50,000,000 trade in bunker fuel oil to foreign ports, a tremendously increased cost of country roads, closing of refineries, and an increase of at least 2 cents per gallon in the cost of gasoline. We of the East are ready and willing to bear our equitable share of the taxes necessary to balance the National Budget, but we can not see the justice in a revenue measure that lays upon New England the tax which it lays upon the rest of the country and then lays upon us in addi-

tion a 70 per cent tax on agriculture, industry, and shipping, which we can not absorb without absolute disaster.

Give us a revenue measure equitable in its application, using all alike, and we will find no fault.

Why tax us all in this inequitable fashion, not in the interests of the Federal Government, not in the interests of the independent producers, but in the interests of the great integrated oil companies that to-day constitute a monopoly as complete, unfair, and destructive as ever it was back in 1911 when the Supreme Court dissolved the holdings of the Standard Oil?

[Here the gavel fell.]

Mr. NELSON of Maine. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NELSON of Maine. The gentleman from Texas suggested that the enactment of this tariff will set millions of men to work in the oil fields. It is undisputed that the oil industry is so overproduced to-day that all you have to do is to turn the valves on in the pinched-in wells already drilled in order to obtain from three to five times our present production. Only proration and martial law keep it off the market to-day.

Since 1926, when the oil industry found itself in distress, it has been drilling producing wells at the rate of from 11,000 to 18,000 per year.

There are economic evils inherent in the oil business itself such that this tax will do them no good whatever. It can not restore right economic conditions in the industry or, if restored, preserve those conditions against the unfair, economic, and destructive competition of the great oil companies that to-day exercise monopoly in this country as complete, as unfair, and as destructive as ever it was back in 1911, when the Standard Oil holdings were dissolved by the Supreme Court.

I want to tell you, gentlemen, that out of the thousands and thousands of oil companies in the United States you can take 20 companies, 10 of the Standard companies and 10 of the non-Standard companies, and these 20 companies will represent 80 per cent of the total capitalization of the industry and practically one-half the production. They will handle and transport practically all of the oil. They own 90 per cent of the pipe lines, 73 per cent of the refining capacity, practically 93 per cent of the cracking capacity, nearly 100 per cent of the storage facilities, and probably 85 per cent of the merchandising outlets.

You talk about how little they paid the producer in Texas. Those great integrated companies, when they were paying the Texas producers 10 cents a barrel for their oil, through their purchasing companies, their pipe-line companies, and their transportation companies were making 84 cents a barrel on every barrel for which they paid the producer 10 cents before they began to refine it.

I can not enlarge upon this farther now. The trouble with the oil business is not the importation of this fuel oil that is coming to the Atlantic seaboard, none of which is going into the interior.

They have stated to you here the comparative prices of domestic and foreign crude oil; but this Venezuelan oil and the American oil are two different things. It takes five barrels of Venezuelan oil to make as much gasoline as one barrel of American oil. The Venezuelan oil has what we call an asphalt base, and it is run not so much for gasoline as for asphalt and fuel oil. We have never used domestic fuel oil on the Atlantic coast, and are so far from the sources of domestic production that we can not use domestic oil economically.

Mr. KELLER. Will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. KELLER. In what way does the American Navy lose $8,000,000 under this amendment?

Mr. NELSON of Maine. On the assumption that it will increase the price at least the amount of the tariff.

Mr. KELLER. And not that we are using foreign oil?

Mr. NELSON of Maine. Oh, no. What do you think they are putting this tariff on for?

I want to say that this bill threatens ruin to the industries of the Atlantic coast, and will do absolutely no good to the little independent refiners, dominated as they are by these great oil companies. I may say further that whatever benefit may accrue from this bill will go into the pockets of the great major companies that to-day unfairly and uneconomically dominate the business. [Applause.]

Mr. RAGON. Mr. Chairman, I think it is time to stop in the progress of this legislation and take our soundings. The Crisp amendment, from which this amendment of the gentleman from Massachusetts takes out a great part, amounts to $100,000,000, and in view of what has happened in this House it behooves everyone on both sides to get himself down seriously to the task of raising some revenue for the support of this Government. [Applause.]

I do not care whether you subscribe to my idea that the Budget must be balanced or not. I do say to you that with a Budget such as we have for the coming year we will have to raise finances, and members of the Ways and Means Committee from the North, East, West, and South have agreed that four or five excise taxes might be equitably placed, and a tax on oil is one of them.

I say to you frankly that this oil proposition has been pending before the committee for two years. There is not an industry in this country that appealed with more equity for a tariff than this industry. A protective tariff of 2 cents per gallon is what they asked for. When we began to search for revenue for this Government we decided as a revenue measure that we could well place a tax of 1 cent a gallon upon the oil that is imported into this country.

Now, what are the facts? The facts are that the Pan-American Oil Co., the Gulf Oil Co., the Dutch Shell Oil Co., and the Standard of New Jersey are the four companies that are bringing this oil in here, gathered up from Venezuela, Colombia, and old Mexico. This oil comes into this country and not only affects the price of oil but is also used as a peg to which they can peg down the prices upon the coal mined in this country, and here is the direful situation you are up against.

Listen to me, you men who oppose this provision: I say to you that every hole bored into the earth for oil is bored with the drill of an independent oil operator. It was through their industry, it was through their enterprise, that the great oil fields of Texas were recently developed. Those are things to think about.

All right; what have you as the result of the importation of this cheap oil? I am told by a man who spoke before the Committee on Ways and Means, who represented the American Federation of Labor, that 350,000 men in the oil fields composed a respectable company of the great army of unemployed to-day.

Now, you have not only the oil industry paralyzed in this country, but I say to you that there is also the anthracite and bituminous coal industries paralyzed. In my town I used to hear the whistle every morning of 15 mines that furnished employment to hundreds and hundreds of workmen who supported their humble American homes. These coal mines, this industry, are involved in this and, my friends, during the last year they operated only 40 days.

In a little town where I live great throngs last year were beating about the doors of the Red Cross begging for food. The most of them were coal miners that did not have any employment. That is the proposition that you are up against.

Now, here is my young friend from Massachusetts, one of the most able members of the committee, so regular yesterday, jumps clear out of the traces to-day. [Laughter.] What has come over the spirit of the dreams of my good friend from Massachusetts? Well, if I wanted to be real mean I would say to my friend from Massachusetts and my friend from Maine that if there are any Members from any two States in the Union that ought to be consistent on the

question of the tariff it is Members from those two States. [Laughter.]

Mr. McCORMACK. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. McCORMACK. I want to say to the gentleman from Arkansas that I voted against the Hawley-Smoot tariff bill.

Mr. RAGON. So did I. That was a good vote.

Mr. NELSON of Maine rose.

Mr. RAGON. The gentleman from Maine voted for it.

Mr. NELSON of Maine. Does the gentleman know that one of the greatest industries in my State is the paper and pulp industry, and it has no tariff protection whatever, and is in the same depressed condition and needs help?

Mr. RAGON. If the gentleman's statement is correct, and he will present an amendment here, I would support it on the floor. [Applause.]

Oh, my friend from Maine over here wants to put an embargo on lobsters that are not over 3½ inches long, but he does not want to give anything to destitute oil fields and coal mines in the West, central North, and South. Now I want to come to my friend from Massachusetts [Mr. McCORMACK].

Mr. CONNERY. Mr. Chairman, will the gentleman yield to another gentleman from Massachusetts?

Mr. RAGON. No; I will come to the gentleman in a moment. Do you know what my friend from Massachusetts did? He threw a conniption fit because somebody has suggested that this is a tariff. He shed crocodile tears of sympathy about my coal miners and oil men in my State and the business men who have their dollars frozen in these investments there; but he said he could not lay aside principle, notwithstanding they had made a good case; and the principle involved was that he could not put in a revenue bill, what amounted to a tariff suggestion. No longer than yesterday my good friend from Massachusetts passed through the tellers, and as one of the counters I put my hand on his back, counting him in favor of a sales tax, and what did that sales tax provide? It is terrible to mention a tariff suggestion in a revenue bill, and yet my friend walked right up to the lick log yesterday and swallowed the 2¼ per cent tariff proposition on every imported article included in the sales tax bill. If it is bad to-day to have a tariff in a revenue measure, certainly it was bad yesterday. I tell you, my friends, you people from New England—and I have nothing against you, I am for you, and I know you represent a great section of this country, one with a rich history—you can not prevent us fellows from the South and West and central North from expecting you once in a while to be a little consistent when we are getting it in the neck in a financial way. [Applause.]

Mr. CONNERY. The gentleman has spoken about my colleague from Massachusetts. Will the gentleman tell me how many Members from the oil States on my side of the House voted for my tariff on shoes?

Mr. RAGON. I could not tell the gentleman.

Mr. CONNERY. There was not one.

Mr. RAGON. I do not blame them. The gentleman from Massachusetts has to have an obsession, and I suppose his tariff on shoes is as good an obsession as any other. If he stays here for the next hundred years, I suppose he will be throwing up to somebody the fact that he did not vote for his tariff on shoes. If that has not had a salutary political effect upon the minds of the people in his district in this time, I do not believe it ever will.

Mr. ANDREW of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. ANDREW of Massachusetts. The gentleman has several times spoken of the advantage of this measure as a revenue producer, but as yet I have not heard any discussion of how much revenue it will produce.

Mr. RAGON. I state to the gentleman that it will raise not less than $25,000,000 a year.

Mr. ANDREW of Massachusetts. The report says $5,000,000.

Mr. RAGON. I know they put it in the report. I state to the gentleman, and he can get the hearings and go through them himself, and he will see that the statement in the report was ill-considered.

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

Mr. MAY. Mr. Chairman, I rise in favor of the amendment. I call the attention of this House to a memorable utterance of the immortal Patrick Henry, delivered before the Virginia Assembly 150 years ago. Patrick Henry standing before the House of Delegates of the Virginia Assembly a century and a half ago said to those great men who confronted him on that occasion:

> Are we of the class of those who, having eyes see not, and having ears hear not the things that so seriously concern our temporal welfare?

When I come before this House this afternoon to speak in favor of the provision imposing a tax on the importation of crude oil into the United States I am thinking about the 25,000 idle coal miners in my congressional district. I not only think about those 25,000 idle men but I am thinking of the multiplied thousands in the coal industry throughout this country, all over Kentucky, West Virginia, Pennsylvania, Arkansas, Ohio, Illinois, and Indiana. There are four great competitive coal fields in America in the very heart of the Nation prostrate, with decaying tipples, while the outside oil industry of this country is importing crude oil in tankers in every direction along the coast, to be used as fuel in competition with coal. As I say, they are doing that, while our tipples are falling down, and the investment of men by the thousands have gone by the wayside. Crude oil is the greatest competitor of coal in this Nation. As a result of the oil industry built up in South America and old Mexico, with the refineries located along the south side of the Rio Grande River beyond the reach of our taxing authorities, and those men bringing this cheap oil, produced cheaply with cheap labor in these foreign countries, and refining it with labor of Mexicans, many thousands of coal miners in this country are starving and begging for bread. The independent producers that have developed our own oil fields are practically bankrupted by the unfair competition of a foreign oil octopus.

It is time, as representatives of the people, that we should open our eyes and realize that four great oil concerns propose to destroy a basic industry that has for almost a century rolled the wheels and turned the great machines of progress and prosperity in this Nation. In America to-day there are more than 100,000 coal miners in soup lines, begging for bread, and at the hands of the Red Cross they carry home something to their children, while the four great oil companies of South America and Mexico are competing with coal producers and the people are installing oil stoves and consuming outside oil without a tax upon it. Oh, yes; it is a revenue measure. I do not care whether you call it a tariff or a tax, I am in favor of putting on these industries their share of the burden of the American people in balancing the Budget of this Government. In last week's Collier's Magazine I read an article in favor of a sales tax. The author said, "Don't tax me, but tax that man behind the tree," and the man behind the tree is the laborer and the farmer all over this land. [Applause.]

