# HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 26, 1932

The House met at 12 o'clock noon.

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

*The Lord is my shepherd; I shall not want. He maketh me to lie down in green pastures: He leadeth me beside the still waters. He restoreth my soul: He leadeth me in the paths of righteousness for His name's sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil; for Tou art with me: Thy rod and Thy Staff, they comfort me. Thou preparest a table before me in the presence of mine enemies: Thou anointest my head with oil; my cup runneth over. Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the Lord forever. Amen.*

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

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, for a long time the House has been working under an unusual strain. I have talked to some of the older Members, and they all agree with me that the work the Members are performing now is unprecedented. In addition to that, we have quite a large sick list. It seems to me that we ought to do something to ease up on the strain under which Members are working. I have received a letter from Doctor Calver, the House physician, which I ask the Clerk to read in my time.

The SPEAKER. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

OFFICE OF THE ATTENDING PHYSICIAN,
CONGRESS OF THE UNITED STATES,
*Washington, D. C., March 24, 1932.*

Hon. HENRY T. RAINEY,
*Majority Floor Leader, House of Representatives.*

DEAR MR. RAINEY: I am writing you to invite your attention to the physical condition of many of the Members. We have had an epidemic of mild grippe, which has depleted the resistance of a considerable number. The average Member's mail and visitors have more than doubled. The sessions of committees are longer and of much higher tension than formerly. The sessions of the House have been most exacting.

These unusual conditions have created a situation unparalleled in the experience of the older membership of the House and of greater complexity than those of war time.

The nervous strain is tremendous. There are a few Members who have been able to permit the escape of their pent-up tension, but an infinitely greater number are mulling over their worries, with the inevitable increase of nervous strain. This is a considerable group, and the purpose of this letter is to avoid catastrophes among them.

May I suggest some step be taken to relieve this condition, if possible? At least the Members could be relieved from committee and House meetings for one day in the week in order to catch up with their own office work during normal working hours on that day. I believe the opportunity to relax over Saturday and Sunday would be materially helpful in our present situation.

Respectfully yours,

(Signed) GEORGE W. CALVER.

Mr. RAINEY. I have consulted with the Speaker and the minority leader, and I am going to propound this unanimous-consent request. Of course, we have a great deal of work to do yet and we are anxious to get along with it just as fast as possible. We are all anxious to do it without endangering the health and perhaps the life of Members. I ask unanimous consent that hereafter, commencing Monday, March 28, the House meet each morning at 11 o'clock until and including April 18. If that permission is granted, hereafter every Friday during this period of time I shall ask unanimous consent on that day that when the House adjourns it adjourn to meet the following Monday. This will give us three Saturdays without sessions. Then we can determine on April 18 as to whether we will resume the old schedule and meet at 12 o'clock, continuing with sessions on Saturday.

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

Mr. RAINEY. Yes.

Mr. SNELL. I fully appreciate the statement the gentleman has made. I know from my own experience there has never been such a strenuous session as we have had this winter. I am entirely in sympathy with his suggestion about adjourning over Saturday for the next two or three weeks, but I am wondering if the gentleman believes it is absolutely necessary that during that time we meet at 11 o'clock in the morning. When we meet at 11 o'clock and carry through to 5 or 6 o'clock it makes a very long and trying session. Would we not accomplish just as much to meet at 12 o'clock as at 11 o'clock? Also, that would not interfere with the meeting of committees. I do not offer that in the nature of an amendment to the gentleman's suggestion.

Mr. RAINEY. I wish I could agree to that; and if we find the conditions are such that we can do it when we reach April 18, I shall be very glad, so far as I am concerned, to meet at 12 o'clock after that time and adjourn every Saturday. That will depend upon the condition of the work.

Mr. UNDERHILL. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. UNDERHILL. Would the gentleman entertain an observation that under his plan of procedure it be modified to the extent that we adjourn at 4 o'clock or 4.30 o'clock every afternoon. If men stay here five hours or five hours and a half every day attending to business, it is about all the strain they should labor under. Then the Members would have a chance to go back to their offices and sign their mail and get ready for the next day.

Mr. RAINEY. It might be possible to accomplish that. It will depend upon the condition of work here on the floor. If it is possible to adjourn at half past 4 each day, I would be very glad to do it.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. STAFFORD. We have reached on Calendar Wednesday the minor committees, where the day is occupied largely in the consideration of bills that could properly be considered on the Consent Calendar. On the first and third Mondays we generally get through the complete calendar when we meet at 12 o'clock. I am one of those who do not believe it is advisable to meet at 11 o'clock, though I do not intend to interpose an objection. I think the strain that comes to the membership of the House is in the last hour or two, when we have long sessions. I think it is a mistake to meet at 11 o'clock. I would much rather have the gentleman postpone his request and consider whether or not on consent days or on Calendar Wednesdays we should not then dispose of the business in order on those days hurriedly and take up our other business, than to meet at 11 o'clock and stay here until 5 or half past 5. That will be a worse strain on the nervous system than to do as we do now, meet at 12 o'clock and follow the usual course as to legislation. I am not going to interpose an objection, but I think the plan proposed by the gentleman from Illinois would be more racking upon the nervous system of Members who stay here and do their faithful duty than under the existing situation, even with sessions continuing on Saturdays.

Mr. RAINEY. The gentleman has impressed me very much with his suggestion.

The SPEAKER. The time of the gentleman from Illinois has expired. Let the Chair see whether or not he can propound the unanimous-consent request as made.

Mr. MICHENER. Mr. Speaker, I ask that the gentleman from Illinois have five minutes more.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the gentleman from Illinois may proceed for five minutes. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. MICHENER. Let us all appreciate that the real effect of meeting at 11 o'clock will be: First, to give a longer time for the sessions of the House; second, to shorten the time

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in which the committees must consider important legislation now pending before the committees.

By the rules of the House, we meet every day at 12 o'clock, and when there is something immediately ahead of us that is urgent we never have any trouble in getting the permission of the House to meet at 11 o'clock for that day. To lay down a program changing the order for a month ahead, when the real result will be to stop committees from considering legislation, I think is not desirable.

Mr. HOWARD. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. HOWARD. Mr. Speaker, speaking from the standpoint of one of the robust Members of the House, and yet having an interest always in the welfare of my older and less robust fellows, I do hope that the gentleman will not include in his request that we meet at 11 o'clock, simply because I know, in harmony with the statement of the gentleman from Michigan, that it will absolutely disrupt the work of the committees so that they could not present legislation to the House.

With that one objection, I am ready to agree to the unanimous-consent request. An extra hour of stress and strain every day will be distressing to the average Member, but as for me, well, I seem to be tough enough to stand most anything. [Laughter.]

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. I yield.

Mr. RANKIN. One of the main objections to this proposition has not yet been stated. My opinion is that this will make the situation worse than the present condition. I do not know whether Doctor Calver has considered both phases of the proposition.

There is not a Member in this House whose mail is not heavier than it has been at any time since the war closed. I do not know how it is with the rest of the Members, but my heaviest office mail comes in at 10 o'clock. I never catch up, although I have four stenographers working in my office; I am far behind with my mail now. I am sure that almost every other Member is in about the same condition. I believe that to meet at 11 o'clock will not only disrupt the committees but it will disrupt our office work and render it impossible for the majority of us to catch up. I hope the gentleman will not propound that request. I think if you are going to make a request you should cross the bridges as we come to them and not ask to fix this policy a month ahead.

Mr. PARSONS. Will the gentleman yield?

Mr. RAINEY. I yield to the gentleman.

Mr. PARSONS. How does this idea strike the gentleman: Meet at 12 o'clock and then run until 5.30 or 6 o'clock, and we will get just as much time as we would to come in at 11 o'clock and adjourn early.

Mr. BLANTON. Will the gentleman yield?

Mr. RAINEY. I yield to the gentleman from Texas.

Mr. BLANTON. It is not merely a question of attending to our increased correspondence, but our colleagues know that the most strenuous work now upon our shoulders is the extra work in the office, investigating thousands of bills and bureaus and to attend to departmental matters, with the many bureaus scattered all over Washington, with respect to legislation and appropriations and the business of our constituents. That is always grinding work. I hope the majority leader will give us the morning to do the work.

[Here the gavel fell.]

Mr. DYER. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois have five minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, I have listened to the objections and, of course, have been impressed by them. The committees can get permission to sit during sessions, and then if we adjourn at a reasonable time in the afternoon we can attend to the correspondence after we adjourn.

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that beginning on next Monday the House meet at 11 o'clock each day thereafter until and including April 18. Is there objection?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, the argument which the gentleman has advanced with reference to getting permission for the committees to sit during the sessions of the House will not cure the situation, because the Members of this House, as everybody realizes, would not be sitting in committees when important controversial legislation, in which they are interested, was being considered in the House. I agree with what has been stated that the strain will be increased.

Some of us receive in the neighborhood of 200 letters a day in our offices. We have departmental work. We have committee work to study, and we have legislation to study, and some of the Members have been forced to work until almost midnight every night to keep abreast of it.

I believe, in view of all that has been said, that it will increase the strain, and, Mr. Speaker, I shall object.

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 the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, the revenue bill for 1932, with Mr. BANKHEAD in the chair.

The CHAIRMAN. The matter pending before the committee at this time is the amendment offered by the gentleman from Georgia [Mr. CRISP].

The Chair had agreed last night to recognize the gentleman from Ohio [Mr. SEIBERLING] to offer an amendment.

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

The Clerk read as follows:

Mr. SEIBERLING offers the following amendment:

On page 229, after line 8, insert the following paragraph:

(5) Matches:

Boxes or packages, with natural color sticks, holding under 60 matches, ⅛ cent per box.

Boxes or packages, with natural color sticks, holding over 60 and under 100, $\frac{3}{16}$ cent per box.

Boxes or packages, with natural color sticks, holding over 100 and under 150, ¼ cent per box.

Boxes or packages, with natural color sticks, holding over 150 and under 200, 0.3 cent per box.

Boxes or packages, with natural color sticks, holding over 200 and under 250, 0.35 cent per box.

Boxes or packages, with natural color sticks, holding over 250 and under 300, 0.4 cent per box.

Boxes or packages, with natural color sticks, holding over 300 and under 350, 0.45 cent per box.

Boxes or packages, with natural color sticks, holding over 350 and under 400, 0.5 cent per box.

Boxes or packages, with natural color sticks, holding over 400 matches, at the rate of 1¾ cents per 1,000 matches.

Book matches, with 20 matches or under of natural colored sticks, 1/25 cent per book.

Book matches, with over 20 matches of natural colored sticks, at the rate of 1/25 cent per each 20.

Boxes or packages, with colored sticks or stems, holding under 60 matches, ⅙ cent per box.

Boxes or packages, with colored sticks or stems, holding over 60 and under 100, ¼ cent per box.

Boxes or packages, with colored sticks or stems, holding over 100 and under 150, ⅓ cent per box.

Boxes or packages, with colored sticks or stems, holding over 150 and under 200, 0.4 cent per box.

Boxes or packages, with colored sticks or stems, holding over 200 and under 250, 0.45 cent per box.

Boxes or packages, with colored sticks or stems, holding over 250 and under 300, 0.5 cent per box.

Boxes or packages, with colored sticks or stems, holding over 300 and under 350, 0.55 cent per box.

Boxes or packages, with colored sticks or stems, holding over 350 and under 400, 0.6 cent per box.

Boxes or packages, with colored sticks or stems, holding over 400 matches, at the rate of 2½ cents per 1,000 matches.

Book matches, with 20 matches or under, of colored sticks, one-fifteenth cent per book.

Book matches, with over 20 matches, of colored sticks, at the rate of one-fifteenth cent per each 20.

Tax under this paragraph shall be paid by stamp affixed to every package or box.

In the case of matches imported to the United States, the adhesive or other stamp shall be affixed to each package or box while it is in the customs' custody.

The Commissioner of Internal Revenue shall provide by regulations for the payment of the tax upon matches manufactured in the United States by means of a stamp printed or stamped on the box in lieu of an adhesive or other stamp attached thereto.

Mr. SEIBERLING. Mr. Chairman, the match industry has factories in 13 States in the United States. I want to read a list of the States so that the Members will know whether they represent a State that has a match factory: New York, Massachusetts, Maine, California, Washington, Ohio, Minnesota, Pennsylvania, West Virginia, Alabama, Missouri, New Jersey, and Wisconsin.

Mr. RANKIN. Will the gentleman yield?

Mr. SEIBERLING. I yield.

Mr. RANKIN. There is a match factory now at Natchez, Miss.

Mr. SEIBERLING. And Mississippi also.

Now, when we passed the Hawley-Smoot tariff bill we put a duty of 20 cents a gross on matches. It was thought at that time that would be sufficient to protect the American match manufacturers, but we found upon investigation it was not sufficient. An expert in the Tariff Commission stated to me we should have had 30 cents a gross on matches instead of 20 cents.