Mr. LINTHICUM. Mr. Chairman, I come from a State which deals very largely in imported oil. In Baltimore alone there is manufactured 1,500,000 tons of asphalt. That asphalt is used in the building of the roads of this country. It is used in roofing on houses in most of the large cities on the Atlantic coast. It is a very important industry. It is the largest in the country.

It disturbs me to hear Democrats stand here and advocate a tariff. I have never advocated a tariff, except to equalize costs abroad and here.

It has not been thought we would put a tariff in a revenue bill. Certainly it is not put in there for revenue purposes. The statement of the Treasury Department filed by the gentleman from Massachusetts [Mr. TREADWAY], who spoke the

other day, showed conclusively that there was no revenue from this item. The statement filed by the Committee on Ways and Means showed that there would be probably $5,000,000 of revenue, which is far from the $53,000,000 mentioned by some one recently and $100,000,000 mentioned by another. The estimate was that there would be $5,000,000 revenue. When we consider the gasoline and oil used by the Government in its battleships and other enterprises throughout the country, not including the Postal Service, the United States Government will be required to pay a tax of $8,400,000. In other words, if the committee is correct, then the Government itself instead of receiving revenue would lose $3,400,000. That demonstrates clearly that this is not an item for revenue. I ask you to consider what it means to the people of this country. It means an increase in the cost of gasoline and oil of over $152,000,000. Is it fair, is it just, at this time when everybody is striving to get along, when every cent counts, to place upon the people of this country an additional tax of $152,000,000?

Mr. McKEOWN. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. McKEOWN. Where does the gentleman get the figure that it will cost $152,000,000? Does the gentleman not know that the large companies who are importing this oil control the price?

Mr. LINTHICUM. It has been admitted that the purpose of it is to raise the price of oil and gasoline, and when we do that we raise it the total amount of the tax, and that will be $152,000,000.

Mr. McKEOWN. Will the gentleman yield further?

Mr. LINTHICUM. I yield.

Mr. McKEOWN. Sixty-three million barrels of oil at 42 cents a barrel would raise revenue, would it not?

Mr. LINTHICUM. No.

Mr. McKEOWN. Why not?

Mr. LINTHICUM. Because there will be no oil come into this country if this tax is placed on it. It is absolutely confiscatory, and the gentleman knows it. If this oil would continue coming into this country, you would not be asking for this tariff. That is the purpose of asking for a tariff. You want to prohibit it from coming into the country, and if any of it does come to this country, you want to have a tax or tariff level to which you can raise the price.

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

Mr. LINTHICUM. I yield, certainly.

Mr. MAY. Will the gentleman concede that oil is one of the strongest competitors of coal?

Mr. LINTHICUM. Yes; I do.

Mr. MAY. And does the gentleman know, as a matter of fact, that there has been a companion measure in this House and one in the Senate to put the coal industry under the domination of a commission? In fact, in the hands of a receiver?

Mr. LINTHICUM. I do know something about those bills, having talked with some miners' representatives. Perhaps I will know more about them when they get on the floor of the House. That is an admission by the gentleman, however, that the purpose of this tariff is to prohibit this oil coming in so that it may raise the price of oil and give coal a better chance.

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

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LINTHICUM. I feel sorry for the coal people. There are great coal fields in my State, but there is no use trying to hold back something like oil. People are putting oil into their homes and factories on account of the convenience of it. It can not be prohibited any more than we could bring back the old horse car, the old buggy, or the old wagon and put it in competition with the automobile by some legislation. I am sorry for oil and ice both, but can not stop the wheels of progress.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. O'CONNOR. The suggestion that this is a tariff or an embargo on oil that would protect coal is very similar to the argument which the proponents of a tariff on bananas made before the Committee on Ways and Means. They argued for a tariff on bananas to protect the fruit crop of California.

Mr. LINTHICUM. Well, I must say that this tariff takes many different directions. I never thought I would hear a Democrat stand up here and argue for a tariff on oil to protect the oil and coal industry of this country. I only expected a Democrat to go as far as asking a sufficient tariff to equalize the cost of production.

Mr. McKEOWN. Will the gentleman yield?

Mr. LINTHICUM. I yield.

Mr. McKEOWN. The Democrats in the oil States got their cue from the gentleman from Maryland, when he wanted a tariff on tomatoes. [Laughter and applause.]

Mr. LINTHICUM. Oh, I beg the gentleman's pardon. The laugh is not on the gentleman from Maryland. I will admit there have been one or two gentlemen from my State who wanted a tariff on tomatoes, but certainly I did not advocate that. I do not advocate a tariff to protect one section or one industry and not protect all industries, if it is necessary, and then only to protect labor by equalizing cost of production at home and abroad.

Now, gentlemen, I say that if this tariff is put on oil——

Mr. PARKS. Will the gentleman yield?

Mr. LINTHICUM. Not now.

Mr. PARKS. I just wanted to ask the gentleman if he voted for a tax on beer?

Mr. LINTHICUM. I will vote for beer every time it comes around, but that is a tax, not tariff, and I will be glad to do it every day if I can. If we could get good beer into this country once [laughter and applause]—if we could get legal beer into this country, it would do what I have done here. It would put a smile on the faces of the people of this country and the depression would fade away like the mist before the noonday sun.

Now, gentlemen, I am pleading for the Atlantic seacoast. I am pleading for Baltimore and for Maryland. If you put this tariff on, it is going to destroy the industries along the Atlantic seaboard. It will mean a loss of $10,000,000 to my city alone. Of the imports of my city about 17 per cent are oil, and, as I say, we produce vast quantities of asphalt. If you put this tariff on oil you are going to increase the price to the consumers of this country, to every man running a little automobile, to every man running a little engine, to every man running a little boat, and to the Government, in running its great battleships; you are going to increase the price of gasoline and oil in accordance with what you have assessed in this tariff.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. VINSON of Kentucky. Does not the gentleman know that the price of crude oil along the Atlantic seaboard is now more than 50 cents less than it was 12 months ago.

Mr. LINTHICUM. That may be. The gentleman says that, and I presume it is correct.

Mr. VINSON of Kentucky. When they were paying more than 50 cents a barrel for it a year ago than they are now paying, your industries were going, were they not?

Mr. LINTHICUM. Well, I know this tariff puts an additional cost on it and prohibits us from bringing it in.

Mr. AYRES. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. AYRES. Does not the gentleman know that the report of the Tariff Commission shows that if we had a rate of 2 cents per gallon on oil shipped into this country, the importers could lay it down on the eastern shore for 8 cents a barrel less than we could lay it down there, even with a tax of 2 cents a gallon on such oil?

Mr. LINTHICUM. I have not read the tariff report.

Mr. McCORMICK. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. McCORMACK. May I suggest that the Tariff Commission's report challenges itself in that respect?

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I wish to ascertain if we can reach an agreement as to closing debate on this amendment and amendments thereto. I will hazard the request to close debate on this amendment and all amendments thereto at 5.15, vote on the amendment, and then rise.

Mr. BRUMM. What amendment?

Mr. CRISP. Just on this oil amendment.

Mr. BRUMM. I have an amendment that I want to add to the amendment offered by the gentleman from Georgia. The amendment relates to hard and soft coal and briquets. Will the gentleman's request affect me in any way?

Mr. CRISP. Not at all. If the amendment is in order now, it would be in order when the committee resumes as an amendment to the pending amendment. My request is simply to limit the debate on this oil amendment and amendments thereto.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on this amendment and amendments thereto close at 5.15. Is there objection?

There was no objection.

Mr. HOCH. Mr. Chairman, ladies and gentlemen of the committee, in all the years I have been here I never rose to speak upon a subject as to which I was more in dead earnest or as to which I felt more concern than that upon which I am to speak to you for just a few moments.

A few days ago I had occasion to make some reply to my friend from Maine. I confessed to you irritation then, and I confess some irritation now, that I am compelled to rise in behalf of the policy of protection in answer to a gentleman from Maine, he coming from a State that has been the beneficiary of protection in a thousand ways since the protective tariff was first inaugurated in this country.

I do not wish to hang this debate upon any such appeal as that, but let me say just a word or two about it before I proceed.

I have here the statement made by the gentleman from Maine when we had the tariff bill before us, when he was pleading—and I think justly so—for protection upon potatoes. I agreed and helped him get his tariff on potatoes. I will not read the things he said, but I say to you that they would apply—and a thousand times over—to the condition of the oil industry which we represent here to-day.

He spoke a moment ago about the condition of the paper mills and the pulp industry. I ask him, in all sincerity and honesty, when he goes home to the State of Maine, to go to the paper manufacturers and the pulp mills and ask them, when New England comes here and presents opposition to those of us who are seeking to get protection on oil, coming from 18 States of this Union, with over 40,000,000 population, how many votes he thinks he is helping to get in their interest when they come here pleading for help. I ask him to go back and ask that question of them.

Some reference was made a moment ago to the vote of western Members on the shoe tariff. I say to you that many of those Representatives who are interested in this fight to-day voted for a tariff on shoes. I was one of those who did not, but I voted for the tariff bill which carried protection for shoes. Let me tell you one reason some did not vote for a tariff on shoes. Because there was a refusal to give an adequate compensatory duty on hides. That is why we did not do it. [Applause.] Every man who was here remembers that argument.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. HOCH. Yes; I yield.

Mr. NELSON of Maine. We came down here and desired to get a tariff on wood pulp because our mills were operating in the red. If the committee had allowed the various interests that wanted to get tariff protection the same privilege that they allowed you, and we had framed the bill so that my manufacturers now operating in the red and now using six hundred millions of oil a year could have received compensatory protection, then we might have worked out a wise tariff bill, and probably I could have voted with the gentleman.

Mr. HOCH. The gentleman, by inference, admits we ought to have this protection; but because they do not get some one additional protection, he objects to this. If the gentleman wants to balance the ledger on it, I would be glad to do it. If I had here the tariff bill, it would take me an hour, as I said the other day, to read the items of Maine and other New England States upon which there is protection. [Applause.]

Mr. NELSON of Maine rose.

Mr. HOCH. I can not yield further for the moment.

Mr. NELSON of Maine. What has that to do with the merits of this bill?

Mr. HOCH. It has a lot to do with the merits of those coming from protection States who come here to oppose protection which means life to our industry. [Applause.]

My friends, I do not wish to make any sectional appeal, but I can not resist the temptation to say again to Members coming here from States with great protected industries, when they refer to making the tariff a major issue—and I do not say it as a threat, I do not say it as a warning, but I think I know the sentiment of the great Middle Western States, the States which have gone along time after time in helping to get protection for New England industries—and I say to you if you want to make the tariff the major issue, to your detriment, go ahead and take such an inconsistent attitude. Let me say in fairness there are some Republicans here from New England who take the broad view and are with us in this fight. In my judgment, their attitude is the one that in the long run is in the interest of New England. [Applause.]

[Here the gavel fell.]

Mr. SWANK. Mr. Chairman, at this time I shall discuss the question of a tariff on oil and submit some remarks concerning the general provisions of the tax bill now before the committee for consideration.

Money must be collected, and that through taxation, to pay the general running expenses of the Government; but to say that the Budget has to be balanced at this time, in my judgment, is not a correct statement as to the necessity of raising revenue as outlined in the pending bill. All of the money to pay the expenses of conducting the affairs of our Government is derived through an income tax, with the exception of what is collected through the customs houses and the amount that is collected by the Federal courts in fines and forfeitures. The burden of taxation should be laid mostly upon those most able to pay, and I could never see any good reason why a man with a large income, much more than is needed for the support of any family, should object to paying a large amount of that income to the Federal Government that protects him and his property in deriving such an income.

I believe that every Member of Congress who will take the time to analyze the situation that confronts the independent oil producers of the United States will come to the conclusion that the question of a tariff on oil is a fight between the Standard Oil Co., the Dutch Shell Oil Co., the Gulf Oil Co. controlled by the Mellon interests, and the independents. In my judgment, the tariff question is not a political question and should be considered from the standpoint of the country in general. I have always favored a tariff on oil, and on July 18, 1921, during my first term in Congress, when the Fordney-McCumber tariff bill was under consideration by the House of Representatives, I spoke in favor of an oil tariff.

In my speech at that time is the following:

> Another reason that I am for a duty on oil, in addition to those already given, is that I am convinced that the Standard Oil Co. is opposing the duty, and from purely selfish purposes, as is its usual custom. We know that John D. Rockefeller and his interests do not favor one thing or oppose another thing for purely philanthropic purposes. Of course, he will build a college or make some other donation occasionally, and then there will be an advance in oil. By shipping in this Mexican oil he can abso-

lutely put the independent and little oil men out of business if it comes in duty free. I do not believe that this duty would materially raise the price of gasoline, for it has not dropped in price in proportion to the fall in the price of crude oil.

It is common knowledge that the price of gasoline is not controlled by the price of crude oil. For instance, the price of bread was about the same, with wheat at 25 cents per bushel, the price last fall, as it was when wheat was $2 per bushel. The price of bread does not go down with the price of wheat, and the same is true with oil.

In my speech of July 18, 1921, is this further statement:

If, however, the Standard Oil Co. obtains control of the production of oil in this country, then God only knows what the price of oil would be and to what dizzy heights it would go.

I further stated at that time:

When it comes to my making a choice between the Standard Oil producers and the little producers, you can count me on the side of the little fellow.

These big oil companies above referred to spread much propaganda over the country to the effect that if the price of oil goes up gasoline will go up with it, and that our oil must be conserved. There is no man able to tell how much oil is under the ground, and we have heard cry that our oil reserves are going to be depleted for many years. I wish to call the attention of the committee to the further fact that wildcatting and discovering new oil fields is not done by the Standard Oil Co., the Dutch Shell Oil Co., or the Mellon interests, but is done largely by the independent producers. The independent producers spend millions and millions of dollars and pay millions to the farmers in the way of leases and royalties. These big oil companies have the little producers and the independents almost prostrate at this time, and this is due largely to our foreign imports. I am in favor of a tariff that will shut out this foreign oil, at least at the present time.

The Tariff Commission, in its investigation a short time ago, decided that it costs $1.03 more per barrel to produce oil in the United States than it does in South America. The work is nearly all done in that country by cheap native labor at salaries that will not pay living expenses for an American worker. There should at least be a tariff on oil equal to the difference in the cost of production in the United States and in these foreign countries. When the independent producers are at work and the oil fields open up thousands and thousands of men are put to work, and at the same time the revenue of the Government is increased, because then the independent producers pay larger income taxes. Such a tariff on oil would produce much more revenue to the United States, by placing the independent producers in a position where they would pay more income taxes, than the little tax on imported oil of 1 cent per gallon, as contained in this bill.

Here is inserted a statement concerning oil production in certain foreign countries and in the United States:

United States	
Imports of crude oil:	
1930 ... barrels	62,129,000
1931 ... do	47,250,000
Imports of gasoline:	
1930 ... do	16,927,000
1931 ... do	13,621,000
Number of producing wells (end of 1930)	331,070
Average production per well day day ... barrels	7.5
Production in Oklahoma:	
1930 ... do	216,486,000
1931 ... do	180,809,000
Value at wells:	
1930	$279,250,000
1931	$108,485,400
Number of producing wells (end of 1930)	63,600
Average production per well per day ... barrels	9.5
Mexico	
Number of producing wells, 1930	1,260
Average production per well per day ... barrels	112.59
South America	
Venezuela:	
Number of producing wells, end of 1931	2,327
Average production per well per day ... barrels	150
Argentina:	
Approximate number of producing wells, 1931	1,573
Average production per well per day ... barrels	21
Peru:	
Number of producing wells, 1929	2,195
Average production per well per day ... barrels	16.75
Colombia:	
Number of producing wells, 1930	602
Average production per well per day ... barrels	92
Ecuador:	
Number of producing wells, 1931	350
Average production per well per day ... barrels	14
Trinidad:	
Number of wells drilled, 1931	1,780
Average production per well per day ... barrels	15

Mr. SWANK. I do not believe that the small tax on imported oil, as contained in this bill, will keep out much, if any, foreign oil. In the last Congress this administration enacted the Smoot-Hawley tariff bill, which contains the highest rates of any bill ever enacted into law in this country. Somebody should explain why an administration which is in favor of a high protective tariff on everything, even the necessaries of life, is opposed to a tariff on oil. Within the last few years the price of oil has varied from 5 cents per barrel to $3.50 per barrel, but you have not seen very much change in the price of gasoline. A proper tariff on oil would cause a great revival of business in this country and would greatly increase Government revenues. I hope the tax on imported oil, as contained in this bill, will be increased to at least 2 cents per gallon, and, in my judgment, it should be increased to 3 cents per gallon. The fangs of the big major companies mentioned above must be drawn, that they can not further feed and enrich themselves upon the poverty of the people.

Yes; it is necessary to raise revenue to pay the expenses of Government, but this should not be done by the imposition of a sales tax. I have always opposed a sales tax and oppose it now, and voted to strike the sales tax from this bill.

During the last few days we have heard much discussion about "balancing the Budget," but have not heard much about balancing the budget of the farmers and working people of this country, and those who are traveling the highways looking for work. I often wonder why it has become so necessary to balance the Budget at this time, when that has not been done for the last several years. Who knows for a certainty what the present deficit is? The Treasury Department for the past 10 years has been mistaken many times in the sum of over $1,000,000,000 a year on the Treasury deficit. The fact of the business is there is not likely to be much reduction in expenses so long as the Budget is balanced. Expenses of government must be reduced and needless bureaus abolished.

Bonds of the United States are good because the Government backs them, and these bonds are good to-day. A sales tax places the burden of taxation upon those least able to pay, upon the food that the people eat, and upon the clothing that they wear. I am opposed to this method of taxation. The provision of the sales tax carries a rate of 2¼ per cent designed to raise some $600,000,000 in taxes. Some of the speakers have said that this would amount to about $5 per person, or about $25 to the average family. I do not believe anyone doubts but what, with the administration of this tax, it would mean a tax not only of 2¼ per cent but anywhere from 5 per cent to 10 per cent, and, instead of meaning $25 to the average family, it would probably mean $250 increase.

We can not afford at this time to tax the poor and the unemployed, the naked, and the hungry any further. I shall never vote to tax the food of little children, the cheap clothing of mothers weeping over the distress of their hungry families, or the overalls and brogans the father wears in his search for work. Income taxes can be increased in the higher brackets; the estate and gift tax can also be increased. In this bill the maximum tax of 40 per cent is applied to incomes when they amount to $100,000, but the same rate is not applied to estates until they reach $10,000,000. If estates were taxed at the same rate as individual incomes, even after exempting the first $50,000, it would mean an income in this one tax alone of $714,000,000. Why not tax it? This is income that is seldom earned in any

part by the beneficiaries. It is estimated that the tax on individual incomes that this bill provides will amount to $112,000,000, corporation tax $21,000,000, and the gift and estate tax $35,000,000. Money can be derived to pay the expenses of government all right without any sales tax levied upon the poor and unfortunate. [Applause.]

Mr. CROWTHER. Mr. Chairman and members of the committee, in matters of this kind there is liable to be a wide divergence of opinion. As a matter of fact, I have not been disturbed during the whole proposition as to the discrimination between tariff and tax. That has not disturbed me at all.

In this discussion I am reminded of an old New England saying: "It makes a great difference whose cod is hooked." [Laughter.] That is applicable to this special case, but really it is a problem for the whole Atlantic coast in regard to fuel oil. I have made some investigation to see whether or not we could not eliminate fuel oil and double the tax on crude oil and thus arrive at some result. That is, double the tax on crude oil and have fuel oil tax free. But those well versed in the oil business told me that that would be impossible, that they would evade the tax and bring in all fuel oil. It was said that it would bring in no revenue, and the committee finally decided on 1 cent, because we did not desire to be denuded of the fundamental premise in writing a tax bill—revenue. They said that 1 cent a gallon would bring in considerable revenue, and I think myself it will bring in more than the $5,000,000 estimated in the bill and will give a great measure of relief to the independent oil producers of the United States.

I have been urging that oil be carried in the bill since we first started to frame a list of commodities to tax. [Applause.] You gentlemen on this side ought not to be concerned, for you have always declared that the tariff is a tax. I can find that statement in a hundred speeches. Here is the place for you to apply those views—it is an excise tax in a revenue bill.

When the oil people were over here in the caucus room in the Office Building, nearly the whole Texas delegation appeared there, and I made a speech, as did Secretary of War Hurley, and the Texas delegation said: "Oh, yes; we are for you, but your difficulty will be to get the Republican Ways and Means Committee to consider it." Now, you gentlemen will have no difficulty, for all you have to do is to go before the Democratic Ways and Means Committee. As I said the other day, it is the only chance that you gentlemen will have; it is the only chance the gentleman from Arizona [Mr. DOUGLAS] will have for copper. We got copper in one day, and out it went the next. We ought not to have taken it out, because it is as deserving of consideration as the oil proposition. [Applause.]

[Here the gavel fell.]

Mr LEHLBACH. Mr. Chairman, we have been working for weeks to raise revenues, we have been endeavoring to frame a revenue bill which will raise approximately $1,000,000,000 additional revenue. We have here an item to tax imported crude and fuel oil and gasoline 1 cent a gallon, which is variously estimated to furnish from no revenue to a maximum of $5,000,000 a year. It does not bring in revenue. The Government under this proposition will have to pay $8,000,000 more for its fuel oil, so that you will have to raise $3,000,000 additional to what you have estimated in order to make up this revenue-producing deficit. Why is the tax here? It is admittedly for the purpose of raising fuel oil and gasoline 1 cent a gallon to the consumers throughout the country, and the reason alleged is to help the independent producers in the midcontinent area. What does that mean to the consuming public? It means, taking the figures of the Bureau of Mines for the year 1930, on a distribution of 348,000,000 barrels of fuel oil and of 15,858,000,000 gallons of gasoline, if you add a cent to the cost of that to the people, you will be adding to the cost of the people $300,000,000 by this tax. You are raising $1,000,000,000 to throw into the Treasury because you need it, and at the same time you are imposing this burden upon the people, you impose an additional $300,000,000 burden upon them, and where does the money go? To the independent producers? No. To the Treasury? No. It goes to the refiners, the pipe-line owners, and the distributors of the oil who are also producers—to the big companies.

Mr. HOPE. If that is the case, why are the big companies opposing this measure?

Mr. LEHLBACH. They do not want it because they say it is harmful and not necessary. We produce many, many more barrels of oil in this country than we import, and we export more oil than we import.

Mr. McCORMACK. We export three times as much as we import.

Mr. LEHLBACH. That is true. Speaking about coal, the reason that fuel oil is supplanting coal is not because of a difference in price but of the difference in convenience, economy in handling, and cleanliness. That is the reason that oil is supplanting coal, just as rubber is supplanting steel for urban transportation.

This will place a burden on the people, and will not benefit those whom it seeks to benefit, and will result only in flowing millions of dollars into the already swollen coffers of the big oil companies.

Mr. LAGUARDIA. Mr. Chairman, while there might be some opposition to a tax on oil or a tariff on oil, the last place in the world that this opposition should come from is New England and the shipping interests of the East. It is not so long since we heard the distinguished gentleman from New Jersey [Mr. LEHLBACH] wave the American flag and ask us to enact a ship subsidy bill. Congress did enact the merchant marine act in 1928. Let us look at the figures. Since the enactment of the merchant marine act in 1928 we have loaned $150,922,000 for the construction of these subsidized ships. Of this amount $91,860,652 had already been advanced up to November 30, 1931, and only $7,986,000 paid back. In 1932 we gave in subsidies to these ships now insisting on buying foreign oil no less than $21,000,000, and in 1933, the coming fiscal year, we are giving these ships $24,000,000 in subsidies, or an outright gift of that amount, and I say that it comes with poor grace for any industry that is living out of public funds to protest against the buying of American products. The subsidies to ship companies for which the Government is already committed for a term of 10 years amounts to the staggering figure of $312,133,813—every cent from the Public Treasury—a gift to these companies operating subsidized ships. There are about 55 companies on the Atlantic, Pacific, and Gulf coasts enjoying these subsidies. They are being supported out of public funds and ought to be compelled to use only American products, instead of coming here and pleading for foreign oil. They should be put to shame. [Applause.] Besides, if we are living under a protective tariff system there can be no justification under the conditions exposed in the oil industry to deny some relief in the form of protection to our independent oil producers. Any slight increase in retail price will be more than compensated by increased employment and resulting increase of purchasing power. [Applause.]