A provision of the Hawley-Smoot bill was that fancy matches could be admitted into the United States at 40 per cent ad valorem. So immediately after this bill was passed the Russians colored their stems red and had those matches classified as fancy matches, and they brought them in here at 40 per cent ad valorem. They established a cost in Russia of 30 cents a gross, and 40 per cent ad valorem made a tariff of 12 cents a gross, when the act provided for 20 cents a gross. So the Russians imported over 800,000 gross matches last year, over 132,000 gross last month, and are increasing the importation of those matches continually at 12 per cent duty per gross, when other nations have to pay 20 cents per gross.

The match manufacturers went to the Treasury, and the Treasury invoked the provisions of the antidumping clause of the Hawley-Smoot bill against five nations, including Russia, but the Amtorg Trading Co., representing Russia, brought a suit before the Customs Court in New York for the purpose of defeating the order made by the Treasury Department. On the 19th of March the Customs Court held against the United States Government and the Treasury Department for the reason that they could not determine what the cost of manufacturing matches in Russia was. We have no diplomatic relations with Russia, and therefore it was not possible to ascertain the cost of manufacturing matches in Russia. We do know, however, that they give their workers black bread and coffee and a place to live that American laboring men would not live in, but we do not know what it costs beyond that.

The amendment I have offered in the interest of the match industry of this country provides that a stamp tax shall be put on every box of matches; that an adhesive stamp must be attached by the importers, but the domestic manufacturers will have the right to print the excise stamp upon a label on the boxes of matches. This will result in greatly reducing the importation of foreign matches.

The consumption of matches per day in the United States is 17,500,000 boxes of 50 matches each. Multiplying this by 365 days, we have 6,387,500,000 boxes of 50 matches each. Under the sales tax that we had in our bill, that would have produced $698,000. Under the tax provided in this amendment, it will produce $7,984,375.

The purpose to-day is to assist in balancing the Budget, which is of vital importance, the most vitally important of anything that is before the Congress to-day.

We propose that this industry shall contribute its part toward balancing the Budget and receive for it the protection which was intended when we passed the Hawley-Smoot tariff bill, which the importers have been trying to evade.

[Here the gavel fell.]

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LINTHICUM. I would like to ask the gentleman a question.

Mr. SEIBERLING. I yield.

Mr. LINTHICUM. Are not these match companies in America owned and controlled by the Kreuger Co., of Sweden?

Mr. SEIBERLING. The Federal Match Co. is. While we were considering the Hawley-Smoot bill the Swedish Match Co. came over here and bought the Federal Co. so that their officials could testify before the committee against the tariff raised against imports.

Mr. LINTHICUM. Is not that the largest match company in this country?

Mr. SEIBERLING. No; it is not. The Diamond Match Co., the Ohio Match Co., and the Palmer Match Co. are very large companies, and they are in my district.

Mr. RANKIN. Will the gentleman yield?

Mr. SEIBERLING. Yes.

Mr. RANKIN. This is paramount to an embargo on matches.

Mr. SEIBERLING. It is substantially an embargo on Russian matches.

Mr. RANKIN. Is it not an embargo on all matches produced in foreign countries?

Mr. SEIBERLING. I do not think so.

Mr. RANKIN. Why would it be any more of an embargo on matches coming from Russia than an embargo on Swedish matches or matches coming from any other foreign country?

Mr. SEIBERLING. I do not think it will be an absolute embargo on Russian matches, not an absolute embargo. I do not know how cheaply they can make matches in Russia.

Mr. RANKIN. Here is what I want to find out: You are providing an extra penalty on the importation of these matches. In other words, you do not permit them to pay in the orderly and usual way that imports are paid.

Mr. SEIBERLING. That is correct.

Mr. RANKIN. They must go to the extra trouble and expense of attaching labels or stamps at the customhouse on each individual box?

Mr. SEIBERLING. That is correct.

Mr. RANKIN. Would not the expense and trouble connected with that be paramount to an embargo on matches coming into this country?

Mr. SEIBERLING. I do not think it will, because nobody knows what these Russian matches cost.

Mr. RANKIN. Does the gentleman know how much it costs to produce them in the United States?

Mr. SEIBERLING. Yes. About 56 cents a gross.

Mr. WYANT. Will the gentleman yield?

Mr. SEIBERLING. Yes.

Mr. WYANT. Is there a tariff on imported matches now?

Mr. SEIBERLING. Yes; 20 cents a gross.

Mr. WYANT. Would not the proper procedure be to make application to the Tariff Commission and have the tariff increased, after a careful study of the question?

Mr. SEIBERLING. I will say to the gentleman from Pennsylvania that we have attempted to do that. But that is a long procedure. What we are proposing to do here is exactly what Canada has done. Canada prints the excise tax on the label, and we can not ship any matches into Canada unless each box has an adhesive stamp on it.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

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

There was no objection.

Mr. SEIBERLING. Now, this will not increase the cost of matches to the consumer one iota. They are giving

matches away in every cigar store, and in almost every other place in America. I guarantee this will not increase the price one iota. Now, you may ask me how they can pay this tax without increasing the cost of matches to the consumer. The reason they can do this is because the increased volume of business will enable the industry to reduce its cost, so that this tax can be absorbed and will not have to be passed on.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. SEIBERLING. Yes.

Mr. JOHNSON of Washington. As a matter of fact, is not the production of matches in the United States highly competitive regardless of the importation of matches from Sweden and Russia?

Mr. SEIBERLING. Yes; it is highly competitive.

Mr. TREADWAY. Will the gentleman yield?

Mr. SEIBERLING. Yes.

Mr. TREADWAY. The gentleman is well aware that we have been considering changes in the revenue bill to produce the necessary revenue to balance the Budget, and the gentleman is also aware that the subject of a tax or a tariff on matches has been before the committee at previous times and has been given consideration. If the gentleman will permit, let me suggest to him at this time that an effort to actually add an amendment to the bill is somewhat premature, and I hope the gentleman will not press his amendment at the present time.

Mr. SEIBERLING. I will say to the gentleman from Massachusetts that I am going to press this amendment and I am going to find out whether this House is for Russia or for America. [Applause.]

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

Mr. SEIBERLING. No; I decline to yield.

Mr. RANKIN. Well, that is not a fair statement and I resent it. I am not for your embargo and the Members of this House are not going to be for it when they understand it, and the gentleman is going beyond the amenities of the House when he accuses us of being for Russia——

Mr. SEIBERLING. I do not accuse the gentleman.

Mr. RANKIN (continuing). Because we are not for the gentleman's amendment.

Mr. SEIBERLING. I do not accuse the gentleman.

Mr. RANKIN. The gentleman asks if we are going to be for this amendment or for Russia. The gentleman can not get away with that kind of stuff here to-day.

Mr. SEIBERLING. I decline to be interrupted any more.

Mr. TREADWAY. Will the gentleman yield once more, because I think I am in position to help the gentleman? I want to call the gentleman's attention to the language of this amendment:

> Tax under this paragraph shall be paid by stamp affixed to every package or box.

Let me ask the gentleman if it is not the definite intention on the part of certain people in this country to make it so very inconvenient to the importers of matches, by being obliged to place this stamp on every box as the gentleman's amendment provides, that that is really the way they are going to accomplish their purpose? It is a subterfuge pure and simple.

Mr. SEIBERLING. The purpose of this amendment is to get labor for American laborers in American factories instead of providing labor for Russians in Russian factories, and the amendment has no other purpose.

Mr. TREADWAY. I shall not take the gentleman's time further, but I shall take time myself later on.

Mr. SEIBERLING. Gentlemen, the situation is simply this. Are we going to let Russia furnish our matches or are we going to have them made in American factories with American labor? Are we going to pay the money to the American printer, to the American chemist, to the American box manufacturer, the freight on our railroads, to the lumber people up in the State of Washington, or are we going to pay this money to Russians, which would have to be paid in gold and would be taken out of this country? I appeal to you.

You passed the oil amendment yesterday and you gave the oil people a tax upon imported oil. I am coming to you this morning for the match industry and saying we will pay a domestic tax, as well as have a tax on imported matches, and I think we have gone a step farther in this matter in the fact that this industry is offering to tax its own products in order to help out the Budget, in order that the securities of this country may become reestablished and we may have prosperity in this country, which we will not have if we permit the ruin of our own industries. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

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

There was no objection.

Mr. CRISP. Mr. Chairman, I think you will all agree that I have shown no partisanship in the consideration of this revenue bill. I have tried to serve my country in a nonpartisan way to raise revenue to balance the Budget which the President of the United States, which the Secretary of the Treasury, and which ex-President Coolidge say is essential for economic recovery and to make your temporary relief measures effective.

Now, gentlemen, are you going to convert this bill into a tariff bill? I grant you there is one item in the bill which is tariff—oil. I did not want it in there [applause], but it is in there and therefore I can not consistently get up here and make points of order against these tariff amendments because I believe they are germane to the bill. But, gentlemen, are you going to write a tariff bill here on this floor under the guise that it is revenue?

Mr. SEIBERLING. Will the gentleman yield?

Mr. CRISP. No; excuse me. I did not interrupt the gentleman and the gentleman had 15 minutes.

Here is the difference between this amendment and the oil amendment. The oil amendment was 1 cent, which will not be an embargo. Some oil will come in. This is an embargo and is intended as nothing else but an embargo.

The people representing this match industry came to me and stated that it was an embargo. They said they were willing to pay eight or ten million dollars for the purpose of having a monopoly of the American market for matches. Of course, they will raise the price to consumers. They said the way to have it effective would be to have an embargo. The matches have to be opened when they come into the customhouse, each package of matches stamped. They said they did not want it unless it was an embargo. They have it in Canada, and it is an embargo there.

Now, you Democrats all over the country who have been criticizing the present tariff law, are you going to come in here now and write an embargo tariff against the products of Russia, which the Republicans, when they wrote the Smoot-Hawley tariff bill, would not do? What position are you going to leave yourselves in, what position will the Republicans leave themselves in who are opposed to an embargo?

We may just as well face the issue. I am going to appeal to this House to try and help expedite the passage of this bill. We have brought it in here with no rule, for a liberal consideration, and that system is on trial. The minority leader said—or it was so stated in the papers—that we made a mistake in bringing the bill before you for you to consider it in this way, instead of bringing it in under a cloture rule.

Now, do you like this way of considering a bill? If so, show your appreciation by trying to expedite it. Never has there been a bill of this character considered in Congress where there has been so much debate, and this debate is not going to change any votes. Anyone can present his views on an amendment in five minutes. I give notice now that I am going to invoke the rule that there shall be but five minutes' speech for and against an amendment, and I myself will not again ask to be allowed more than five minutes. I took it at this time in order to make a general

statement on the bill, and to ask you to cooperate in expediting the passage of this bill.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. JOHNSON of Washington. Along that line, will it not be fair to allow the gentleman from Arkansas [Mr. RAGON] 10 minutes, and give me 5 minutes on these Russian-made goods?

Mr. CRISP. I will object to the gentleman from Arkansas having more than five minutes.

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. Certainly.

Mr. SCHAFER. Does the gentleman think that one can cover this section in regard to malt and wort in five minutes, in view of the fact that the printed record does not contain any evidence in relation to it, and the report does not contain evidence in relation to it?

Mr. CRISP. My answer to that is that my friend is able and industrious, and he has acquired all the information on the subject, and he can give it to the House in five minutes. [Laughter and applause.]

Mr. RAGON. Mr. Chairman, I hope the gentleman from Ohio will consent to withdraw his amendment. I think every Member here, on both sides of the controversy in regard to the sales tax, feels that it would be dangerous to write a revenue bill here on the floor of the House.

Yesterday the Ways and Means Committee appointed a subcommittee of five men to propose a new revenue measure. We have been at work continually since; we worked yesterday and last night until 11 o'clock and again we have been in session this morning. We expect to be in session tonight, and, if necessary, to-morrow. In our work we have necessarily got to take in a broad field of taxation.

Let me take the illustration furnished by the gentleman from Ohio on matches. There you have no accurate statement of the conditions or the facts pertaining to this industry. Our experts and the Treasury experts have been at work on it under directions from the subcommittee and we ought to have accurate information about matches before giving a rate on them. This shows you how dangerous it is to legislate here on the floor. There has been no testimony in regard to this item before the committee. I am going to ask the members of the Committee of the Whole to please withhold action and let us bring in some amendments that will increase the revenue and bring about what I think the vast majority of this House wants.

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

Mr. RAGON. Please do not interrupt me. I have only five minutes. If we break in by bringing in amendments at this time we are going to absolutely wreck the work of the subcommittee and of the Committee on Ways and Means when we get to it. Nothing is going to be brought in here by the subcommittee or the full committee that has not been thoroughly and completely considered by the committee.

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

The CHAIRMAN. The gentleman declines to yield.

Mr. RAGON. You have the Crisp amendment before you now, and it has in it four things. Let us go on and adopt those things that bring in $100,000,000 of revenue, and that will give us a good working basis to start on, and when we get these things in, then any man can bring in any amendment that he has for consideration. But do not let us chop in now and mar and wreck our work upon which we have started. Some of these proposed amendments I shall support, but do not bring them here at this particular time, when we can not tell anything about what effect they will have on a bill that we all feel is demanded and expected by both sides of this House. Listen to me, you gentlemen on the Republican side, and especially the gentleman from Ohio [Mr. SEIBERLING], who is a successful, common-sense business man. This deficit is your deficit, and I do not say that in any reproachful spirit. It is a deficit of your administration. Let me say something now to the men on the Democratic side of the Chamber. The rehabilitation of financial conditions of this country is your problem, because we are in the majority, and I do not say that in a reproachful spirit. I am trying to bring both sides to a common-sense realization of the condition confronting us, and I say that irrespective of whether you want to balance the Budget or not.