Mr. CARTWRIGHT. Mr. Chairman, oil is one of the largest industries in the country and one that plays an important part in our economic stability as a nation. There are some 20 States that produce oil in such large quantities that any curtailment in the production and sale of oil has a depressing effect upon all classes.

It has placed a heavy strain upon the banks, the merchants, the farmer, and other business enterprises. In Oklahoma there are thousands and thousands of oil workers out of employment, and no doubt there are hundreds of thousands of men and women throughout the United States out of employment because of the condition of the oil industry.

In addition to that the owners of the oil lands who have been receiving royalties are now suffering. Most of the small independent companies have been forced to the wall or have quit and are now in the hands of receivers. I claim this deplorable condition is caused in a large measure by the importation of oil, duty free, from foreign countries.

What is the trouble with the coal industry? Why are the coal mines filling up with water and thousands upon thousands of miners out of employment? It is because the coal industry must compete with the hundreds of millions of barrels of cheap crude oil flowing in from foreign countries, making the Standard Oil companies rich without even a penny of import tax going to help pay the expenses of our Government. It is a shame and disgrace to talk of raising taxes on these poor unemployed and low-salaried miners and oil workers to balance the Budget when the very weapon that takes the bread from their mouths is allowed to come into this country without tax and add riches to the few who already own most of the wealth of the world. We should hide our faces in shame.

The New England States and a few others are fighting the oil tax because they harbor most of these big oil interests. Do they ever stop to think that their own factories have tariff protection from foreign imports? Then let us be consistent. [Applause.]

The fact is that had it not been for the large volume of imported oil our domestic demand would have absorbed the oil products in this country. The failure to afford protection will eventually destroy the small independent oil producer and the coal industry entirely and place production in the hands of a few large concerns. Such a policy would be unfair and unwise.

It has been estimated by experts that Congress can raise $53,000,000 in annual revenue by adopting the oil-excise proposals in the pending revenue bill, or it can increase this sum to over $118,000,000 if it grants the higher rates originally suggested by the American petroleum industry. This will not constitute any burden upon consumers but will relieve them of the necessity for many vexatious taxes whose total product will not net the Government any comparable sum.

No serious objection has been offered to this bill except by the oil importers who have reaped millions of dollars in the past years through the free admission of foreign oil to the ruin of American labor and business. The objections offered by some manufacturers have been based upon the mistaken idea that this tax would increase their fuel costs although they have totally ignored the more important fact that if this measure hastens the revival of the American petroleum industry it will multiply the markets for their goods. Less harm and more good will be done by the oil excise tax than by any other taxation scheme thus far suggested.

There is no popular opposition to this proposal as there is to practically every other form of tax. Over 5,000,000 members of labor organizations have petitioned for its adoption, farm organizations have urged its passage, and almost countless petitions from business groups have indorsed it. No other tax proposal under consideration has the enthusiastic support of any considerable group. When we find from seven to ten million people asking us to adopt a tax measure common sense as well as sound business might suggest that we pay some attention to these recommendations.

We must raise revenue. We can do it by measures which will annoy and impoverish the people and which will dislocate our business structure or we can do it by some such legislation as the oil excise tax which would be justified from the standpoint of the protection of an American industry even if it did not bring in the millions of dollars it is certain to produce.

I sincerely trust that the proposed tax will be adopted to restrict oil imports sufficiently to afford the oil and coal producers of the United States some measure of much-needed protection. [Applause.]

Mr. CONNERY. Mr. Chairman, in the short time I have it is hard to say much, except that I heartily favor the McCormack amendment to strike out this tax on oil. It has been very interesting for me to sit in this House to-day and watch all these gentlemen from the oil States make a wonderful plea for an oil tariff when these same gentlemen in the Seventy-first Congress could not see their way to vote for a shoe tariff and put 200,000 shoe workers back at work at the time that I was fighting here for a shoe tariff. They claimed at that time that it was not good Democratic doctrine to vote for a tariff on shoes. Well, these same Members can be consistent now and vote as good Democrats in favor of this McCormack amendment and strike out this oil tariff. This provision in the bill sought to be stricken out by the McCormack amendment, if it remains in the bill, will cost the mills of the city of Lawrence, in my district, from $500,000 to $1,000,000 a year, and I say to my friends from the oil States and from the Southern States that they should not penalize the States of the entire Atlantic seaboard merely because this is a tax which would help their own States. This oil tax, if passed, will place a tremendous burden upon the mills of New England. These mills are already struggling in an unequal battle against competition in many of your Southern and Western States where the hours of labor are much longer than in Massachusetts.

The shoe tariff was only for 20 per cent. You ask a 70 per cent tariff on oil. The shoe tariff penalized no other State. Your oil tax would drive some of our mills into bankruptcy and would ruin our coastwise shipping, to say nothing of the added burden of high prices on oil and gasoline to the individual consumer.

I will say to you frankly, if you had hours of labor in your States equal to ours in Massachusetts, hours of labor which protect the worker, and especially the women, then your labor argument might come with better grace before this House. Until you see fit to pass legislation which will insure decent hours of labor and decent living wages in your States, your labor argument is useless. I hope the McCormack amendment striking out all of paragraph 4 will be adopted.

Mr. GUYER. Mr. Chairman, this tax on imported oil and oil products will accomplish several highly important objectives, every one of them productive of beneficent results, with no consequent injustices or penalties to any section or to any industry. Primarily, it will raise revenue and serve to protect and revive an industry that directly or indirectly employs nearly a million men; an industry that now is prostrate because imported oil has forced it to sell below the cost of production. This giant industry heroically tried by curtailment and proration to save itself and solve its own problems, but its every effort was met by vast importations of foreign oil. It asked a tariff but was denied. Now it asks this small excise tax in behalf of an American industry; an independent industry in which hundreds of thousands of farmers are interested—owners of small "stripper" wells now nonproducing, and of prospective oil-producing lands under lease on which, because of this prostration of the oil industry, the rentals can not be paid. In the sorry plight of agriculture this rental has been a great boon over extensive areas where oil leases are held for future development.

This cheap imported oil is causing and will continue to cause immense waste in these shallow "stripper" fields, where wells must be pumped or forever lost. There are nearly 300,000 wells in this country that produce an average of one barrel a day. They are mostly shut down to-day and may be for a short time without serious damage, but their continued shut-down will mean their utter destruction for all time. I am appealing to you in behalf of the farmers who own these small wells to give this little relief from the curse of foreign importations which have paralyzed their production and their revenue.

The proposed excise tax on oil will not increase the price of gasoline to the consumer. In order to demonstrate this we have only to refer to past history. The average price of gasoline at the filing station in February, 1926, was 18.09 cents per gallon, exclusive of the tax. At the same time the average price of crude oil of 36 gravity was $2.04 per barrel. In February, 1929, the price of the same crude oil had dropped 84 cents, to $1.20 per barrel, and the average price of gasoline in the same cities had actually increased to 18.39 cents. In other words, a reduction in the price of oil of 84 cents per barrel was followed by a rise in the price of gasoline.

Neither is lubricating oil, in which all motorists are interested, increased or affected by the price of crude. In 1926, when crude oil was $2.04, the motorist paid from 25 to 30 cents per quart for his lubricating oil. At this time, when crude oil is 77 cents per barrel, the motorist still pays the same 25 to 30 cents per quart for lubricating oil.

The Federal Trade Commission submitted to the Senate a report in which it was pointed out that the refined products had not followed the price of crude. The report said:

> With respect to refined products, at least in local sale and distribution, the price conditions reflect even less closely the actual changes in supply and demand, so far as they can be measured by concrete statistical facts.

If oil continues, as it is now, to sell below the cost of production for any great length of time, the major oil companies will in time have a complete monopoly of the entire oil industry.

Unless the independent producer can get a price above the cost of production, these few large companies inevitably will control the market, and when such time comes the consumer of gasoline and lubricating oil will suffer accordingly.

To summarize, the importation of cheap foreign oil has had these disastrous effects upon conditions in the United States:

It has caused serious unemployment in the oil industry and all allied industries.

It has compelled the independent producers of oil to operate at a loss and forced many of them already to turn their property over to the major companies. Unless this condition can be changed all independent oil producers will be eliminated and the oil business placed in the hands of a few large monopolies.

It has reduced the price of oil below the American cost of production, thus taking away the purchasing power of millions of people largely dependent upon this industry, at the same time taking away the customers from the manufacturing States and destroying their markets, with resulting unemployment in the factory districts.

It has largely displaced coal as fuel on the Atlantic seaboard, including New England, bringing about the worst conditions of unemployment ever known in the coal-mining industry.

It has destroyed the purchasing power of 3,000,000 people directly dependent upon the coal industry for their living, with a consequent reduction of the market for the products of manufacturing communities, which again aggravates the unemployment problem.

It has made the railroads victims of this condition, because coal is probably the largest single commodity making up railroad tonnage. Reduction of coal movements has caused a staggering loss in the aggregate and is largely responsible for the present distress of the railroads and the cause of unemployment among railroad workers.

It has been a serious source of loss to the farmer, who produces from his small oil wells about one-eighth of the oil produced in the great oil States. As before mentioned, nearly all the "stripper" wells, now shut down, belong to the farmer. The farmer also is the loser on account of the loss of rentals on leases—usually $1 per acre for prospective oil lands. Because of cheap oil, this lease money is not being paid. He also suffers by reason of the fact that his market is curtailed on account of unemployment in the oil fields, in the coal mines, in the factories, and on the railroads.

This tax on oil will tend to restore prosperity to the oil industry, to coal mining, to manufacturing, and to the railroads. It will enable the independent oil operator to continue to exist and thus save the people of this country from an absolute monopoly of the oil business in the hands of a few large companies which are the chief importers of oil at this time. It will relieve the farmer by giving him a better price for his royalty oil, by enabling him to pump his "stripper" wells, by restoring his lease-rental money, and by reviving his market for the products of the farm. [Applause.]

Mr. HARLAN. Mr. Chairman, during the last campaign there was not one Democrat, from the chairman of our committee down, who did not go before this country and say that the Hawley-Smoot tariff was a scandal. Everyone of us, myself included, was elected on that platform. As the gentleman from New York, Doctor CROWTHER, said, they could not get this 70 per cent ad valorem oil tariff from a Republican committee, but they were perfectly safe before a Democratic committee. For us to go before the people and admit that, in spite of our election argument that the Hawley-Smoot tariff was too high, we put a 70 per cent ad valorem tax on oil, which placed that additional burden on the backs of the people, will simply make us ridiculous.

I just received the figures from the Department of Commerce concerning the importation and exportation of petroleum and gasoline. It requires 3 gallons of oil to make 1 of gasoline. Converting these figures into petroleum equivalents, in 1930 we imported 113,000,000 barrels of oil. In the same year we exported 213,000,000 barrels. The following year 89,000,000 barrels were imported and 158,000,000 barrels exported. We are exporting against this cheap foreign labor twice as much oil as we are importing. The fact of the matter is there are a number of oil wells, many of them in my own State, that are drawing six-tenths of a barrel a day. They can not compete because they are inefficient and out of business.

This means but one thing, and that is that the small producer who believes that by increasing the price of petroleum and gasoline he will get protection from the competition of the large oil interests is simply following a vain delusion. The large American producer will simply convert to the home markets one-half of the amount of oil he now exports and he will be in a position to fix the price on the American market just a little bit lower than the small producer can operate at a profit, just as is being done now. If he does not do this and wishes to take advantage of the tariff, inasmuch as it requires 3 gallons of oil to make 1 gallon of gasoline, he will be in a position to boost the price of gasoline from 2 to 3 cents a gallon over its present market price. The Government will get practically no increased revenue, but the ultimate consumer will be taxed just that much more for the gas and the Government will not get a cent of benefit.