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

Mr. RAGON. Yes.

Mr. LINTHICUM. Does not the gentleman think it comes with poor grace, after having put in this tariff on oil, to talk to us about not putting anything else in?

Mr. RAGON. I know the gentleman has that in his craw, but that tax on oil was considered more than anything in the revenue bill, and the oil tax is incorporated in the Crisp amendment.

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

Mr. JOHNSON of Washington. Mr. Chairman, we have heard the gentleman from Georgia [Mr. CRISP], and the gentleman from Arkansas [Mr. RAGON]. If the House will be patient for a short time, the situation will clear. Several gentlemen propose to offer amendments, 8 or 10 in all, to provide for a tax on several imports in order to protect goods manufactured or mined or grown in the United States which for two years or so have been hurt by competition from a country where labor is forced to work by a new style of government. That labor receives little money as pay and that money has very small value. The Treasury Department says that it has been unable to make the present antidumping laws that we have quite reach the situation, and the Secretary has said that he thinks we need laws so worded that the Treasury officials may act as they would like to act. Now, I believe that the whole situation as to imports of Russia can be cured by the adoption of an amendment which would amount to a nearly complete embargo against all goods made or mined by forced labor.

I have such an amendment, carefully drawn and undoubtedly germane. It is a blanket amendment and names no particular commodity but catches them all. However, I am in this situation: The gentleman from Ohio [Mr. SEIBERLING] was recognized last night just as the committee was about to rise. Of course, he has the right of way, and will undoubtedly be recognized first. His amendment pertains to matches, and affects both imported and domestic matches—import tax and excise tax. It is a real revenue raiser, and it catches the Russian-made match, too. The gentleman from Pennsylvania [Mr. BRUMM] will offer an amendment in regard to coal. The situation of that commodity in the United States is desperate, as you all know. The gentleman from Oregon, on the Democratic side [Mr. MARTIN], will offer an amendment affecting lumber but exempting imports from contiguous territory. An amendment will be ordered to restrict imports of manganese, and there will be amendments covering several other separate items.

As a matter of fact, the blanket amendment I shall offer relieves the necessity of offering most of these. But I have no desire to foreclose any of the proponents. But after their amendments have been offered, I propose to offer an amendment in an effort to perfect the whole text to the effect that a tax at the place of import of 100 per cent shall be placed on all goods produced, mined, or manufactured in whole or in part by labor subject to penal sanction or disabilities for refusal to work at the behest of any foreign monopoly or any state trust. That is the way that we can reach the Russian situation.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. Yes; with pleasure.

Mr. CLARKE of New York. What is the reason we can not have an emergency tariff such as we have had heretofore, in order to protect ourselves, without interfering with a tax bill?

Mr. JOHNSON of Washington. Because here is the time. Otherwise the various bills we have offered are not likely to be considered until a tax bill has been reconsidered. It is not a question of whether we are for or against Russia, but in the last Congress when the Ways and Means Committee was bringing out the revenue bill we had everybody clamoring at the last moment for an embargo on goods made by forced labor.

The proponents of 20 different bills and their witnesses fell over themselves in the jam at the door of the Ways and Means Committee. The committee was then forced to decide that it could not add an embargo paragraph to its tariff bill. So we lost at that time.

Now, I am afraid the same thing will happen here this afternoon. The particular items will swamp the all-embracing anti-Russian proposal.

Why do I propose 100 per cent tax—American valuation? Simply because the Russian ruble is supposed to be worth 50 cents. In reality it is worth only 1.2 cents. Labor there has to work under Government order or starve. I have their constitution here, with the labor paragraph, and I have extracts from Soviet Russia's criminal code as to how the government punishes those who do not work or produce under government orders. It will pay every gentleman here to get and keep the RECORD of March 15, so as to have the remarks of the Senator from Nevada [Mr. ODDIE], 30 or 40 pages, which it is said cost $2,000 to print. There you will find 92 exhibits to back up the resolution which I shall offer. That speech by Senator ODDIE shows in detail the form of mining, logging, and manufacture there, with controlled labor. What country in the world is strong enough to stand up and meet the situation boldly and stop that sort of disastrous competition except the United States of America? Here is where we should try it out. Now is the time for the anticonscript legislation. I hope that you will be patient, remain on the floor, and help us with these minor amendments, with the understanding that I shall give notice later that I shall offer the perfecting amendment caring entirely for this situation which I have suggested.

Mr. TREADWAY. Mr. Chairman, I wish to address a few words to the amendment offered by the gentleman from Ohio [Mr. SEIBERLING]. I wish to preface my remarks by the statement that, as far as competition with Russian rates of pay or labor methods is concerned, the gentleman has our entire sympathy and support. There is no question but that every American citizen feels as the gentleman does about that feature of the case, but that is not the direct point at issue at the present time.

The gentleman has offered an amendment to attach a stamp to every box of matches, whether made in this country or abroad, and when made abroad, those boxes must be taken out of the original package in which they arrive at the customhouse and a stamp affixed to each package or box while in the customs custody. Now, what does that mean? It means that the people who are interested in bringing forward this amendment are asking you to place an impossible condition upon any competition whatsoever.

These matches come in big cartons, and to break down and open every one of those cartons or boxes, as the case may be, and have the customs official place a stamp on each individual box would make impossible any competition and set up an embargo.

Now, to come to the direct point of voting down this amendment: The chairman of our subcommittee, the gentleman from Arkansas [Mr. RAGON] frankly told you that the subcommittee has this very proposition before it, and we have asked the experts of the departments for full information regarding the match competition.

This is not a question of a tariff against the labor of Russia. It is an effort on the part of match-manufacturing concerns in this country to absolutely place an embargo against any form of imported match, from the viewpoint that placing this stamp on the box makes it an absolute physical impossibility. Therefore, it seems to me that the advice of the gentleman from Arkansas [Mr. RAGON] should be followed, that this matter should be left, for the time being, in the hands of the committee that has been asked to see if it can not revamp the tax bill to produce the necessary revenue.

Let me show the gentleman from Ohio [Mr. SEIBERLING] the embarrassment he is placing himself in, in that, in my opinion, the amendment offered by him would be voted down in this House. It having been voted down, as I am sure it will be when it comes up for consideration in a few moments, then where is the subcommittee of the Committee on Ways and Means in again taking up the question in his interest, of some kind of a tax on matches that will produce revenue? That is the embarrassment in his own interest, as I see it.

Mr. SEIBERLING. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. SEIBERLING. Does the gentleman not know that we can not export a match into a foreign country on account of the Swedish monopoly, and does the gentleman not know that we can not export to Canada because we have to do the same thing?

Mr. TREADWAY. We are talking of an effort here to secure additional revenue, and it may be possible that one of the means by which we will get that revenue will be a tax on matches, in some form or other; but if we vote for such an amendment as the gentleman is proposing here, then you are almost tying the hands of your associates in an effort to help. I put that question distinctly up to the gentleman whether it is better to take a chance of that amendment going to a vote here and having it defeated or trusting to his own associates in an effort to secure some form of relief and at the same time get some revenue? That is the question I hope the gentleman will give careful consideration to.

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

Mr. CRISP. Mr. Chairman, I make the point of order that all debate on this amendment has expired. The rules provide five minutes for and five minutes against any amendment when it is considered under the 5-minute rule. Therefore I make the point of order that debate on the amendment offered by the gentleman from Ohio has expired.

Mr. LINTHICUM rose.

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

Mr. LINTHICUM. Mr. Chairman, to strike out the last word.

The CHAIRMAN. Inasmuch as a point of order is made by the gentleman from Georgia, the Chair holds that the gentleman's amendment is an amendment in the third degree, and therefore the Chair sustains the point of order.

Mr. SEIBERLING. Mr. Chairman, in view of the fact that the subcommittee of the Committee on Ways and Means has now under consideration the matter of matches with a view of taking some action to protect American manufacturers, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection?

Mr. LINTHICUM. Mr. Chairman, I object, unless I can have five minutes.

Mr. CRISP. Mr. Chairman, the gentleman from Ohio is desirous of withdrawing his amendment. The gentleman from Maryland says he will not give that consent unless he has five minutes. I ask unanimous consent that the gentleman from Maryland be permitted to address the committee for five minutes.

The CHAIRMAN. Is there objection?

Mr. CLARKE of New York. Mr. Chairman, I object, on the ground that it is a bribe.

The CHAIRMAN. The gentleman from New York objects on the ground that it is a bribe.

Mr. LINTHICUM. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Does the Chair hear any objection to the request of the gentleman from Ohio to withdraw his amendment? [After a pause.] The Chair hears none.

Mr. BOLAND. Mr. Chairman, I offer an amendment.

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

The Clerk read as follows:

Amendment offered by Mr. BOLAND: At the end of the Crisp amendment add a new paragraph, as follows:

"That an excise tax shall be levied, collected, and paid upon the hereinafter-described articles when imported from any foreign country into the continental United States upon coal (anthracite or bituminous), coke, or coal or coke briquets, 15 cents per 100 pounds."

Mr. BOLAND. Mr. Chairman, ladies and gentlemen of the committee, I just listened to the gentleman from Arkansas [Mr. RAGON] admonish the Democratic Members of Congress about going over the country and their districts and being elected on the strength of their being against the Smoot-Hawley tariff. I want to acquaint the gentleman from Arkansas [Mr. RAGON] with the fact that I came to Congress with all nominations. I did not have to go over my district to talk against the Smoot-Hawley tariff bill, although we were supposed to have two cars in every garage if it were passed.

I am here to-day pleading in the interest of the miners in the anthracite coal field. I represent the city of Scranton, which is in the central part of this great anthracite field. At the present time over 40,000 of our miners are unemployed, and they have not worked for over a year. The rest of the men who are employed in the mines are only working part time. The free importation of foreign coal is responsible to a great degree for this condition. The enactment of my amendment will be very helpful in putting many miners back to work.

The domestic problem of anthracite coal is huge, complicated, and delicate to handle. The industry's life depends upon a prompt and efficient solution. To date, the industry has handled its affairs in an orderly and businesslike manner; and if allowed to continue without too much distress from other directions, it will prove its capacity to meet any domestic situation.

Under such conditions, the industry feels the necessity of relief from conditions which it can not control; the increasing volume of foreign competition, from countries whose labor standards are below ours in every case, and where, in some important instances, the status of labor is no better than that of domestic animals in America.

Anthracite coal from foreign countries is now being transported thousands of miles over the seas and sold in Boston at prices as low as we can sell ours at the mines. Of course, the present unnatural differences in values of currencies are responsible to a degree for that condition, but only to a degree. The low cost of labor is the major element. In many instances there is almost a total lack of labor cost, investment cost, and costs similar to those of maintaining our standards of protection of human life in mining. The oversupply of freight ships, coupled with such use of labor, makes the transportation of coal halfway around the world cost less than from Scranton, Pa., to Boston.

Our collieries are making every effort to readjust the domestic and internal situation. Great sums have been and are being expended to improve facilities, reduce costs, and improve service to the consuming public. The standard of preparation and quality of anthracite are the highest in the history of the industry at the present day.

I was here and listened attentively yesterday to all the arguments in favor of an embargo and an excise tax upon oil for the purpose of protecting the American oil industry. If what was said yesterday was true of oil, it certainly to-day is true of the foreign coal that is being shipped into our country.

We established beyond any question of doubt, before the Secretary of the Treasury and the Commissioner of Customs, that the coal coming in from Russia is being mined by forced labor, and I am satisfied that will be attended to in the right way.

But we have other coals coming in from foreign countries, and I ask this committee to-day to adopt this amendment and protect the miners in my district.

Mr. PARSONS. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. PARSONS. Is bituminous coal, together with its by-products, included in this amendment?

Mr. BOLAND. Yes; it is.

Mr. BLANTON. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. BLANTON. Has the gentleman figures to show how much revenue his amendment would produce?

Mr. BOLAND. This will produce over $3,000,000 in revenue.

Mr. BLANTON. I am for the gentleman's amendment. Mines are closed down now because of importation of foreign coal and thousands of American coal miners are without jobs in consequence.

Mr. COYLE. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. COYLE. Would the gentleman consider revising his rate from 15 cents per 100 pounds to 10 cents per 100 pounds so that no possible charge of an exclusive rate could be brought against the latter figure?

Mr. BOLAND. Owing to the fact that I know that the gentleman from Pennsylvania [Mr. COYLE] is thoroughly familiar with this subject, I will accept his suggestion. Mr. Chairman, I ask unanimous consent to modify my amendment to that extent.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

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

"That an excise tax shall be levied, collected, and paid upon the hereinafter described articles when imported from any foreign country into the continental United States, upon coal (anthracite or bituminous), coke, or coal or coke briquets, 10 cents per 100 pounds."

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. HOUSTON of Hawaii. Would the gentleman be willing to modify his amendment so as to eliminate the word "continental" and make it apply to Hawaii?

Mr. BOLAND. I will accept that.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. LINTHICUM. I want to know whether Pennsylvania has withdrawn the tax which was put on coal a few years ago?

Mr. BOLAND. She has. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out the word "continental."

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to modify his amendment by striking out the word "continental." Is there objection?

There was no objection.

Mr. CONNERY. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. CONNERY. I could not hear very plainly the reading of the amendment. Is it the gentleman's purpose to take care of his coal situation the same as the oil situation was taken care of yesterday, when the oil men were talking about putting men at work? If the gentleman's amendment is adopted it will have the effect of putting miners at work, will it not?

Mr. BOLAND. It certainly will.

Mr. CONNERY. I will favor the gentleman's amendment.

Mr. BOLAND. I may say, to inform the committee as to how this foreign coal is being shipped into this country, that in January, 1931, there were 63,772 tons shipped in,

while in January, 1932, there were 71,954 tons shipped in. You can see at that rate just where we are going to land.

[Here the gavel fell.]

The CHAIRMAN. The Chair will recognize some gentleman who is opposed to the amendment.

Mr. LINTHICUM. Mr. Chairman, I am opposed to the amendment.

Mr. Chairman, I am opposed to this amendment just as I was opposed to the oil amendment which was adopted yesterday. I have listened to the speech of the gentleman from Arkansas [Mr. RAGON], the "loud speaker" of the House, and it seems to me it comes with ill grace from him to ask us Democrats, as well as the Republicans, to not further amend the bill by these tariff propositions after he and others have secured adoption of a tariff on oil in this revenue bill.

A good many think this oil question was not brought into the bill in any fair or just manner, and certainly it is a tariff provision in a tax bill. I personally feel very bad about it because it affects my State so vitally, and especially do I feel bad about it because it is against what was considered by the "policy committee" established between the House and the Senate, when it was agreed by them that tariff matters of this nature would not be taken up by this Congress. The committee brought in a tariff on oil which affects the whole country and will cost the consumers $152,000,000, and has changed the position of the Members of this House. There is no question that chickens come home to roost. When you put one tariff provision in a bill you may expect others, and hence you have this amendment for an increased tariff on coal.

I have also had some people come to me and say that we have in Baltimore the largest sugar refinery in this country and we want a tariff on sugar, and then the copper people come here and they want a tariff on copper, and the wood-pulp people come and want a tariff on wood pulp, and the lumber people want a tariff on lumber. I would like to know where you are going to land. The only fair, the only just, the only Democratic position to take is to withdraw the tariff on oil and place no tariff on any article in the tax bill.

Mr. BLANTON. Will the gentleman yield?

Mr. LINTHICUM. I do not think it is necessary.

There is another view which has not been discussed about this tariff on oil, and that is that it will further estrange us from the people of Central and South America. I have many times contended that the United States and its people have been derelict in their duty in that they have not created more friendly feelings with the nations of the south and encouraged our business with them. We have looked to Europe for our great activities and neglected the people of our hemisphere.

We have not the proper transportation facilities to South America—not nearly so fine, commodious, and large as the ships which ply between Germany, England, and France with Brazil, Argentina, and other countries of South America. It should be our duty to curry favor with these Central and South American countries whenever it is possible, both in business and social relations, whereas instead of that, we have placed high tariffs upon goods which we receive from them, and now you propose to further alienate them by placing a tariff on oil, which is one of their great products.

I fear they will think this is just rubbing it in and will resent our action. These countries, like ourselves, are now feeling very severe depression, but they will come back and they will remember their friends and they will also remember those who added to their depression by making business more expensive and more burdensome to their people.

I do hope that this House may see some way by which this oil tariff may be released; and if it must be considered, let it be considered in a bill designated a tariff bill.

Mr. BRUMM. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair can not recognize the gentleman from Pennsylvania. The gentleman from Georgia insists that the rules be observed.

Mr. BRUMM. Then, Mr. Chairman, I ask unanimous consent to proceed for five minutes.

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

There was no objection.

Mr. BRUMM. Mr. Chairman, for three years we have been trying to bring about some relief for the coal industry of Pennsylvania. I have introduced no less than three or four different bills to bring this about. I was under the impression when I came here this morning that I was to be recognized to present an amendment, which was almost an identical amendment to the one presented by my friend on the majority side. I am very glad that at least it has been presented; and in the few minutes I have, I shall try to give you some reasons why this is a peculiar case and why this tax should be imposed.

Never in the history of America has there been a tax on anthracite coal. The amendment includes also soft coal and briquets, but the fight was started on anthracite, and this is the article I am particularly interested in, and I want to say here that if anybody was familiar with the great anthracite-coal industry and understood the hazards of that business and the loyalty of these people, who comprehended the vastness of the business as a great fundamental industry, he would not now talk about any technicality or hairsplitting or division of policy. If he did, I would say that he would be more interested in such importations than in the blood of these workmen. Thirty-five thousand miners are out of employment. There are 130,000 who have been employed who only work half time. This means a loss in the last few years of about $33,000,000 in wages, $27,000,000 to distributing labor, $22,000,000 to the railroads, and $9,000,000 in taxes.

Will you tell me, then, that this is not a provision for revenue? The speeches that are made here claiming that this is not a tariff bill are not in good taste because the institution of the tariff system by Hamilton was for the fostering of infant industries, but as a matter of fact "abundant revenue poured forth," said Webster. The tariff bills originally were not for revenue at all. If a bill for protection can raise revenue, what objection is there to a bill for revenue at the same time protecting American industry? What is the difference whether protection comes in the form of an excise tax which would bring about $9,000,000 or more into the Treasury or whether you call it a revenue bill or a tariff bill?

Mr. WYANT. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. WYANT. I simply wish to state to the gentleman in connection with his remarks that foreign coke is being offered on the New England coast at $6.75 per ton, which is $3 less than cost of the manufacture and delivery of that coke from Pennsylvania, West Virginia, or Ohio.

Mr. BRUMM. I thank the gentleman. Coal in the last year has been shipped into this country from Germany, from Belgium, from Russia, and from Indo-China—the product of coolie labor.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I move to amend the amendment by striking out 10 cents and inserting 10⅕ cents.

The CHAIRMAN. The Chair can not recognize the gentleman, as that is an amendment in the third degree.

Mr. BLANTON. This is an amendment to the amendment of the gentleman from Pennsylvania.

The CHAIRMAN. That does not take it out of the rule.

Mr. BLANTON. I offer it as a substitute for the amendment of the gentleman from Pennsylvania.

The CHAIRMAN. That would make no difference.

Mr. BLANTON. Will the Chair hear me on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. There are always in order three propositions: First, the proposal as offered; then there is a substitute for that proposal, which is always in order; and then there is one amendment in order to the original

proposition. The Chair has always recognized that. The gentleman from Georgia offered an amendment, and the gentleman from Pennsylvania has offered a new paragraph, and I am offering a substitute. This is the only time for perfecting the paragraph.

The CHAIRMAN. The gentleman from Texas is familiar with the rules of the House. There is a substitute that would have been germane and that would be a substitute for the Crisp amendment. The substitute the gentleman is seeking to offer is a substitute for the amendment offered by the gentleman from Pennsylvania.

Mr. BLANTON. I offer a substitute for the Crisp amendment. I offer to strike out subdivision 3 of the Crisp amendment.

The CHAIRMAN. That is not a substitute. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. CRISP) there were 92 ayes and 50 noes.

Mr. CRISP. Mr. Chairman, I ask for tellers.

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

The committee again divided; and the tellers reported that there were 113 ayes and 67 noes.

So the amendment was agreed to.

Mr. PARSONS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Add a new paragraph to the Crisp amendment, as follows:
"6. Fluorspar containing 50 per cent or more of calcium fluoride imported into the United States, $3 per ton, but the tax on the article described in this paragraph shall apply only with respect to importation of such article."

Mr. PARSONS. Mr. Chairman, for those gentlemen who do not know what fluorspar is I want to say that it is a crystal mineral mined from the ground similar to coal, with the exception that coal lies in veins and fluorspar lies in faults, in vertical formation instead of horizontal.

There are large deposits in southern Illinois and in the State of Kentucky. Eighty-five per cent of fluorspar is used for fluxing steel and about 15 per cent is used in ceramics and the trade of manufacturing aluminum ware, dishes, and so forth; also in the manufacture of fluoride acid.

During the year 1927 there were imported into the United States about 71,000 tons. If this amendment is adopted, it will yield revenue substantially in amount that will be yielded by the coal amendment just adopted. It costs about $20.77 per ton, according to the Tariff Commission's report which I hold in my hand, to mine fluorspar and deliver it to mills in the United States.

Mr. GARBER. From what countries do they import fluorspar?

Mr. PARSONS. England, Germany, and South Africa. The cost to mine spar in foreign countries and transport it to this country is $7.71 per ton, making a total differential in the cost of production at home and abroad of $13.56.

Mr. MANLOVE. Is that the same quality of spar?

Mr. PARSONS. Yes. During the war large deposits of spar were mined in England, Germany, and South Africa for the lead content which it yielded. The spar was not used. Immediately after the war and ever since, those countries have been sending the spar here as ballast in ships, with practically no transportation cost, unloading it here to the steel mills on the eastern seaboard for one-third of what it cost to mine it in this country. Gentlemen can readily realize that with the spar already mined, and the cost for mining already paid for in foreign lands, all the cost importers are put to, to unload the product here at the present time, is the transportation cost. We have millions and millions of dollars invested in these mines in southern Illinois and Kentucky, and thousands of miners are out of work and have been for the last three years. The Aluminum Co. of America owns several of these mines; and while they have let the men walk the streets idle, with the mines closed down, its subsidiaries have been exporting spar from South Africa for $9.91 per ton. It is only a matter of justice that we equalize the cost of production at home and abroad. I ask that the amendment be adopted.

Mr. SCHAFER. Then the gentleman believes that a high protective tariff is one of the best cures for unemployment that we can find.

Mr. PARSONS. Not entirely. I believe in the principle of protection that will equalize the difference in the cost of production at home and abroad.

It will revive business in the mining section, relieve the unemployment situation, and increase the buying power of the people. They in turn will demand manufactured products, and to that extent the adoption of this amendment will be a genuine relief measure. You gentlemen who are getting an oil tariff, and the gentlemen on that side of the aisle who advocate protection, should be 100 per cent for this measure. I hope the amendment will be adopted.

Mr. CRISP. Mr. Chairman, this is a sad day for me. I love my country, and I have endeavored to serve it. I have bared my breast to every shaft of criticism, and I have done so because I believed I am right. I also love my party, and to-day I am seeing my party destroy itself. I am witnessing my party put on higher tariff rates than even the Republicans put on, putting on embargoes, and then going out and criticizing the bill. Consistency, thou art a jewel! I have tried to stem the tide. I realize that I am impotent; I realize that I have not had the majority of this House back of me. I have been long-suffering and patient and have not sought to close debate, but patience ceases to be a virtue. I am going to express myself when I say to you that, as far as I am concerned, if these amendments and other tariff embargoes continue to be added to the bill I shall myself vote against it. [Applause.] Oh, gentlemen, what are you trying to do? Are you trying to balance a Budget deficiency caused by a Republican administration? This is not a Democratic but is a Republican deficit. I have no proof of it, but as I watched the vote yesterday afternoon by tellers on the oil proposition I suspected what was going to happen to-day, and it has been happening—logrolling tariff making, with embargo rates. You may adopt all of these high-tariff amendments that you desire to, but I want the country to know it and I want your people to know it. I hope the amendment will be rejected. If these embargo-tariff rates are adopted I shall vote against the bill and you can take the consequences. The Republicans had better stop and think. Their administration is responsible for this deficit. In honor they are obligated to help balance the Budget.

Mr. BLANTON. Mr. Chairman——

The CHAIRMAN. The time on the amendment has been exhausted.

Mr. BLANTON. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for five minutes. Is there objection?

Mr. MARTIN of Oregon. I object.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Illinois.

The question was taken; and Mr. PARSONS demanded a division.

The committee proceeded to divide.

Mr. PARSONS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. RAINEY and Mr. PARSONS to act as tellers.

The committee divided; and there were—ayes 42, noes 92.

So the amendment was rejected.

Mr. HAWLEY rose.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon.

Mr. BLANTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause.

The CHAIRMAN. The Chair does not recognize the gentleman from Texas for that purpose. The Chair recognizes the gentleman from Oregon, a member of the committee.

Mr. HAWLEY. Mr. Chairman, we are engaged in writing a revenue bill for the purpose of balancing the Budget of the United States Government. My belief is that a proper

revenue bill, raising sufficient money to meet Government expenditures, will restore public credit and bring back economic recovery, which is the thing that we all ought to work for, which is a thing extremely desired by the people. I trust that so far as I have any influence with gentlemen, there will be no more amendments offered that savor of tariff amendments. Amendments that are for the raising of revenue that are germane are proper, but they ought not to endanger by any means or in any way the passage of this bill by changing it from its original purpose, that of bringing back prosperity to the country. [Applause.]