Mr. McKEOWN. Will the gentleman yield?

Mr. HARLAN. No. I can not yield. I am sorry.

That is one piece of commerce coming from South America. It is the only chance we have by which we may get paid for some manufactured exports to that continent. It is one of the few things that is now coming into this country, so that our automobile manufacturers, our farm-machinery manufacturers, can sell their produce and pay for it by this small amount of importation. Our importation is half as much as our exports.

While we are talking about the great number of men that will be put out of work in the oil industry, let us think for a minute of the great number of men that will be put back to work in our automobile plants, our farm-implement plants, and in our other industries that are producing things for export, which this oil and other commodities will pay for.

If we ever hope to rejuvenate our commerce, we must first begin by opening up foreign markets to our manufacturers. Our whole industrial life is built on mass production, and this can not function unless we have an outlet bigger than our domestic market for our manufactured goods. We must import something to pay for this trade, and certainly the commodity most desirable to be imported is the natural resources of other countries. I for one would be perfectly willing to employ the peon labor of South America and Mexico in the oil industry if by so doing an outlet could be given the products of the skilled mechanics of this country.

I do not wish to admit here to-day by voting for this increased burden that I obtained this congressional office by false pretenses, nor that, having obtained it, I am willing to embezzle the power thus given to me by converting it to purposes contrary to the trust imposed. I shall not and can not vote to increase the Smoot-Hawley tariff.

To maintain the stability of industry I believe the leaders of our party were wise in not attempting at this time to reduce any tariff rates until we could get corresponding re-

ductions on tariffs in foreign countries. But for the Democratic Party to start to rewrite and boost the Hawley-Smoot tariff bill will be putting an elephant's head on our poor, misguided Democratic donkey. Such a creature would be no more ludicrous as a party emblem than will be the arguments of some of you fellow Democrats in the campaign next fall.

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

Mr. O'CONNOR. Mr. Chairman, my only purpose in rising at this time is to answer a question propounded by the gentleman from Maine [Mr. NELSON], who asked if the Democratic Party had become the party of the embargo or the party which proposed tariffs higher than the protectionists did—not based on "revenue only" or adjusting the difference between the price of production here and abroad, but arbitrarily to protect an industry.

Within the last 48 hours throughout this Nation there has been most severe comment about the conduct of the affairs of the House of Representatives by the Democratic Party. If what happened in the House yesterday and during the past two weeks has brought criticism, surely what we are doing to-day will only heap further coals on our heads.

Let me say, for one, that I do not believe the day will ever come when those in control of the Democratic Party will ever permit that party to become a high protective tariff party in this country. [Applause.] If the attempt is made, some of us are going to stand separate and apart from the protectionists.

It has amazed us here to-day to listen to Democrat after Democrat making Republican tariff speeches. Members from Texas, Oklahoma, and other States have out-Hawleyed SMOOT.

I recall that when I first came to Congress the Democrats had just defeated a man for leader because he had voted for a tariff on wool and hides. In the first Democratic caucus which I attended on this side of the House in the Sixty-eighth Congress, a Member was almost removed from the Ways and Means Committee because he had voted for a tariff on sugar. What has caused a change of heart in the intervening years? I never yet read in any Democratic platform that we were a party of the embargo or high protection. Why, Mr. Chairman, if any one thing contributed to the death of the beloved Speaker who presided over the last Congress, it was the worry and pressure brought to bear on him in reference to this oil tariff during the last two weeks of the last session of Congress. Everyone in that Congress knows it. The lobby around his office was crowded day and night by delegations of Members threatening him if he did not permit an embargo. There was a definite filibuster on the Republican side of the House. The Kansas delegation, led by the distinguished gentleman [Mr. HOCH], threatened to hold up all legislation unless they were granted an embargo on oil. Other delegations threatened dire results if the Speaker yielded. We here could see him breaking under the strain. But he was a brave man and stood his ground.

The proponents of this tariff are not sincere in talking about a tax for revenue. They want an embargo and nothing else, and to-day if this "tax" passes they are getting embargo and the Government will obtain no revenue.

Oh, I plead with you Democrats. Our great party has been damaged enough during the past two weeks without adding any more to its plight. Let us jump over the aisle to the Republican side in behalf of the selfish local interests of 18 States. How many of these States, I ask you, voted for the Democratic candidate for President in 1928? In this hour when we appear to have slipped back from a position of confident victory, I call on all Democrats to stand by the principles of their beloved party; to be Representatives from their States, not merely of their States; to be Representatives of their whole country. [Applause.]

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

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise for the purpose of opposing the amendment offered by the gentleman from Massachusetts [Mr. MCCORMACK] to strike from the provisions of the pending revenue bill the item proposing a tax of 1 cent per gallon on imported oil and its products. Not only am I unalterably opposed to the McCormack amendment but I want to say here and now that I am supporting the Blanton amendment to increase the tax to 2 cents per gallon. It has been pointed out several times during this debate that a nonpartisan tariff commission composed of experts appointed by the Congress to investigate the entire oil situation, in a report to this Congress after many months of careful study and investigation, has stated that the difference between the cost of producing a barrel of oil in the United States and in South America is $1.03. No one has denied the accuracy of that report. No one will pretend to say that the independent oil operators of America who use American labor and pay American standard of wages can possibly compete with those gigantic corporations that are importing cheap crude to our shores produced by foreign peon labor.

I submit in all fairness that inasmuch as it is admitted there is more than $1 per barrel difference in the cost of production of oil here and in Venezuela and other South American countries that the Blanton amendment is in order. It is not only in order but it is fair and reasonable. I sincerely hope the gentleman will not withdraw it. I believe I know the sentiment of this House. Every reason, every argument, every statistic that has been given this afternoon by friends of this great American industry for a tax of 1 cent per gallon on imported oil can be made for a tax of 2 cents. The Tariff Commission tells us, and it is not successfully contradicted, that these big oil importers—that is to say, the Standard Oil, the Gulf, the Pan American, or the Dutch Shell—could pay 2 cents per gallon excise tax on imported crude to our shores and still sell it for less than can our independent American operators.

It is absurd, Mr. Chairman, to hear men who are otherwise well informed stand on this floor and seriously contend that a tax of 1 cent per gallon on oil would prove to be an embargo. It was placed in this bill for revenue purposes only and, in my judgment, would not keep a barrel of imported oil from this country. It is a step, however, in the right direction, and experts have declared that it will produce revenue of at least $53,000,000 per year for the Treasury of the United States. That is a serious question to be considered just now with a $2,000,000,000 deficit facing us. Just how the gentleman from Massachusetts [Mr. MCCORMACK] can consistently stand on this floor as he did during the debate on the sales-tax provision of this bill and beg and plead for Members of this House to vote for the obnoxious, undemocratic, and unconscionable general sales tax on the very necessities of life, in order, as he said, to balance the Budget, and yet so bitterly oppose a small excise tax that offers to help replenish a depleted Treasury is beyond my understanding. [Applause.]

Another distinguished gentleman from Massachusetts, my very good friend [Mr. CONNERY], who spoke with such feeling against the oil tax, infers at least that he is opposing those of us from oil-producing States because we did not see fit to support his unreasonable demands for a high tariff on shoes in the Hawley-Smoot-Grundy tariff bill. The gentleman is in error when he says that he received no votes for a tariff on shoes from oil-producing States, for, as the gentleman from Kansas [Mr. HOCH] pointed out, every Member who voted for the Hawley-Smoot bill voted to give the gentleman from Massachusetts an increased tariff on shoes, and, I regret to say, several Members from oil-producing States supported that obnoxious and indefensible bill. If in order to get protection for a great industry like the independents of America, who, the gentleman from Massachusetts admitted, had made out a good case before the committee, we must trade and logroll by supporting a tariff on shoes and thereby raise the cost of shoes that the people of my district wear, including the thousands of boys and girls, farmers, and laborers, and others, many of whom are unemployed—I say, if we must trade and logroll in order

to get the support of the gentleman from Massachusetts, then I will frankly admit that so far as I am concerned we will just have to get along without it.

The gentleman from Massachusetts has heretofore exhibited great interest in the unemployment situation and in keeping standard American wage scale for the laborers in this country. Let me remind him that the American Federation of Labor has strongly indorsed the tax on imported oil. Yet the gentleman is to-day supporting the McCormack amendment that would deal a death blow to more than 100,000 men who have been thrown out of employment because of the importation of cheap foreign oil produced by foreign labor. I appeal to you, not only for the independent operators, royalty owners, and the thousands of farmers in some 22 oil-producing States of America who are directly interested in this legislation, but I appeal for the hundreds of thousands of unemployed, needy American citizens, including men, women, and children who are looking to this Congress for a measure of relief. [Applause.]

Mr. Chairman, I am surprised that the bulk of opposition to an oil tax comes from New England. I am especially surprised, amazed, and frankly disappointed that some of the Republican leaders who have been here for years preaching the doctrine of a high tariff and never failing to seize every opportunity to get a tariff on products affecting the industries of New England should oppose an almost insignificant tax on imported crude because they say it is a tariff. For example, the gentleman from Maine [Mr. NELSON] a few minutes ago delivered a bitter tirade against this proposed tax. He would scare Members of this House into voting for the McCormack amendment to strike the oil-tax provision with his cry of embargo tariff, a charge that the facts do not justify. He is indignant that the oil tax should have been included by the committee in this revenue bill.

If I remember correctly, the same gentleman from Maine was very busy during the time that the Hawley-Smoot tariff bill was pending here in a desperate, and I think successful, effort to get a tariff on lobsters. [Applause.] A year or so ago the distinguished gentleman from Maine was for a tariff as a matter of principle. It is amusing to me that some of our friends from New England are strong for protection for great industries in their own sections and always as a "matter of principle," you understand. If it is a tariff on shoes that is so much desired, then there is a great principle involved, say the statesmen from Massachusetts. If it is a tariff on pulp paper, pig iron, steel, or even lobsters, it would be violating a great principle to oppose it, say all New England. But in a case like this oil-tax proposal, where no one denies that the independent operators have made a strong case, we find to our amazement that such a proposal violates their "fundamental principles," whatever they may be.

The McCormack amendment, admittedly offered not as a matter of justice, but as one of retaliation, should, and I feel will, be overwhelmingly defeated. [Applause.]

Mr. HASTINGS. Mr. Chairman, I want to assure the committee that instead of bringing in $5,000,000 worth of revenue, according to the importations for the past three years at 1 cent per gallon, or 42 cents per barrel, this will bring in revenue to a depleted Treasury to the amount of $43,000,000, and that can not be disputed.

This excise tax is in the interest of the independent oil producers, who are struggling for existence. It is in the interest of the coal industry. The farmers are benefited by it. It adds to the revenues, including the school funds, of the several States.

The fight is between the small producers and the four large importers.

The Tariff Commission reports the difference between the cost of production here and in the South American field at $1.03 per barrel.

The press reports to-day a new field discovered in South America, in Brazil, where a producing well was struck of 15,000 barrels.

This tax should be 2 cents per gallon on crude petroleum and 4 cents per gallon on gasoline. This is a meritorious provision and the amendment to strike it out should be defeated. [Applause.]

Mr. BLANTON. Mr. Chairman, I want to prefer a unanimous-consent request. I find that there are some Members on both sides of the aisle who are indifferent on this question, and who indicate an intention to vote against any tax on foreign oils, and who, but for the withdrawal of my amendment, would vote for the McCormack motion to strike out section 4 of the Crisp amendment, and thus defeat the proposed tax against foreign oils. However, they indicate a willingness, if my amendment is withdrawn, to vote against the McCormack motion to strike out, and thus save the oil provision of the Crisp amendment, which carries 42 cents per barrel against foreign oils imported. While 42 cents per barrel is less than half of what the tax should be against foreign imported oils, in order to get their votes I ask unanimous consent to withdraw my amendment, for we would rather have this 42 cents tax than none at all. [Applause.]

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

There was no objection.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. Do I understand that the gentleman from Texas has withdrawn his amendment and that the question is on the McCormack amendment?