Mr. BLANTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause, which usually is in order.

The CHAIRMAN. The gentleman from Texas offers a preferential motion to strike out the enacting clause of the bill. The gentleman is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, I regret it was necessary for me to make such a motion in order to get the floor. I had to have the floor for five minutes, and the only way to get it, and to be in order on what I am going to say, was to move to strike out the enacting clause. After I speak I will ask to withdraw such motion.

The Congress of the United States—that is, one branch of it, the House of Representatives—is not composed merely of the majority leader and the minority leader and the chairman of some committee. It is composed of 435 Representatives, all of equal standing, equal rights, and equal responsibility. [Applause.]

The Democratic Party here is not composed merely of the majority leader and one or two gentlemen on the Ways and Means Committee who are in the lead. It is composed of each and all of the Democrats in this House, each one being the duly commissioned representative of all of the Democrats in his own district who look to him, and him only, to vote their wishes and preferences in the Congress of the United States.

Every Democrat here has equal rights, equal standing, and equal responsibility; and if he is not a "yea man"—rubber stamp—he does his own thinking and votes his own judgment.

I regret exceedingly the speech made by our good friend, the gentleman from Georgia [Mr. CRISP]. The gentleman knows there is not another man in this House who has greater regard or respect or love for him than I have.

Mr. CLARKE of New York. But I support him more. [Laughter and applause.]

Mr. BLANTON. I do not yield for interruptions from Republicans sitting on the Democratic side. [Laughter.] I refuse to yield, Mr. Chairman. I want to address myself to this situation.

Whom the gods would destroy they first make mad.

Our friend the gentleman from Georgia [Mr. CRISP] has never been mad until this morning. I want to congratulate him. He, until a few moments ago, has held his head, under trying circumstances, and there never has been a moment throughout this entire bitter fight over the sales tax when he did not have the affection of the Democratic side of this House, and likewise there has not been a moment when the great Speaker of this House has not had the undivided respect, confidence, love, and affection and support of his party. [Applause.] There was no "breaking away" from the Speaker or from Chairman CRISP. There was merely a turning down of a Republican-Treasury Department sales tax. We Democrats are not like Republicans. We are entirely different.

Mr. RANKIN. Will the gentleman yield?

Mr. BLANTON. I regret I can not yield, because I have only a few minutes and I have some important things to say that must be said, and said at this juncture.

You Republicans, when you come here and have a majority of a hundred, as you had in the last Congress, were willing to have two or three men do your thinking for you and do your acting for you and to vote you like sheep under an ironclad rule that gagged you. You let them bring in rule after rule here that hog-tied you so on many important bills of great magnitude that you could not move, and you could not offer any amendment, and could not be heard in debate, and you were compelled to swallow just what your few leaders stuck down your throat.

We Democrats are not like that. We are different. We can not be led like sheep by any leader. When we come to Congress we do not come as the tools of any machine. We are under no obligations to any machine. We are elected by the Democrats of our district, who have confidence in us, who have seen us tried at home in many public emergencies, and who know that they can depend upon us to carry out the pledges of the platform of our Democratic Party and to uphold at all times the fundamental principles of Democracy.

The fundamental of all fundamentals in our Democracy is the principle of "equal privileges to all; special privileges to none." Every Democrat in this House has equal privileges with every other Democrat. He is a servant only to his own constituents. He obeys no one here. He takes orders from no one. He does his own reading. He does his own seeing. He does his own investigating. He does his own thinking. He does his own talking. He reaches his own conclusions. And then he does his own acting. He is not led like a sheep.

Our Republican brothers are not used to that kind of proceeding. When in the last Congress we Democrats twitted you Republicans about having to swallow so many bills of importance under special rules prepared for you by your triumvirate—your Speaker, your Republican leader [Mr. TILSON], and your then chairman of the Rules Committee [Mr. SNELL]—giving you no opportunity whatever to amend them or to discuss them in debate, the distinguished gentleman from New York [Mr. SNELL] took the floor and by way of retaliation tried to prophesy what would happen when our then distinguished minority leader [Mr. GARNER] became Speaker of this House, saying:

> Our friends on the Democratic side of late are having a great deal of trouble about the triumvirate on the Republican side of the House. Let me call your attention, gentlemen, to the fact that instead of a triumvirate on your side, if there is such a word, you have a "oneumvirate," and the best part of it is he makes you like it; and there is not a single one of you who dares to raise his voice above a whisper in opposition to the czarlike rule of the leader of the minority at the present time.

If you will examine my reply, which I made on February 5, 1931, you will see that I promptly denied that Mr. GARNER was that kind of a leader; and then asserted that Democrats followed him when he was right and refused to follow him when he was wrong, but that Mr. GARNER was right most of the time, and that it was a pleasure and privilege for Democrats to follow him.

There has never been any demand upon Democrats here either from our Speaker or from our majority leader [Mr. RAINEY] or from our friend from Georgia [Mr. CRISP] that the sales tax should be made a party issue and that Democrats should vote for it, but every Democrat was left to do his own thinking, and to form his own opinion and conclusion, and to vote his own sentiment. We Democrats held no caucus. If we had held a caucus and had decided upon a sales tax as a party matter, then all Democrats without proper excuse who refused to support a party matter would have been renegades and insurgents. But as there was no party arrangement or understanding, there were no insurgents and no renegades, and no breaking away of any kind whatever.

A group of so-called Republican leaders had the audacity to assert that a mistake was made in not bringing the tax bill into the House under a rule that would preclude debate and all amendments. That is just what the Republicans would have done. It would have been a bill framed by the Treasury Department, approved by a few Republican leaders, and passed in an hour or so, giving to none of the Republican membership any privilege or right whatever concerning it and that is the kind of procedure that "big monopolies," and the "big press," and the big tax-evading multimillionaires approve of and want. The Republican leadership look

upon all of the rest of the Republican Members as just so many votes they can poll at any and all times for any and all measures they want to put through. And Republican leaders have taught Republican Members—

> Theirs not to make reply,
> Theirs not to reason why,
> Theirs but to do—

and vote as they are commanded. That was splendid war discipline for Lord Tennyson to preach in his Charge of the Light Brigade, but it is a poor rule of procedure for free and independent Democratic Representatives of Democratic constituencies to be governed by in the Congress of the United States.

Democrats do not act like that. They are real representatives of the people.

Mr. MARTIN of Oregon. Mr. Chairman, a point of order. The gentleman is not confining himself to a discussion of the amendment.

Mr. BLANTON. Mr. Chairman, I am discussing this entire bill.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. I will, Mr. Chairman. I know the rules.

The pro forma amendment to strike out the enacting clause made by me affects everything in this bill and everything that can be put in it or taken out of it, and the reasons for putting in and taking out, and that is the only reason I made the motion, because I do not want the enacting clause stricken out. When the gentleman from Oregon has been here a little longer he will understand that. [Laughter.]

I want to say to my friend the gentleman from Georgia [Mr. CRISP] and to my good friend the leader of this House [Mr. RAINEY], who has been a veteran for years in fighting the battles of Democracy, that the Democratic Party right now is stronger in this Nation than it has ever been for a single moment since Congress met. The Democrats of the Nation have confidence in the Democrats in the House [laughter], and they know that we are not going to stand for something that is not right and just to the masses. And they know that we are not going to stand for increasing first-class postage from 2 to 3 cents, or for putting a stamp tax on checks.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. No. I am sorry; I have not the time. We will get to wort after a while. [Laughter.]

Because a great majority of this House, 223 Members, if you please, saw fit not to pass a sales tax to put the burden of the expense of the Government on the backs of the poor people, the millionaire monopolies call them renegades and insurgents, and these multimillionaire newspapers, one of whom caused all this trouble last fall when he had this wet Canadian junket, poke fun at Congress in editorials and cartoons. [Laughter.]

I want to say that William Randolph Hearst tried to lead the Democrats when he was a Member of this House, and he could not do it then and he has not done it since, and he will never lead the Democrats of this House or this Nation on any matter that is against the wishes of the people.

There has been no trade between any coal men or any oil men, I will say to my friend. There has not been an agreement of any kind. There has not been any consultation between them. [Applause and laughter.] The only oil provision in this bill was put in by Chairman CRISP and his Ways and Means Committee. And he certainly can not criticize us for supporting his action and that of his committee by speaking for and supporting the excise tax against foreign oils imported into the United States.

In conclusion, let me state that we Democrats are going to balance the Budget, and we are going to balance it in a proper way. We are going to put the taxes and burdens where they belong. We are going to put a proper tax on gambling transactions on Wall Street and other gambling stock exchanges in the United States, which, more than all other causes combined, are responsible for the numerous bank failures and the suffering everywhere in consequence. And when we get through with this tax bill the people of the United States everywhere will have confidence in and respect for the Democrats in Congress and for the Democratic Party in the United States.

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

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the amendment.

Mr. BLANTON. Mr. Chairman, that was a pro forma amendment, and I ask unanimous consent to withdraw it.

Mr. GOSS. Mr. Chairman, I object.

Mr. LAGUARDIA. Mr. Chairman, up to yesterday there was a strong, decided division in the House on a matter of principle, a question which involved the taxing policy of this country, as some of us saw it.

The sales-tax provision, inspired for selfish purposes and passed on to the committee under misrepresentation, misinformation, and deceptive methods, was brought into the House, but that is now a matter of the past. It has been eliminated from the bill and I believe it will be many, many, many years to come before Congress will ever be presented with another sales-tax proposition. [Applause.] But, gentlemen, our battle with the gentleman from Georgia [Mr. CRISP] from this point on is over. He was a worthy foe, chivalrous and generous. His task continues and so does ours. I see no reason why we can not now cooperate in bringing forth a real revenue bill in keeping with American tax traditions.

I wish to say to my good friend the gentleman from Texas [Mr. BLANTON] that we must ignore these continued vicious, foul abuses that are being heaped upon us from certain quarters smarting from the licking we gave them, and we have to stand by the committee and bring out a bill that will raise sufficient revenue. [Applause.]

I do not bear any animosity against any Member for anything which may have been said in the heat of debate.

Mr. GAVAGAN. Will the gentleman yield?

Mr. LAGUARDIA. I can not yield now.

I do not even bear any animosity for some of the nasty things that have been said about me in the cloakroom. I certainly can ignore vicious attacks that are being made by certain individuals who are sore that we did not relieve them of their taxes and pass them on to the American people. But, Mr. Chairman, I want to say that some of my colleagues who were most vociferous in their criticism of us and our opposition to the sales tax are now attempting to load down this bill with a number of tariff provisions. We fought in the open; this tariff drive is sniping. Some one will say, "You supported the oil-tax provision yesterday, did you not? I did; but it was a part of the bill, and I stated in general debate that I would stand by the oil provision. Regardless of the merits of the separate amendments for tariff protection, I submit that it is impossible to write a tariff law at this time on the floor of the House. It is our duty to perfect this revenue bill, and I want to assure the committee of my cooperation to that end. [Applause.]

I worked on a revenue bill all summer. Why, back last October I announced a tentative plan to raise revenue. I then stated—and it was not yet popular to do so—that I did not believe in passing the current expenses of our day on to the next generation. I stated last October that revenue must be raised to meet the deficit and that I disapproved of issuing long-term bonds for that purpose. I was criticized by some of the very people who are now saying, just like a parrot, "Balance the Budget." I stand ready to work with the committee at any time I may be called. I will support any measure in keeping with our tax policy. [Applause.]

I want to say that the Committee on Ways and Means now has under consideration various provisions for the raising of revenue which belong in a tax bill. Until the committee brings us its proposals I think what we ought to do is to proceed with the orderly consideration of the administrative features of this bill, over which there is

very little controversy except as to one or two provisions. I shall offer perfecting amendments at the proper places. Then when the committee brings in its recommendations for new sources of revenue we can take each one of them, discuss them, and decide them on their merits.

In spite of the way we have been misrepresented throughout the country, in spite of the abuse that has been heaped upon us—disregarding all that—I appeal to my friends who stood together in our fight against the vicious sales tax to show that we can rise to the occasion and that we now proceed to help pass a bill which will bring in the necessary revenue. [Applause.]

Mr. RANKIN rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. CLARKE of New York. Mr. Chairman, I make a point of order.

The CHAIRMAN. In conformity with the prior ruling of the Chair, the Chair holds that all debate has been exhausted, and therefore sustains the point of order.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my pro forma amendment.

The CHAIRMAN. Is there objection?

Mr. GOSS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment to strike out the enacting clause.

The amendment was rejected.

Mr. FULMER. Mr. Chairman, I offer an amendment.

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

The Clerk read as follows:

Amendment offered by Mr. FULMER: At the end of the Crisp amendment add the following:

"(5) Waste bagging and waste sugar-sack cloth, 3 cents per pound; jute and jute butts not dressed or manufactured in any manner, 3 cents per pound; fabrics, composed wholly of jute, plain woven or twilled, 5 cents per pound; bags or sacks made from plain woven fabrics of single jute yarn or from twilled or other fabrics composed wholly of jute, 5 cents per pound."