The CHAIRMAN. That is correct. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RAGON and Mr. MCCORMACK.

The committee divided; and the tellers reported that there were—ayes 97, noes 190.

So the amendment was rejected.

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

Mr. CRISP. Mr. Chairman, in accordance with the statement I made to the committee a few moments ago, I move that the committee do now rise. That will not interfere with the gentleman from Ohio in offering his amendment when the committee again resumes its session. If that is agreeable to the gentleman, the Clerk could report the amendment and allow it to be pending.

The CHAIRMAN. The Chair will state to the gentleman from Ohio that he observes this is quite a long and involved amendment. Under the spirit of the agreement entered into, the Chair trusts the gentleman will withdraw his amendment until to-morrow. The gentleman will not lose any of his rights.

Mr. SEIBERLING. I will withdraw it, Mr. Chairman.

Mr. CRISP. 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. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GILLEN (at the request of Mr. THOMASON), for to-day and to-morrow, on account of illness.

ORDER OF BUSINESS

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CRISP. At my request the House gave consent for all of the Members of the House to extend their remarks on this bill within five days after its enactment. Would

that confer authority for gentlemen who have spoken on the oil amendment to extend their remarks?

The SPEAKER. Undoubtedly.

CULLEN AMENDMENT

Mr. LINTHICUM. Mr. Speaker, my colleague, Mr. LEWIS, was absent to-day owing to a funeral in his family. He wished me to say that if he had been here he would have voted for the Cullen amendment, known as the beer amendment, and he asks leave to extend his remarks in the RECORD.

Mr. STAFFORD. Mr. Speaker, I think it is a very questionable practice to refer to a vote in the Committee of the Whole. There is no record vote in the committee, and I do not recall this ever having been done before.

Mr. LINTHICUM. I hope the gentleman will not object.

ORDER OF BUSINESS

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. The gentleman from Georgia asked if it was his understanding that Members have been given five legislative days after the disposition of this bill in which to extend their remarks on the bill.

The gentleman asked whether or not that includes the right of every Member to extend his remarks on the amendment considered to-day. Do I understand that all Members have five legislative days to extend their remarks on these amendments and then five legislative days to extend their remarks on the bill generally?

The SPEAKER. The object of the request of the gentleman from Georgia, as the Chair understood it, was that each Member have five legislative days to extend his remarks on the bill or any portion of it, and, in the meantime, have the privilege of extending his remarks while the bill is under consideration.

Mr. SNELL. Mr. Speaker, I would like to ask the majority leader what he expects the program to be next Monday.

Mr. RAINEY. Next Monday we take up the motion to discharge the committee from further consideration of the Glenn-Smith bill.

Mr. SNELL. Will anything else come up that the gentleman knows about at the present time?

Mr. RAINEY. I know of nothing else except Calendar Wednesday business and the tax bill.

Mr. CRISP. Mr. Speaker, in the event the committee is not discharged from the consideration of the drainage bill, it will then be in order to go on with the tax bill?

Mr. RAINEY. Yes.

AIDING AGRICULTURE

Mr. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on emergency legislation.

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

There was no objection.

Mr. ANDRESEN. Mr. Speaker, Congress has passed a great deal of emergency relief legislation during the past four months. This legislation has taken the form of large appropriations to assist railroads, banks, agriculture, and the industries of the United States. The Members of both Houses have supported this program on the theory and with the hope that the remedial laws so enacted will restore economic prosperity for all the people. It is hoped that the $2,000,000,000 Reconstruction Finance Corporation and the other credit organizations and appropriations made by Congress will do the business intended by the President to relieve unemployment, restore confidence, and again bring economic stability to the United States.

In my opinion, we will never have permanent prosperity in the United States until such time as we have restored the purchasing power of the 44 per cent of our population which is dependent upon agriculture, and I am honest in my conviction that it will be necessary to pass emergency legislation for our great basic industry of agriculture before we can again assume our leadership amongst the nations of the world.

Chairman Stone, of the Federal Farm Board, recently made a statement to the effect that 44 per cent of the population of the United States is dependent upon agriculture. This represents about 55,000,000 people. If Congress will enact emergency legislation so as to make possible the cost of production, plus a fair profit on the products of the farm, the purchasing power of those dependent upon this industry will be sufficient to start the wheels of industry, relieve unemployment, and restore confidence in our financial and industrial institutions.

The entire business structure of the United States is dependent upon and should be interested in the economic welfare of agriculture. The retail, wholesale, and manufacturing businesses in all agricultural States are absolutely dependent for their success upon agriculture. When the purchasing power of the farmer has been restored, Mr. Farmer, who is a liberal spender—when he has the money—will go to his retail merchant and purchase both necessities and luxuries. Mr. Retailer will be forced to purchase additional stocks of clothing, shoes, automobiles, tractors, electrical equipment, and other merchandise from the distributors and manufacturers. By virtue of these orders the manufacturers of the United States will be forced to employ labor and again start the wheels of industry to supply the demand originally created by the farmers. I defy any economist to find any flaw with the logic of this argument.

During the past several years the farmers of the United States have not received cost of production. In fact the price received by the producers has been the lowest in the history of the United States. The farmers are unable to pay their taxes, interest on their mortgages, or take care of their general obligations due to low prices.

There are undoubtedly certain Members of the House who will state that industry has not been able to meet its obligations. There is a distinction between industry and agriculture in that our manufacturers are in a position to control their production, while the farmer, due to climatic and other conditions, is in no way able to control the production of his farm. The farmer plants his seed and then the good Lord and nature will provide him either with a small or large crop.

Last year in the Northwestern States the farmers suffered a severe drought; and where the drought did not destroy the entire crop, the grasshoppers were brought in to finish up the job.

The time has come for us to do something real constructive for agriculture as a matter of a national emergency. Ordinarily during normal times I do not believe in a price-fixing proposition. I feel, however, that as a matter of emergency we should pass legislation during the present session of Congress which will insure producers of basic agricultural commodities at least the average cost of production.

It is difficult to determine the average cost of production, since there are so many factors entering into a compilation of this kind, and I therefore believe that Congress should fix a definite, minimum price on basic agricultural commodities.

I have introduced a bill, which is known as H. R. 10793, which fixes a minimum price on certain basic agricultural products. If its provisions are properly administered by the Secretary of Agriculture, it will not take long before prosperity is again restored in this country.

I have established the following minimum prices: Wheat at $1.25 per bushel, cotton at 15 cents per pound, corn at 75 cents per bushel, rye at 70 cents per bushel, barley at 65 cents per bushel, hogs and cattle at 10 cents per pound, and butter at 32 cents per pound.

I could include a large number of agricultural products in the bill and will have no objection to other products being included by the Committee on Agriculture when this legislation is given consideration.

In order that the Members of the House may study this legislation and make additional suggestions, I am having the entire bill included hereafter.

H. R. 10793

A bill to establish and promote the effective merchandising of certain basic agricultural commodities in interstate and foreign commerce by the fixing of a minimum marketing price for such commodities

Be it enacted, etc., That it is hereby declared (a) that a national emergency exists in the United States; (b) that the enactment of laws to establish confidence and prosperity during the present economic emergency will be without permanent results unless the basic industry of agriculture is given equal consideration with other industries; (c) that the purchasing power of 44 per cent of the total population of the United States depends directly upon agriculture; (d) that as a matter of national emergency it becomes necessary to restore the purchasing power of those dependent on agriculture in order to restore confidence, relieve unemployment, and balance the Federal Budget; (e) that direct obstructions to and burdens upon interstate and foreign commerce in agricultural commodities result from price fluctuation (below the costs of production) in the marketing of such commodities due to causes beyond the control of producers; (f) that in order properly to protect, foster, and stabilize such commerce it is imperative to remove such obstructions; and (g) that it is the policy of the United States—

(1) To prevent price fluctuations in such agricultural commodities below the minimum price established in this act in order to insure cost of production to the producers thereof; and

(2) To accomplish such objects through executing the provisions of this act in such manner as to bring about a substantial and permanent improvement in agriculture and promote the best interests of the country as a whole.

SEC. 2. The Secretary of Agriculture is hereby directed to enforce the provisions of this act and to formulate such rules and regulations as may be necessary for its effective administration.

SEC. 3. A minimum price is hereby established on the following basic agricultural commodities: Wheat at $1.25 per bushel; cotton at 15 cents per pound; corn at 75 cents per bushel; rye at 70 cents per bushel; barley at 65 cents per bushel; hogs and cattle at 10 cents per pound; butter at 32 cents per pound. Such minimum prices shall be the base minimum price at terminal markets designated by the Secretary of Agriculture, in the United States.

SEC. 4. If the Secretary of Agriculture shall find that, due to the establishment of such minimum price schedule or to the fluctuation in foreign exchange, any material increase is had in the importation of the commodities set forth in section 3 of this act, and/or in the processed articles or by-products thereof, and/or in dairy products of every character, he shall immediately report such facts to the President of the United States, who shall forthwith issue a proclamation increasing the tariff duty upon such commodities up to 100 per cent of the rate now fixed by law, in order to prevent dumping of foreign produced agricultural commodities, and to preserve the market in the United States for the producers therein.

SEC. 5. This act shall become effective within 30 days from its approval.

I call your particular attention to section 4 of the bill which gives the President authority to increase the tariff on agricultural products up to 100 per cent of the present tariff rate to prevent dumping of agricultural commodities produced outside of the United States and to adjust our agricultural price status due to fluctuations in foreign exchange.

There will be Members of this House, and undoubtedly certain people throughout the United States, who will condemn this proposal as being radical and unsound. But these same parties did not say that it was a radical measure when Congress passed legislation for the Reconstruction Finance Corporation. They stated that it was in the nature of an emergency measure to restore confidence in this country. My bill is an emergency measure to restore confidence for the greatest industry in this country and to restore the purchasing power of the largest group in our population, and in that way benefit the entire Nation. It is sound and workable. Agriculture is our main industry, and the farmers of the United States and their dependents are entitled to every consideration and protection that can be given to them by Congress during an economic crisis which affects the whole country.

In many of the foreign countries the wheat farmers are receiving from $1.25 to $1.50 per bushel for their wheat during the present time, due to embargoes and high tariffs and also due to the fact that the farmers in those countries do not produce enough wheat to supply the needs of their own people. We produce a surplus, and I feel that it is desirable that we should have a surplus in this country. If we produce only enough for domestic consumption, undoubtedly the price on agricultural products would be twice as high as they are to-day. Should the farmers be penalized for producing a surplus, and should the small surplus so produced prevent the American farmer from receiving an American price for that part of his product which is consumed in this country? I say no. He should have an American price for the products consumed in the United States. My bill will fix a minimum price and will prevent speculation below that price. If the people desire to speculate, then they will be compelled to speculate above the minimum price fixed in the bill.

Considerable thought has been given to the question of the stabilization of money. Congressman BURTNESS, of North Dakota, and Congressman RAMSEYER, of Iowa, have introduced bills to fix the value of money so that the price of money will fluctuate with the index price of the basic agricultural and industrial products produced in this country. Hearings are being held before the Banking and Currency Committee for the purpose of enacting this legislation. I am satisfied that if stabilization of money was brought about, it would solve our problem to a large extent. It is doubtful, however, if such legislation will be enacted into law, although there is great need for it.

Since it will not be possible to secure the passage of legislation which will stabilize money to meet commodity values, it appears to me that it is most urgent to give serious consideration to emergency legislation such as I have introduced.

I am interested in balancing the Budget. I am interested in the restoration of confidence and prosperity in this country. I feel that if by the passage of this legislation we restore the purchasing power of nearly 55,000,000 people in the United States, we will solve our economic problem, restore prosperity to the entire United States, relieve unemployment, and again start the wheels of industry. The Budget will be balanced, and then we can progress cautiously in the future in enacting permanent remedies so as to prevent future panics and depressions.

EXTENSION OF REMARKS—REVENUE BILL OF 1932

Mr. CELLER. Mr. Speaker and ladies and gentlemen of the House, the gentleman from New York [Mr. CULLEN] has offered the following so-called beer amendment:

Amendment by Mr. CULLEN: Page 228, after line 19, insert a new paragraph, No. 2–A:

"That there shall be levied and collected on all nonintoxicating beer, lager beer, ale, porter, or other similar nonintoxicating fermented liquor containing one-half of 1 per cent and not more than 2.75 per cent of alcohol by weight brewed or manufactured and hereafter sold or removed for consumption or sale within the United States, by whatever name such liquors may be called, a tax at the rate of 3 cents per pint, such article to be bottled at the brewery: *Provided*, That no such article shall contain more than 2.75 per cent of alcohol by weight: *And provided further*, That the manufacture and transportation of such articles shall be conducted under permits to be issued in accordance with the national prohibition act and under such regulations, including assessment and collection of the tax, as shall be promulgated by the Secretary of the Treasury and the Attorney General of the United States: *And provided further*, That no such article shall be permitted to be transported into any State or Territory of the United States, or the District of Columbia, the laws of which forbid the manufacture or sale thereof."

This bill, which would be a painless form of taxation, would undoubtedly raise $400,000,000.

Yesterday the House voted out the manufacturers' sales tax. That left a tremendous gap which the beer tax would fill nicely. Failure to pass this Cullen amendment places the odium upon the drys of having failed to balance the Budget. They will, of course, attempt to shirk their responsibility, but we nail it at their door.

According to the Anti-Saloon Yearbook of 1920 there were 1,092 breweries flourishing during the fiscal year ending June 30, 1918, producing $15,237,121 worth of tax, at the war-time tax of $6 per barrel. The Cullen amendment provides for a tax of 3 cents per pint, $7.50 per barrel. Thus, this tax would be $1.50 higher than the beer war tax. Furthermore, there has been a considerable growth of population since 1918, and, undoubtedly, more beer would be consumed—more tax would be raised. The estimate stating that $400,000,000 could be raised from this source is most conservative for it would probably come nearer the $500,000,000 mark.

However, there is something more than the mere economics in voting for this tax on beer, for there is something intangible about it in this sense: The bringing back of beer might clarify the muddy waters of the depression; it might revitalize the Nation by chasing away the depression blues; it might rekindle a spirit of cheerfulness; it might be like the starting whistle of the game. Life, after all, is not so much logical as it is psychological. Beer might be the psychological signal for bringing back good times; it might be just the thing needed to "whirl things around." Those are the words of a very distinguished citizen, the president of one of America's largest banks, Mr. Harvey D. Gibson, and with him I quite agree.

In 1900 there was ushered in a new industry, the automotive industry; it kept the wheels of industry moving rapidly for 20 years. In 1920 we had a new invention called the radio, which, with aviation, helped give us 10 more years of prosperity. To-day a new industry is again needed. Let it be a revival of an old one—the brewing industry. It would set running at a feverish pace the dynamos of industry.

The average yearly consumption of coal by breweries was 3,000,200 tons; the breweries used 69,000 cords of wood, 570,000 barrels of gasoline and oil, and 3,000,000,000 cubic feet of gas for heat and fuel, each year. Think of the spur this would be to allied trading and industries! The breweries used 180,000 freight cars per annum, and it has been estimated that the total carloading from brewing was 500,000 cars per annum. Think what this would mean to the railroads, now unable to pay their dividends, with one-half million railroad employees idle! Brewing would certainly put the railroads on their feet. What a boon it would be to banks and financial institutions which hold the depreciated railroad bonds. Those railroad bonds would reach par beyond peradventure of a doubt if we would restore brewing.

In one year, at the peak of the brewing industry, 80,000,000 bushels of barley were consumed, besides the hops, rice, and malt also used in the industry. In growing this barley there was involved yearly 12,000,000 acres of land and $224,000,000. In this industry there were employed 100,000 men, including clerks, drivers, and salesmen. All this is but one part of the picture. Some 60 other allied industries profited therefrom, directly or indirectly. Veritably an army of carpenters, painters, mechanics, electricians, plumbers, and laborers were constantly employed in the upkeep of the breweries and their equipment alone. There were the employees used in the growing of the hops, rice, barley, and corn; the farm hands used in producing these articles; men distributing to the wholesaler and disposing for the retailer the finished product. There were glass blowers to make the bottles, laborers at the cooperages and at the refrigerating plants, printers to make the labels for the bottles, and stationery men to supply the paper for these labels.

Taking it all in all, on the basis of four persons to a family, this industry meant the feeding, housing, and clothing of a vast army of employees, at least 2,000,000 individuals.

A list of the articles made for and used by the breweries, to mention but a few, are sirup, pitch, varnish, enamel, rubber, brass, electrical apparatus, faucets, bungs, corks, caps, brooms, brushes, driers, salts, coolers, pumps, tanks, compressers, and washing machines.

The injury to the farmers has been incalculable. I therefore appeal to those representing the so-called dry-farmer vote: The handle is held out to you to help the farmer; grab this handle.

In arguing the point of order the gentleman from Kansas [Mr. HOCH] stated that the amendment is out of order because it sought to tax that which is illegal. Let me remind the gentleman that we have often taxed that which is illegal. In my home State of New York we tax gambling devices used for illegal purposes. In fact the Bureau of Internal Revenue levies an income tax on the ill-gotten gains of the bootlegger, whose traffic is illegal and whose business is banned.

I say to the drys, if this amendment does not legalize beer, that they could vote for it, since it might be considered as an enforcement measure, as it places extra burdens on that which they deem illegal—brewing. I do not know whether or not this amendment would bring back beer. I would hesitate to say that it would not, for only the Supreme Court of the United States could decide this. I have high hopes, however, that the courts will decide that this amendment will bring beer back; it ought to bring it back. I say to the drys that a great storm is brewing in this country. The drys who vote for this amendment will gain shelter thereunder.

The latest figures from the Literary Digest poll show that Kansas is the only State that is dry, and even there the poll indicates a very slender dry majority. Even the Southern States, celebrated for their dryness—Alabama, Kansas, Florida, North Carolina, South Carolina, Tennessee, and Virginia—all indicate the changing sentiment. Georgia seems to be 2 to 1 in favor of a change. The Literary Digest poll has sounded a tocsin note of warning to both parties; no party can win in the next presidential election unless it is wet.

Prohibition has been a cure far worse than the disease which it sought to wipe out. It banished the saloon but brought in place something far worse—the speak-easy and the blind tiger. It has made for more drinking and more drinkers. Genuine temperance was being achieved, but prohibition came across the path of temperance and prevented its further progress. The 12 years of prohibition have destroyed and prevented the fruitage of 100 years of planning for temperance.

The eighteenth amendment is called an "experiment noble in purpose." What right has an experiment in the Constitution? The Constitution is supposed to be the basis of fixed and well-nigh immutable principles. How dangerous it has been to lodge an experiment in the Constitution we now well know. We were told that prohibition would empty our jails. It has indeed filled them to overflowing. We have been compelled to build two new huge Federal prisons because of the many prohibition violators. Prohibition has increased crime in general. Racketeers, hijackers, kidnapers, bootleggers abound everywhere.

What good is a law that makes it possible for officials to use school children as stool pigeons, college coeds as spies, and prostitutes as decoys? What merit is there in a statute that destroys your right of castle, invades the privacy of your home, destroys the sanctity of your private dwelling by what Judge Holmes called "the dirty business of wiretapping?"

We tax the profits of criminal bootleggers. Does not the Government thereby put the imprimatur of its approval on a nefarious traffic?

The American Federation of Labor, the American Legion, the American Bar Association, and the American Medical Association are but a few of the larger organizations now on record against the eighteenth amendment.

Every nation that has tried prohibition has spewed it out—Finland, Canada, Russia, New Zealand, and even Turkey. Prohibition has failed dismally because you can not dragoon a nation against its will; you can not reform a nation with a shotgun; you can not force temperance down the Nation's throat; you can not legislate goodness.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p. m.) the House adjourned until to-morrow, Saturday, March 26, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

505. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce, Patent Office, for the fiscal year 1932, for printing and binding, amounting to $280,000 (H. Doc. No. 284), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HARLAN: Committee on Revision of the Laws. H. R. 9877. A bill to repeal obsolete sections of the Revised Statutes omitted from the United States Code; without amendment (Rept. No. 887). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 9144. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; with amendment (Rept. No. 897). Referred to the House Calendar.

Mr. DOUGLASS of Massachusetts: Committee on Education. H. R. 4743. A bill to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended; with amendment (Rept. No. 898). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 9559. A bill providing for the construction and equipment of a hospital at Wagner, S. Dak.; with amendment (Rept. No. 899). Referred to the Committee of the Whole House on the state of the Union.

Mr. EATON of Colorado: Committee on the Public Lands. H. R. 10744. A bill to authorize the issuance of patents for certain lands in the State of Colorado to certain persons; without amendment (Rept. No. 900). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 9254. A bill to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; without amendment (Rept. No. 911). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 7326. A bill for the relief of Frederick S. Rollo; with amendment (Rept. No. 888). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 8136. A bill for the relief of John J. Moran; without amendment (Rept. No. 889). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9008. A bill providing compensation to M. J. Harbinson for injuries sustained while in the Government service at and on the Belknap Reservation, Mont., engaged as a moundsman; with amendment (Rept. No. 890). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9336. A bill for the relief of Emily Addison; without amendment (Rept. No. 891). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9457. A bill for relief of Sperry Gyroscope Co. (Inc.), of New York; without amendment (Rept. No. 892). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9581. A bill to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; without amendment (Rept. No. 893). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10377. A bill authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; without amendment (Rept. No. 894). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. S. 563. An act for the relief of George T. Johnson & Sons; without amendment (Rept. No. 895). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. S. 3147. An act for the relief of Anna Pokorny; without amendment (Rept. No. 896). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 973. A bill for the relief of John L. Dunn; without amendment (Rept. No. 901). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3044. A bill for the relief of Anthony Hogue; without amendment (Rept. No. 902). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3045. A bill for the relief of Gustav Welhoelter; without amendment (Rept. No. 903). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood; without amendment (Rept. No. 904). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter; without amendment (Rept. No. 905). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 219. An act authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball; without amendment (Rept. No. 906). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 252. An act authorizing adjustment of the claim of Johnson $ Higgins; without amendment (Rept. No. 907). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 284. An act for the relief of William B. Thompson; without amendment (Rept. No. 908). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 487. An act for the relief of Herbert G. Black, owner of the schooner *Oakwoods*, and Clark Coal Co., owner of the cargo of coal on board said schooner; without amendment (Rept. No. 909). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 1274. An act for the relief of the Standard Dredging Co.; without amendment (Rept. No. 910). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY: A bill (H. R. 10824) to aid farmers in obtaining loans from the Federal Farm Loan Board or other governmental agencies; to the Committee on Banking and Currency.

By Mr. CHAPMAN. A bill (H. R. 10825) to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky; to the Committee on World War Veterans' Legislation.

By Mr. HOWARD: A bill (H. R. 10826) to add certain lands to the upper Mississippi River wild life and fish refuge; to the Committee on Indian Affairs.

By Mr. JOHNSON of Texas: A bill (H. R. 10827) to amend an amendment to the Federal highway act, approved May 21, 1928 (45 Stat. L. 683); to the Committee on Roads.

By Mr. WICKERSHAM: A bill (H. R. 10828) to extend the provision of an 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 amendments thereof, to apply to employees of the Alaska Railroad; to the Committee on the Civil Service.

By Mr. HOUSTON of Hawaii: A bill (H. R. 10829) relating to the naturalization of certain women born in Hawaii; to the Committee on Immigration and Naturalization.

By Mr. WOODRUFF: A bill (H. R. 10830) to amend sections 392, 393, and 394 of title 18, United States Code, relating to interstate and foreign commerce in wild animals and

birds, and for other purposes; to the Committee on Agriculture.

By Mr. STRONG of Kansas: A bill (H. R. 10831) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes; to the Committee on Indian Affairs.