Mr. FULMER. Mr. Chairman, ladies and gentlemen of the committee, no doubt we will hear again that this amendment is a matter that should come before the Ways and Means Committee as a tariff proposition.

I listened to the statement of the gentleman from Oregon [Mr. HAWLEY], romping on Members of Congress, and also the statement of the distinguished gentleman from Georgia [Mr. CRISP], wherein he especially ripped the Democrats up the back who apparently differed with him as to what class of people should bear the burden of taxation. I want to say to the gentleman from Oregon that he has been on the Ways and Means Committee for years as a leader in placing tariff duties on my people in the interest of his constituents. In the meantime, he has allowed the American markets to be flooded with foreign jute at the expense of the cotton South amounting to millions of dollars annually. My good friend from Georgia, for whom I have a very high regard, has also been a member of the great Ways and Means Committee for many years, and is now the acting chairman. He has either refused in the past to put a tariff on jute or he has been unable to do so. I think it comes with poor grace, and certainly poor statesmanship, on the part of the gentleman from Georgia to be romping on Democratic Members who refuse to go along with him in placing a sales tax on his people and our people who are now facing bankruptcy.

In the gentleman's amendment now pending, and which I am trying to amend so as to place a tax on jute, he proposes to place a tax on oil. Certainly if my amendment is a tariff proposition, it is on all fours with his amendment in which he proposes to place a tax on the importation of foreign oil and gas. I know of no oil wells in the gentleman's State; yet the gentleman is offering the amendment but is unwilling for other Members to enjoy the same privilege that he has taken upon himself. If this oil and gas provision raises revenue, it will be paid by his people and my people. In the meantime when I offer an amendment to outlaw jute to give his farmers and my farmers a chance to control the American market he would try to have the Congress and the country believe that I am trying to destroy the Democratic Party.

Let us think seriously for a moment and see what the status of this proposition is. Jute comes from India, which is next to the United States in the production of cotton. India is not only our largest competitor in growing cotton, but she is permitted, free of duty, to flood American markets with jute and jute products, displacing the consumption of American cotton from two to three million bales annually. I have served in Congress for 11 years and have listened to southern Democrats in season and out of season, when considering tariff legislation, howling "Thief, thief, thief!" In the meantime the tariff policy which has been in force for over 100 years goes on.

To-day we have the highest tariff rates ever written in a tariff bill; and what does it mean? My friends, it means that the people of the South are paying millions annually to protected industry while we of the South are denied the same benefits in the way of protection for our cotton farmers and cotton mills against foreign products—jute, oil, and so forth. I am against a tariff policy which proposes to place tariff rates on foreign products higher than on a competitive basis. In the meantime, when I find out of my experience during the past 11 years that we Democrats of the South are unable to stop the high-handed stealing on the part of protected industry—in the words of the late Senator B. R. Tillman, of South Carolina:

I demand for my people their just share of the steal.

I want to ask my Democratic friends, especially those from the South, if you are willing to stand idly by and see foreign countries that are increasing the production of cotton, which is shutting out the exportation of our cotton, come in and take our own American market from us? I say to you frankly, that I am not. I could stand here and give you just as sad a picture of my people in the cotton South as the gentleman from Arkansas did in arguing for the oil amendment in behalf of the independent oil producers and the thousands of starving coal miners.

Last year we produced 17,000,000 bales of cotton. Every pound of that cotton, my friends, was picked with human fingers. It was picked largely by white women and their children with jute bags tied to their backs. In the meantime, that cotton has been sold or is now selling for 5 cents per pound below the actual cost of production. Cotton farmers by the thousands are losing their farms. Men and women are going to their untimely graves because of the worry of their poverty-stricken condition. Why? Largely because you allow the Jute Trust to take the American market free and unhampered. Foreign jute twine used in all post offices in the United States; old ragged disgraceful jute bagging covering American cotton; jute sacks for American grain; jute products used in American-made rugs; millions of yards of jute burlap used in building public highways; and millions of other uses of jute where American cotton, especially of low grade, could be used.

I have a bill pending that would outlaw this old, disgraceful jute bagging and permit the use of cotton bagging. I have the support of this legislation of western Republican friends, but certain southern Democrats are against it because jute manufacturing plants in their States oppose it. No other cotton country in the world uses this old, wasteful jute; not even India where it is produced.

You have been voting millions this session for special interests. In the meantime the gentleman from Georgia and the Democratic leaders are willing to place a sales tax on the backs of millions of unemployed and the already broke agricultural people, as well as allow the Jute Trust to continue to destroy the cotton farmers' market in the United States. Some time ago you gave to the Farm Board $500,000,000 for the relief of the wheat and cotton farmers. To-day this Farm Board is in control of between three and four million bales of cotton with millions of losses. In the meantime they do not know what to do with it. If you will pass my amendment, we can use practically every bale of cotton that is in the hands of this board to replace jute. I want the

people of the cotton South to understand just why we have never given them the same protection that other sections are enjoying at their expense. It is because of Ludlow, the jute king, and his association, and just what you have heard here from southern Democrats to-day.

Every time a tariff bill is up for consideration Ludlow or his representative appears before the Ways and Means Committee protesting against a tariff which would operate against his Jute Trust. In the meantime southern Democrats apparently are satisfied in cursing out the tariff policy without any beneficial result to the South. When the Smoot-Hawley tariff bill was being considered only about three or four Democrats appeared before this committee in the interest of cotton farmers—ex-Senator Ransdell, Louisiana; Whittington, Mississippi; Jones, Texas; and myself. Where is Mr. Ludlow to-day, with his millions made out of jute in the United States, my friends? He has one of the largest jute plants in India of any plant that has been moved from the United States to any foreign country. There he is working Indian labor at 10 cents per day, flooding the American market with jute products at the expense of millions of unemployed Americans and the cotton farmers of the South. In the meantime he is operating his foreign plant as an American citizen under the protection of Uncle Sam's expensive Army and Navy. The records will show, according to the last report I have, that on a $50,000,000 capital he made a profit of $21,000,000, or 41 per cent on the dollar. In the meantime he is given the benefit of certain tax exemptions for operating in a foreign country as an American citizen. My friends, I am not surprised that there is so much unemployment, poverty, unrest, and dissatisfaction on the part of agriculture, labor, and the great masses of people in the United States to-day.

Some days ago we voted 40,000,000 bushels of wheat for the starving unemployed in this country. If we could substitute cotton for jute, as proposed by my amendment, you would put millions of cotton spindles into operation, as well as thousands of unemployed to work. I want to tell you, my friends, that if you will pass my amendment and give to our people this market—to which they are justly entitled—it will do more for the relief of the cotton South than all the so-called farm-relief legislation you have passed in Congress since I have been a Member. I am offering this amendment as a revenue amendment, on the theory that it will bring in from twenty-five to thirty-five million dollars revenue, based on the amount of jute and jute products imported during the year 1928.

Mr. RANKIN. Do I understand the gentleman to say that it would bring in a revenue of $35,000,000?

Mr. FULMER. Yes; from $25,000,000 to $35,000,000, based on the present importation of jute and jute products.

Mr. RANKIN. And the cotton growers will pay every cent of it?

Mr. FULMER. I want to say, my good friend, that Democrats like you from the South are all the time raising the roof about a tariff, and in the meantime I might say to the gentleman that you still have the tariff policy, and the Congress continues to impose a high-tariff protection for every other section except the South, which is paid by your people and my people. When it comes to placing a tariff on a foreign product, where you can help the southern people, you stand up and vote against it.

Mr. RANKIN. Do you help the southern cotton growers by imposing a penalty of $35,000,000 on them?

Mr. FULMER. Pass my amendment and we will take a chance on what the cotton growers will have to pay just like protected industry is taking. May I state to my friend that this amendment will give to the cotton growers of the South a market for from two to three million bales of cotton, and it will do more to help cotton growers than all the gentleman has accomplished since he has been in Congress? To-day you are having us pay millions to protected interest, while we are being paralyzed with a surplus of cotton that could be substituted for jute. Oh, my friends, give my people a chance to dispose of two or three million bales of cotton in our own markets that you are now giving to the Jute Trust and to India and see what will happen to the southern cotton farmer.

In the words of Gerald Massey may I say to my people?—

O men, bowed down with labor,
O women, young, yet old,
O hearts, oppressed in the toilers' breast,
And crushed with the power of gold;
Keep on, with your weary struggle,
Against triumphant might;
No question is ever settled
Until it is settled right.

[Applause.]

Mr. RANKIN. Mr. Chairman, there is not a man in the House or out of it who is more in sympathy with the toiling cotton growers than I am. There is no man who is more familiar with their problems. I am one of them, and I believe I understand their conditions equally as well as the gentleman from South Carolina [Mr. FULMER].

There is no subject on which there has been more misleading propaganda "dished out" to our farmers than that of a tariff on jute. The gentleman who has just spoken admitted that it would raise the price of the bagging which the cotton growers of the South use to the extent of $35,000,000 a year. I submit they are in no condition to assume this extra burden.

Unless you raise this tariff high enough to make it a complete embargo it would not benefit the cotton growers one dollar to offset this $35,000,000 it would cost them. And even if it were made a complete embargo, I have grave doubts whether or not it would not cost him $5 or $10 for every extra dollar it would bring him.

Besides, this is no time to be raising tariffs. Why should a Democrat stray off into the tariff field at this critical period, when the American people are groaning under the burdens of a high protective tariff and appealing to Congress for relief? Our battle now is to get rid of the tariff instead of encouraging its extension. How can we do this if we Democrats join in the stampede and vote for extra tariffs on oil, coal, jute, manganese, copper, and everything else the American people use?

As I pointed out before, the tariff has already stripped the agricultural States of their resources. Since its enactment in 1922 it has cost the American people on an average of approximately $4,000,000,000 a year—taxing everything they use from the cradle to the grave, and then taxing the tombstones that mark their last resting places.

That means that approximately $40 per capita for every man, woman, and child is taken from our people every year through this indirect tax called the tariff. Of that $40 the Federal Government has received $6, while the other $34 has gone into the pockets of beneficiaries of the tariff.

That means that the people of States like Mississippi and South Carolina have contributed from $50,000,000 to $100,000,000 a year and received practically nothing in return.

No wonder our people are poverty stricken. No wonder they are calling out and appealing to Congress to relieve them from these unjust discriminations. Yet instead of relieving them certain Democrats come here and ask us to vote tariffs on various things that will not only impose additional burdens but absolutely close their mouths whenever it comes to fighting the iniquities of the tariff.

These Democrats who are straying off and advocating tariffs on various and sundry commodities have been called "tariff hitch hikers" by a certain distinguished gentleman at the other end of the Capitol. He said the hitch hiker rides with a man without paying any of the expenses, burns up his gasoline, wears out his car, sometimes sandbags the owner and takes it away from him, and if he is injured in the slightest manner invariably sues him for damages.

He has compared these Democrats who are trying to impose tariffs on various commodities as "political hitch hikers."

I am not one of them. I believe that the tariff is the outstanding cause of our trouble. It has drained the agricultural States of their resources. It has impoverished our farmers. It has concentrated the wealth of this Nation into the hands of the favored few. It has provoked retaliation

on the part of foreign countries to an extent that has destroyed our foreign trade, paralyzed world commerce, and brought about the greatest economic crash of modern times.

The Democratic Party has always condemned a high protective tariff. It will be the outstanding issue in the coming campaign between the representatives of the American people and the representatives of the predatory interests.

I opposed the sales tax and did everything I possibly could to bring about its defeat. I am glad to recall that out of 219 Democrats in this House, only 35 of them voted for it. The defeat of that provision of the bill was the greatest victory that has been won for the common people of America since the close of the World War. It gave to the toiling masses of Americans a new hope that their interests were being looked after in Washington and that this rule of the superrich, under the present administration with its "Billion Dollar Cabinet" and its subservient sycophants was at last coming to a close.

But would we be consistent, after having defeated the vicious sales tax, to join in imposing high protective tariff duties at this time? A high protective tariff is even worse than a sales tax, for the reason that every dollar you take from the people under a sales tax goes into the Treasury, while, as I have shown, under a high protective tariff only $6 out of every $40 goes into the Treasury, while the people are robbed of an extra $34 to go into the pockets of tariff beneficiaries.

And these embargoes that are proposed are even more vicious, for the simple reason that they raise the prices of commodities to the American people and do not raise any revenue at all.

Would I be consistent, after protesting against the legalized robbery of my people through a high protective tariff for the last 10 years, if I then voted to place a tariff on oil, the most vicious tariff of them all, to take from the people of a State like Mississippi four or five millions of dollars a year with little or no revenue to the Federal Government?

Would I be consistent, after having opposed the tariff all these years, if I capitulated now, joined in the loot so to speak, and added $35,000,000 a year burden to the cotton growers of the South through a tariff on jute?

No, gentlemen; the tariff has wrecked the economic structure of our country. It is the outstanding evil of the day. It is the commander in chief of all the allied forces that seem to be combined to wreck the economic existence of mankind.