By Mr. MEAD: Joint resolution (H. J. Res. 345) to safeguard rights of air mail pilots to collective representation; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEERS: A bill (H. R. 10832) granting an increase of pension to Martha E. Crissman; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 10833) for the relief of Fred Herrick; to the Committee on Claims.

By Mr. CHASE: A bill (H. R. 10834) granting an increase of pension to Lucy A. Hagan; to the Committee on Invalid Pensions.

By Mr. CONNOLLY: A bill (H. R. 10835) for the relief of Elmer R. Joy; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H. R. 10836) granting a pension to Lillie Maxwell; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 10837) for the relief of John P. Tabor; to the Committee on Military Affairs.

Also, a bill (H. R. 10838) for the relief of Ben Giddens; to the Committee on Military Affairs.

By Mr. FISHBURNE: A bill (H. R. 10839) to extend the benefits of the employees' compensation act of September 7, 1916, to Henry Harrison Griffith; to the Committee on Claims.

By Mr. GARRETT: A bill (H. R. 10840) to correct the naval record of John Edward Anderson; to the Committee on Naval Affairs.

By Mr. GOSS: A bill (H. R. 10841) for the relief of Charles B. Harrison; to the Committee on Naval Affairs.

Also, a bill (H. R. 10842) for the relief of Joseph A. Dupree; to the Committee on Military Affairs.

By Mr. HARLAN: A bill (H. R. 10843) granting an increase of pension to Effie L. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10844) granting a pension to Michael R. Patchan; to the Committee on Pensions.

Also, a bill (H. R. 10845) granting an increase of pension to Mary E. Lantz; to the Committee on Invalid Pensions.

By Mr. JONES: A bill (H. R. 10846) for the relief of Henry A. Shepard; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 10847) granting a pension to Sarah M. Pennel; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 10848) for the relief of John J. O'Neil; to the Committee on Claims.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 10849) granting an increase of pension to Ella Faloon; to the Committee on Invalid Pensions.

By Mr. MOBLEY: A bill (H. R. 10850) granting a pension to Coile Lynch; to the Committee on Pensions.

By Mr. MILLARD: A bill (H. R. 10851) for the relief of Uldric Thompson, jr.; to the Committee on Military Affairs.

By Mr. MAY: A bill (H. R. 10852) granting an increase of pension to John S. Cisco; to the Committee on Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 10853) granting a pension to Theresa Heckman; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 10854) granting a pension to Thomas J. Miller; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 10855) granting a pension to Lon G. Cody; to the Committee on Pensions.

Also, a bill (H. R. 10856) granting a pension to Jane Edwards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10857) for the relief of Chilton Craddock; to the Committee on Naval Affairs.

By Mr. TARVER: A bill (H. R. 10858) for the relief of Logan Mulvaney; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H. R. 10859) granting an increase of pension to Martha A. Blanchard; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 10860) granting an increase of pension to Caroline M. Scott; to the Committee on Invalid Pensions.

By Mrs. WINGO: A bill (H. R. 10861) granting a pension to Emma Ruth Cobb Robertson; to the Committee on Pensions.

PETITIONS, ETC.

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

4950. By Mr. BRUMM: Petition of 92 residents of Schuylkill County, Pa., protesting against the compulsory Sunday observance bill, S. 1202, entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced, such as House bill 8092; to the Committee on the Judiciary.

4951. By Mr. CHASE: Petition of members and friends of Methodist Churches at Luthersburg, Rockton, and Home Camp, Pa., urging support of the eighteenth amendment and passage of Sparks-Capper amendment; to the Committee on the Judiciary.

4952. By Mr. CULLEN: Petition of the National Crushed Stone Association, earnestly requesting Congress to make inquiry into the workings of the Federal antitrust laws; to the Committee on the Judiciary.

4953. Also, petition of the Legislature of the State of New York, urging the Congress of the United States to enact with all convenient speed such legislation as may be necessary to provide suitable and adequate regulation of the transportation of persons and property in interstate and foreign commerce by motor carriers operating motor vehicles for compensation, by charter or by contract, on the public highways in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

4954. By Mr. EVANS of Montana: Petition of Ernest W. Carlson and others of Prairie Elk, Mont., urging the 5-day plan; to the Committee on Ways and Means.

4955. By Mr. GARBER: Petition of C. F. Calkins, Ponca City, Okla., urging increase in postal rates on second and lower class mail matter; to the Committee on Ways and Means.

4956. By Mr. GAVAGAN: Petition of the Legislature of the State of New York, urging Congress to enact legislation to provide suitable and adequate regulation of the transportation in interstate and foreign commerce by motor carriers; to the Committee on Interstate and Foreign Commerce.

4957. By Mr. HADLEY: Petition of a number of citizens of Bellingham, Wash., urging maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

4958. By Mr. HOOPER: Petition of residents of the third district of Michigan protesting against the enactment of Senate bill 1202 or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

4959. By Mr. WILLIAM E. HULL: Petition of the Woman's Christian Temperance Union, Peoria, Ill., representing a membership of 175, opposing the resubmission of the eighteenth amendment to be ratified by State conventions, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

4960. By Mr. JOHNSON of Texas: Petition of Granvill Routh, adjutant American Legion Post, Hillsboro, Tex., and 182 other World War veterans and citizens of Hillsboro, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

4961. Also, petition of L. R. Wilkerson, L. W. Wimbish, and Hugh E. Gill, of Itasca, and Hal. C. Johnson, Emmitt Smith, F. B. Jennings, T. A. Crowley, John R. Griffin, Clifford M. Thomason, and Ethel I. Thomason, of Kerens, Tex.,

favoring House bill 6178; to the Committee on the Post Office and Post Roads.

4962. Also, petition of A. H. Deal, D. W. Triplett, H. S. Willoughby, J. R. Thompson, sr., H. P. Cliett, R. A. Rogers, E. D. Beard, W. R. Lang, R. E. Callender, Brice McEver, Prior H. Clark, and Hon. J. D. Stephenson, of Hillsboro; J. R. Blair, O. E. Easterling, and J. H. Ridlehuber, of Abbott; E. D. Tomahil, G. C. Boesch, and D. N. Hall, of Whitney; R. A. Shaw, of Bynum; and W. C. Walker, of Aquilla, Tex., opposing Senate bill 2493; to the Committee on the Civil Service.

4963. By Mr. JONES: Petition of Hubert O. Price, adjutant Palo Duro Post, No. 97, American Legion, Canyon, Tex., signed by himself and others; to the Committee on Ways and Means.

4964. By Mr. KLEBERG: Petition signed by 40 members of the James C. McNeil Post, No. 231, American Legion, Department of Texas, Sinton, Tex., asking immediate payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

4965. Also, petition signed by 20 members of American Legion post, Aransas Pass, Ingleside, Tex., asking immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

4966. By Mr. MEAD: Petition of National Crushed Stone Association, indorsing recommendation by President Hoover for an inquiry into the workings of the Federal antitrust law; to the Committee on the Judiciary.

4967. Also, petition of Group No. 153 of the Polish National Alliance, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

4968. By Mr. MILLIGAN: Petition signed by citizens of Daviess, Gentry, and Harrison Counties, urging support of House bill 7797 and Senate bills 1197 and 2487; to the Committee on Agriculture.

4969. By Mr. PARKS: Petition of the Legislature of the State of Arkansas, memorializing Congress to exempt from the revenue bill, which includes the sales tax, all food products made from cottonseed; to the Committee on Ways and Means.

4970. By Mr. PEAVEY: Petition of numerous citizens of Clear Lake, Wis., protesting against compulsory Sunday observance; to the Committee on the Judiciary.

4971. By Mr. PERKINS: Petition of 60 residents of Rutherford, North Arlington, and Hasbrouck Heights, N. J., opposing vote on referendum for modification of the Volstead Act for unlimited medicinal liquor, and all bills emanating from wet sources for the purpose of weakening the Constitution of the United States or its enforcement; to the Committee on the Judiciary.

4972. By Mr. ROBINSON: Petition signed by G. A. Chambers and many others engaged in the business of farming in the vicinity of Waverly, Iowa, opposing a Federal sales tax; to the Committee on Ways and Means.

4973. By Mr. RUDD: Petition of Alfred Dunhill, of London (Inc.), New York City, favoring the passage of the Baldrige bill, H. R. 7430, and the Andresen bill, H. R. 9971; to the Committee on the Judiciary.

4974. Also, petition of Convention of Societies for the Prevention of Cruelty to Children and Animals of New York State (Inc.), opposing the passage of Senate bill 3448 and House bill 9144; to the Commitee on the District of Columbia.

4975. Also, petition of Lido Blouses, New York City, protesting against the manufacturers' sales tax; to the Committee on Ways and Means.

4976. Also, Petition of Clever-Bilt Frocks (Inc.), New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4977. Also, petition of F. J. Clark, New York City, referring to pending legislation concerning competition of motor vehicles with the railroads; to the Committee on Interstate and Foreign Commerce.

4978. Also, petition of National Crushed Stone Association, referring to the Federal antitrust laws; to the Committee on the Judiciary.

4979. Also, memorial of the Legislature of the State of New York, favoring suitable and adequate regulation of the transportation of persons and property in interstate and foreign commerce by motor carriers operating motor vehicles for compensation, by charter, or by contract, on the public highways in interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

4980. Also, petition of the National Association of Book Publishers, New York City, favoring books being exempted from the sales tax; to the Committee on Ways and Means.

4981. Also, petition of the National Association of Cotton Manufacturers, Boston, Mass., referring to section 616 of the revenue bill; to the Committee on Ways and Means.

4982. By Mr. SANDERS of New York: Petition signed by Frank F. Mancuso and 42 other citizens of Mount Morris, N. Y., favoring the immediate payment of the balance of the face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

4983. By Mr. SANDERS of Texas: Petition of numerous citizens of Terrell, Tex., protesting against House bill 8092, which aims to require compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

4984. Also, petition of numerous citizens of Kemp, Tex., urging the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4985. By Mr. THOMASON: Petition of the Big Spring (Tex.) Chamber of Commerce, petitioning Congress to enact adequate laws regulating interstate traffic of motor busses and motor trucks; to the Committee on Interstate and Foreign Commerce.

4986. Also, petition of World War veterans of Coke County, Tex., favoring immediate cash payment of balance due on adjusted-compensation certificates; to the Committee on Ways and Means.

4987. By Mr. WATSON: Petition of the Religious Liberty Association, of Takoma Park, Washington, D. C., protesting against House bill 8092; to the Committee on the District of Columbia.

4988. By Mr. WYANT: Petition of business men of Irwin, Westmoreland County, Pa., urging support of House bill 1, favoring full payment of adjusted-service certificates; to the Committee on Ways and Means.

4989. Also, petition of 34 members of the Mayflower Council, No. 159, Fraternal Patriotic Americans, of Derry, Pa., indorsing House Joint Resolutions 277 and 216, restricting immigration; to the Committee on Immigration and Naturalization.

4990. By Mr. YATES: Petition of Robert W. Troxell, of Troxell, Kikendall & Co., insurance, Lincoln Theater Building, Springfield, Ill., opposing House bill 4526, providing for an increase of the jurisdictional amount of $3,000, the present minimum of jurisdiction of the United States district courts, to a minimum of $7,500; to the Committee on the Judiciary.

4991. Also, petition of Alvin S. Keys, 402 Ridgely-Farmers Building, Springfield, Ill., opposing House bill 4526, providing for an increase of the jurisdictional amount of $3,000, the present minimum of jurisdiction of the United States district courts, to a minimum of $7,500; to the Committee on the Judiciary.

4992. Also, petition of Logan Hay, of Brown, Hay & Stephens, 714 First National Bank Building, Springfield, Ill., opposing House bill 4526, providing for an increase of the jurisdictional amount of $3,000, the present minimum of jurisdiction of the United States district courts, to a minimum of $7,500; to the Committee on the Judiciary.

4993. Also, petition of William L. Patton, lawyer, 600 Security Building, Springfield, Ill., opposing House bill 4526, providing for an increase of the jurisdictional amount of $3,000, the present minimum of jurisdiction of the United States district courts, to a minimum of $7,500; to the Committee on the Judiciary.