We can not compromise with it. It is a common enemy, and every Democrat and every other individual on American soil who is interested in the welfare of the masses of the American people and in the perpetuity of American institutions should join forces against it. We must oppose these tariff raises, these embargoes, and I for one propose to help defeat them or strike them from the bill.

Besides this is not a tariff bill, it is a tax bill, and even if a high protective tariff were ever justified it would have no place in this measure.

Having purged the bill of its greatest evil, when we eliminated the sales tax, let us not wreck it now by injecting provisions equally as bad. But let us join hands in the fight to raise revenue to meet the current expenses of the Government without violating our pledges to the American people and without unnecessarily adding to their present burdens.

Mr. McGUGIN. Will the gentleman yield?

Mr. RANKIN. Yes; for a question, if I have any time left.

Mr. McGUGIN. Do I understand the gentleman to say that the tariff is the cause of all our ruin at this time?

Mr. RANKIN. Practically all of it. I thought the gentleman knew that.

Mr. McGUGIN. Does the gentleman think that the proposition of coming here and voting for all appropriations and not voting to raise the necessary revenue to meet them has not had anything to do with it?

Mr. RANKIN. The gentleman is trying to hunt a storm cellar, after his vote for the sales tax, which would have levied a tax of twenty or thirty dollars a year on every man, woman, and child in Kansas. Yes; this tariff has robbed the agricultural States.

Mr. McGUGIN. Does not the gentleman think——

Mr. RANKIN. Do not interrupt me until I yield. It has robbed the agricultural States, it has bled them white, it has brought about retaliation and destroyed our foreign trade and produced the great panic in which we find ourselves to-day, and we on the Democratic side are going to continue to fight it, as we have in the past, and we expect to sweep on to a victory for the American people in the end. [Applause.]

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman can not be recognized for that purpose, as that is an amendment in the third degree, under the ruling of the Chair.

Mr. MICHENER. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. A motion to strike out the enacting clause can again be made, after debate, and the gentleman from Michigan is recognized for five minutes.

Mr. MICHENER. Mr. Chairman, we have arrived at a stage here where we have the majority leader, the gentleman from Illinois [Mr. RAINEY], on the floor; the chairman of the committee, the gentleman from Georgia [Mr. CRISP], is on the floor; we have the responsible leadership of the House here, and it is a shame and a pity that this Congress is permitted to go to the country in the light in which it is going to the country. Important technical amendments are being passed upon without consideration. Amendments are being placed in the bill for the purpose of killing the bill. Members are introducing amendments which have no connection with a genuine tax bill. Amendments proposing tariffs under the subterfuge of tax are being offered by Members who talk the loudest against a protective-tariff system. Many of those who have talked so much about reducing tariffs are under this subterfuge trying to increase tariffs.

This debate, if we are to judge by the last two speeches, has degenerated into a tariff fight between Members of the majority party.

Now, this matter is too important—there is too much at stake—to permit a continuance of this kind of thing. There is no member of the Ways and Means Committee, there is no responsible leader of the House here, who will stand up and say that it is his judgment that we should proceed in this way. It seems that the House is beyond the control of its responsible leadership. This bill should go back to the committee, where these important amendments can be considered by those who understand what they mean and be reported in an intelligent way to the House.

I am not going to say "I told you so," but in days gone by we have discussed the necessity of responsible leadership assuming responsibility and invoking the rules of the House in making a catastrophe and show of this kind impossible.

The rules of the House are still in force and effect, and you should invoke those powers and bring order out of chaos.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman is not speaking to his amendment and that he has no authority to lecture either side of the House.

Mr. MICHENER. When addressing the committee a few minutes ago the gentleman from Texas, when discussing a similar motion, suggested that that motion was broad enough to cover the remarks he was making, and he has been here long enough to know that under a motion to strike out the enacting clause one can go a long way.

Mr. VINSON of Kentucky. The gentleman says the rules of the House are being violated. Will the gentleman inform the House what rule has been violated?

Mr. MICHENER. The gentleman from Kentucky misunderstood me. If I said the rules are being violated I used unfortunate language. I said there were rules of the House whereby those in responsible position—the leadership—could put an end to this fiasco. They could arise and

assert their leadership. They could demonstrate that they were going to have the kind of leadership that the Democratic Party has said time and time again that we would have if they were in power. Where is that leadership? [Applause.]

Mr. RAINEY. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, we did not bring this bill in under a rule. We could have done so. Bills of this character have been brought in under rules before, and amendments have been limited or made impossible by rule.

We brought this bill in in order to permit the freest expression of opinion and the freest debate possible and not to gag this House. [Applause.]

We brought it in under the impression that this was a deliberative body. You gentlemen have been elected to Congress, you have filled your high offices, you have the confidence of your constituents, and we believe that you are going to discharge fully your duties as Members of this—which we have heretofore referred to as the greatest deliberative body in the world. I think myself that we ought to keep up the standards we have laid out for ourselves. [Applause.]

This is not a tariff bill. You are proposing amendments here which have not been considered by the committee. We have committees that study these questions and bring out their bills after long and continued and intensive study. I follow the committees of this House. When they have studied for weeks and months an important measure and bring in here their recommendation, I very rarely vote against them. I have confidence in them. None of these motions to amend this bill which you are proposing now has been considered by the committee, and I commend my friend from Oregon, Mr. HAWLEY, who stands for tariffs, and one of these tariff bills bears his name, because a few moments ago with courage he stood before his side of the House and impressed upon them that this is not a tariff bill and that he did not want to make a tariff bill in this way. I am wondering now if I can impress upon the Democratic side of the House—I am afraid not as forcibly as he did—that this is not a tariff bill, that none of these propositions has been studied by this committee, and that gentlemen ought not to treat it and handle it on this floor upon the theory that it is a tariff bill and that they can inject into it these tariff amendments.

There is pending before the Ways and Means Committee the proposition of raising additional revenue and a subcommittee is at work now to report back to the full committee. We have an immense amount of money to make up on account of the defeat of the sales tax the other day. The sales tax is ended, it is out of the picture, but we must balance this Budget.

Why can not gentlemen here who think they have propositions that will yield revenue submit them to the Committee on Ways and Means to be considered, to be brought back here by the committee and suggested by the committee if it finds that these propositions will yield revenue, when these new propositions come in to the House next week?

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

Mr. RAINEY. Yes.

Mr. JOHNSON of Washington. I hope that nothing that is said by the gentleman from Illinois and the gentleman from Georgia [Mr. CRISP], by the gentleman from Oregon [Mr. HAWLEY], and others with regard to the necessity for orderly procedure will react against the amendment which I propose to offer, a proposal which amounts to almost an embargo against Russian-made goods. Still it may produce some revenue. I want to help the leaders perfect the text of the bill.

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

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. I know the Committee on Ways and Means did consider in the last Congress dozens of embargo bills and was practically swamped by the number of them at the last moment before adjournment. If this bill or proposal to be added to it is again considered by a subcommittee, it is probable that the thing which amounts to almost an embargo against Russian-made goods might not be considered as a tax-raising measure. Besides all proponents of these amendments will desire to be heard by the subcommittee. The gentleman from Illinois worried about communism the other day. Do we want to encourage the Soviet Government by buying their goods at any price at which they are dumped here?

Mr. RAINEY. This is not the time to discuss embargoes against Russia.

Mr. JOHNSON of Washington. It is not a full embargo if we get it in this way. It is a blanket amendment in lieu of all these 1-item amendments which have been up to-day. The amendment I offer should, in the immortal words of the late Senator Vest, nevertheless and notwithstanding, be adopted.

Mr. RAINEY. The gentleman's argument is for an embargo against Russia. That matter can come up later in a proper bill when the committee has considered it and brought it before the House in an orderly way.

Mr. RAGON. When these other taxes that are going to be proposed by the Ways and Means Committee are brought in here there will be the same opportunity to offer these amendments at that time as now. If we are to proceed upon the theory that we are raising revenue, I do not see how we can sensibly pass on these things now until we know something of what the Committee of the Whole will do with the propositions I refer to.

Mr. RAINEY. The gentleman is absolutely right. I can not yield again because I am taking too much time, but I appeal to my friends on both sides of this Chamber to proceed in order to keep out of this bill the things which ought not to be here and which ought only to be in a tariff bill, if we are to have a tariff bill at some future session. We should proceed now calmly and without any animosity, and without disturbing the orderly course of procedure in this House, with the consideration of this bill.

Mr. HASTINGS. Let me make one suggestion. If the gentleman from Georgia or if the minority leader will make a motion to close debate upon the Crisp amendment and all amendments thereto now, we can proceed with the bill.

Mr. RAINEY. I would be glad to see that done.

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

Mr. RAINEY. No; I am through.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan to strike out the enacting clause.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to withdraw that motion.

The CHAIRMAN. Is there objection?

Mr. GOSS. I object.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan to strike out the enacting clause.

The motion was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from South Carolina to amend the committee amendment.

The question was taken, and the amendment was rejected.

Mr. CRISP. Mr. Chairman, I rise to make a preferential motion. I have no desire to cut off these gentlemen from speeches. I move that all debate upon the Crisp amendment and all amendments thereto close in 25 minutes. When that is concluded, I am going to move that this committee rise.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia that debate upon the Crisp amendment and all amendments thereto close in 25 minutes.

The motion was agreed to.

Mr. McCORMACK. Mr. Chairman, I would like to have the attention of my good friend the gentleman from Georgia [Mr. CRISP]. In the Crisp amendment and in the original bill there is a provision for a tax of 4 cents a gallon

on lubricating oil. When the bill was originally reported with manufacturers' excise provisions therein, under the license system 4 cents per gallon on lubricating oil would operate in such a manner that our manufacturers would pay only 2¼ per cent, the base rate provided in the bill. That is what the committee intended, as I understand it. We did not intend that the business of the Nation should be compelled to pay 1 cent a quart for lubricating oil used in industry. I would like to ask the gentleman from Georgia if that is not a correct statement—that the committee never intended to impose 1 cent a quart on the use of lubricating oil in the industry?

Mr. CRISP. No. When that provision was in the bill, with the manufacturers' tax title, lubricating oil in industry was exempt, because that went into a part of the cost of the manufactured article, and the tax levied on the complete article would cover it. Personally I think that a tariff of 4 cents a gallon on lubricating oil is excessive.

Mr. McCORMACK. And the gentleman would agree to an amendment to the extent of providing that this does not apply to lubricating oil used for industrial purposes?

Mr. CRISP. Yes.

Mr. JONES. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JONES. Was it the intention of the committee, under the general terms of the original bill, to exempt industries that used oil, and compel the farmers, who use oil on their tractors, and others, to pay 4 cents a gallon?

Mr. McCORMACK. That is a question I can not answer.

Mr. JONES. That does not seem to me like a fair proposition as the committee had worked it out.

Mr. McCORMACK. That is a problem I did not have under consideration.

Mr. JONES. Industry would pay only 2¼ per cent and the farmers would pay the full rate for the use of oil on their tractors, of which rate the gentleman is now complaining.

Mr. McCORMACK. That is correct. I agree with the gentleman. He is absolutely correct.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DOUGHTON. Would the gentleman not say that the farmer who used a tractor is just as much engaged in industry as a man who drives a truck or runs a machine?

Mr. McCORMACK. I think he should be exempted, because one way of helping the farmer is to put as little tax on him as possible. That is the position I have always maintained.

Mr. JONES. I have an amendment which I expect to offer to accomplish that purpose.

Mr. McCORMACK. I will support the gentleman's amendment if he will incorporate the proposition which I made in his amendment.

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

Mr. SCHAFER. Mr. Chairman, I desire to offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Strike out subsection 2 of the Crisp amendment.

Mr. SCHAFER. Mr. Chairman, in five minutes it is impossible to scratch the surface in presenting facts in favor of this amendment. It is unfortunate that under the parliamentary situation more than five minutes can not be obtained. If you go through the printed hearings of the Ways and Means Committee and the committee report, you will not find one word of testimony justifying this iniquitous sales tax of 30 per cent on malt sirups. If you go through the debates on the floor of the House on the tax bill, you will not find one statement by any member of the Ways and Means Committee justifying this iniquitous tax.

I yield now and challenge any member of the Ways and Means Committee or any Member of the House to rise and name one particular thing that brewers' wort can be used for except to make wildcat beer containing much more than one-half of 1 per cent alcohol in the alley breweries. [After a pause.] Not one Member of this House responds, and yet we are asked to legalize the Capone and other wildcat breweries, in direct contravention of the Volstead Act.

Section 18, title 2, national prohibition act, provides:

It shall be unlawful to advertise, manufacture, sell, or possess for sale, any utensils, contrivances, machine, preparation, compound, tablet, substance, formula direction, recipe, advertised, designed, or intended for use in the unlawful manufacture of intoxicating liquor.

Title II, section 25, of the national prohibition act provides:

It shall be unlawful to have or possess any liquor or property designed for the manufacture of liquor intended for use in violating this title, or which has been so used, and no property rights shall exist in any such liquor or property. A search warrant may issue as provided in Title II of the Public Laws No. 24 of the Sixty-fifth Congress, approved June 15, 1917, and such liquor, the containers thereof, and such property so seized shall be subject to such disposition as the court may make thereof.

If the above sections are applicable to or prohibit the manufacture and possession of any material or substance, surely they prohibit the manufacture and sale of brewer's wort, which, as its name implies, is a product designed and intended solely for the manufacture of beer. During the past 30 days, 60 persons were indicted by a Federal grand jury at Detroit, Mich., for conspiracy to violate the provisions of the national prohibition act, in that they manufactured and sold wort to alley brewers for use in the illegal manufacture of intoxicating beer.

It is rather difficult for me, a wet, to have to call this to the attention of the dry Members of the House, but I am one of those Members of Congress who are in favor of legalizing 2.75 per cent beer for consumption in the homes and not in favor in legalizing 14 or 15 per cent bootleg beer manufactured in alley breweries by the wildcat brewery industry—the Capone gangsters and other racketeers.

The common people, the poor and lowly, do not have the funds to purchase this wildcat beer at 50 and 75 cents a bottle. My amendment also strikes out the indefensible 30 per cent sales tax on malt sirups. Oh, the committee at this late day now proposes to exempt malt sirups sold to large baking establishments. However, when the small bakers who can not purchase in large quantities and the housewife who wants to make bread or gingerbread or who wants to bake beans or follow the hundreds of recipes contained in these two books which I hold in my hand desire to purchase malt sirups produced from the American farmers' grain, they have to pay a manufacturers' sales tax of 30 per cent.

If they want to buy this powdered malt produced from grain grown on American farms, to mix with milk produced on American farms to make malted milk for children in the homes, the poor people will have to pay a 30 per cent sales tax on it. If the poor man wants to buy a can of this malt to make a healthful, nonintoxicating beverage in his home, he will have to pay a 30 per cent sales tax on it because he is a home-brewer.

I call upon all of you who opposed the 2¼ per cent general sales tax, I call upon all of you wets who are opposed to Congress legalizing the Capone wildcat breweries brewing 14 per cent beer in violation of the prohibition law and in favor of legalizing a good wholesome beer, I call upon all you drys who are opposed to even a little more than one-half of 1 per cent legal beer, in the name of justice, in the name of equity, in the name of fairness, to vote for my amendment to strike this vicious, un-American 30 per cent sales tax and wort tax provision which is embodied in the Crisp amendment, particularly in view of the fact that no evidence whatever has been placed before you to justify its passage.

It is said that much of this malt sirup is used for home-brew, and some Members take the position that this fact justifies the 30 per cent tax on the class of malt sirup as contained in the exhibit which I now hold in my hand. In making home-brew you use sugar and yeast and, for some, use a few potatoes, also. Are you, therefore, in favor of placing a 30 per cent sales tax on all sugar, yeast, and potatoes? Corn sugar and corn sirup are used extensively in the illegal manufacture of distilled liquors. Millions and millions of pounds of it are thus used. Are you, therefore, in favor of putting a 30 per cent sales tax on all the corn sugar and

sirup used in America because some of the racketeers are using it to make illegally distilled liquors?

Rye, corn, and other grains are used by the million bushels for the illegal manufacture of distilled liquors. Are you, therefore, in favor of placing a 30 per cent sales tax on all of these grains used in America?

Charcoal and barrels are used to a great extent in manufacturing illegal liquors. Are you, therefore, in favor of placing a 30 per cent sales tax on all charcoal and barrels used in America?

This kind of malt sirup, while used by home-brewers, is also used in the making of the hundreds of food products contained in the cookbook which I hold in the same hand. It is also used in the manufacture of textiles and by the drug industry, as well as in the manufacture of breakfast foods and cereals.

Now, my friends, let us approach this vote as a matter of principle, neither wet nor dry. By adopting my amendment you will strike out a provision which has not been defended by any member of the Ways and Means Committee, upon which there is no testimony in the committee report, and upon which there is no testimony in the printed committee hearings.

[Here the gavel fell.]

Mr. HORR. Mr. Chairman, I rise in opposition to the amendment. The other day you voted against taxing beer. I am going to ask you to be consistent. I want to call the attention of the drys to the fact that in this bill taxing malt, grape concentrate, and wort you are doing the very thing asked for in the beer tax bill. The thing you are doing here in taxing wort and malt is merely to create a method to recognize an illegal act. I am now throwing it back to you with the statement that this can of malt extract I hold is nothing more than just about 5 gallons of beer concentrated. I am saying that this can of malt, brought here by the gentleman from Wisconsin, gives to the American people 5 gallons of condensed beer. All that is necessary to make beer out of it is to add a little water and a cake of yeast.

Now, as regards wort. I congratulate the gentleman from Michigan on their showing in that State. Delivery wagons drive up to these wildcat breweries, fill their cans with wort, take them out into the alleys, and make deliveries in the nighttime. Everything is perfectly legal up to that point. Then the alley speakeasy owner runs out with his 5-gallon can, turns the spigot, looks around to see if there is a snooper abroad, runs back to his speakeasy, drops in a cake of yeast, and sells it to the gullible public at 50 cents a quart. I know this will be a means of revenue if it is taxed, but I am not for it. I believe we should be consistent. How can you go before the people of this country and tell them you are opposed to the taxing of beer if it is manufactured in a scientific way when you turn around and say you are going to furnish every home and every housewife with a tin of malt from which, through the use of a cake of yeast and plenty of water from the faucet, they can make a product that you gentlemen are afraid to tax? I hope you drys will keep malt, wort, and grape concentrate in this tax bill, because you will get revenue from this source and you will also make yourselves the laughing stock of the Nation.

What about this grape concentrate you are going to tax? What are you going to make out of it? Nothing but wine. What are you going to do with this wort? You are going to use it for nothing else but beer. That is the only use it has. If you can get by with it with the public, I am going to congratulate you. But as one opposed to such fanatical construction, I want you drys to go out to the country and tell them you are taxing grape concentrate, which is wine condensed, and malt, which is beer in its condensed form. I am opposed to this tax, and I rose in opposition in order to be permitted under the rules of the House to speak on this amendment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 20, noes 74.

Mr. SCHAFER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

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

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: At the end of the Crisp amendment insert as a new paragraph the following:

"An import tax of 1 cent per pound shall be levied on the metallic manganese content of all imports into the United States of manganese ore (including ferruginous manganese ore) or concentrates, and manganiferous iron ore, all the foregoing containing in excess of 10 per cent of metallic manganese; and an import tax of 1⅞ cents per pound shall be levied on the metallic manganese content of all imports into the United States of manganese metal, manganese silicon, ferromanganese, and spiegeleisen.

Mr. KNUTSON. Mr. Chairman, I believe I am safe in saying that this is one of the most important amendments to be offered to the pending bill.

Manganese is found in 35 States of the Union and is being actively mined in 15. If the amendment now pending before the House is adopted, it will serve not only to raise $6,250,000 in revenue but revive an industry that is practically dormant for lack of adequate protection. The rate of 1 cent per pound would mean an increase of only 16 cents per ton in the cost of steel, consequently no one can raise the point against the amendment that it amounts to an embargo.

Russia is laying down manganese ore in this country at the present time at something like $2.05 a ton. It costs about that to take the ore out of the ground in this country, and then you have the local taxes, cost of transportation, and other items to add to it, bringing the total cost of American-produced manganese up to about $4.08. We know that if we can secure the adoption of this amendment it will just about equalize the difference in cost of production in foreign countries and at home. At the present time the manganese industry is practically down and out, and thousands of miners who have heretofore been employed in the industry are now walking the streets looking for other work.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. SMITH of Idaho. I am curious to know how much manganese is imported.

Mr. KNUTSON. I am glad the gentleman has asked that question. Five hundred and two thousand tons of manganese were imported last year, an increase of 215,000 tons, or 339 per cent over the previous year. This amendment would bring in $6,250,000 in revenue and revivify a dying industry.

Mr. MANLOVE. If the gentleman will permit, I would also like to inform the gentleman that this is one product that America had to put an immense profit on in order that we might mine it and meet the necessity for it during the period of the war.

Mr. KNUTSON. Bearing right on that point, let me read an extract from a letter recently written by one of the Assistant Secretaries of War:

The question of assuring during war time an adequate supply of manganese cre to maintain the production of the steel industry at the rate demanded by any military program is one that has received much thought in the War Department. This question resolves itself into a situation in which foreign sources of this ore are denied to this country and reliance must be placed on domestic or near-by producers.

In view of the dependence of the military requirements upon steel products and of the supreme importance of manganese in the making of sound steel, it is deemed essential to have available at the beginning of a major war a domestic or near-by operating source of manganese ore.

To create such an operating source during peace time the producers must have a market for their output. It is therefore suggested that you bring to the attention of the members of the institute who are consumers of manganese ore the viewpoint of the War Department, and its hope that the domestic and Cuban projects may possess sufficient merit to warrant their assistance in encouraging the development during peace time of these sources of manganese supply for war-time needs.

The purpose of my amendment is not only to provide work for the unemployed manganese workers but also to assure this country a dependable supply of manganese in time of

emergency, and I am going to appeal to this House, with all the fervor at my command, to adopt the amendment, because I assure you, gentlemen, no matter from what angle you may view it, this is one of the most meritorious amendments that has yet been offered to the pending bill.

[Here the gavel fell.]

Mr. RAGON. Mr. Chairman, I certainly hope this amendment will not be adopted. I happen to have manganese in my State, and I have just talked with Judge CRISP, and he has it in his State. Various Members have manganese in their States, but, gentlemen, there was not a single line of testimony produced in our committee upon this proposition.

You must stop and think about it when you put in a rate here that you do not know whether it is a prohibitive, a protective, or merely a revenue-producing rate.

Take the oil illustration, for instance. Last year before our committee the oil people came in there and asked for a protective tariff for their industry. There was not a single suggestion that the rate should be less than 2 cents a gallon, or 84 cents a barrel, and so in order to make the rate a revenue producer, and not put it under the ban of a protective tariff or a prohibitive tariff, after a long investigation and after hearing many witnesses, the committee was able to determine that 1 cent a gallon on oil would be a fair revenue measure.

Now, you come in here and ask for a tax on manganese. Who is there here except the proponent of this amendment that is able to tell what is a reasonable tax or what is a protective tariff or what is a prohibitive tariff upon this item of industry. Then, in addition to this, you all know that in placing a tariff on one of these items you have to pay some attention to its relationship to other articles of industry.

We placed a tax on copper. We thought we could raise some funds that way. The next day, upon investigation, we found that the subject was complicated with other industrial articles—we found that it affected 38 tariff schedules.

Now, on the subject of manganese, it affects the steel products of this country. Do you think that in 10 minutes' discussion on the floor of this House you are able to put an adequate tax or tariff, whatever you call it, on manganese and compensatory rates on other articles that it affects? Why, such a suggestion does not approach the dignity of good nonsense. [Laughter.]

Mr. WILLIAMSON. I want to say to the gentleman that the compensatory taxes are taken care of in another schedule.

Mr. RAGON. Yes; the compensatory taxes that you gentlemen from Minnesota and South Dakota want; but are they the compensatory duties that the House wants to put on this schedule?

Mr. KNUTSON. It only amounts to 16 cents a ton on steel.

Mr. RAGON. Why do you gentlemen not allow the committee to say what it amounts to; why did not you come before the committee, as the oil people did, and give these facts?

Mr. KNUTSON. Because we were not given the opportunity.

The CHAIRMAN (Mr. OLIVER of Alabama). The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. KNUTSON) there were 56 ayes and 85 noes.

So the amendment was rejected.

Mr. SIMMONS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Strike out paragraph 1 of the Crisp amendment.

Mr. PATTERSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. BANKHEAD). The gentleman will state it.

Mr. PATTERSON. I would like to ask the Chair if the 25 minutes' time agreed upon is not exhausted?

The CHAIRMAN. The Chair is informed that the time has expired. The question is on the amendment offered by the gentleman from Nebraska.

Mr. JONES. A parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Nebraska yield to the gentleman from Texas?

Mr. SIMMONS. I yield.

Mr. JONES. Will it be in order for a perfecting amendment to be offered before the amendment of the gentleman from Nebraska?

The CHAIRMAN. Does the gentleman from Texas desire to offer a perfecting amendment to paragraph 1?

Mr. JONES. I do.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. JONES: In line 1 of subdivision 1 of the Crisp amendment, after the word "oils," insert the following: "except when used for farm tractors, or for other agricultural or industrial purposes."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES) there were 45 ayes and 97 noes.

So the amendment was rejected.

Mr. SIMMONS. Mr. Chairman, I ask unanimous consent for one minute.

The CHAIRMAN. Is there objection?

Mr. CLARKE of New York. I object, and I make the point of order that all time has been exhausted under the agreement entered into with the gentleman from Georgia.

The CHAIRMAN. The point of order is well taken. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The vote now comes upon the amendment offered by the gentleman from South Dakota [Mr. CHRISTOPHERSON], which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CHRISTOPHERSON: Add a new paragraph to the Crisp amendment to read as follows:
"Butter, 22 cents per pound."

Mr. CHRISTOPHERSON. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, I object.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The CHAIRMAN. The vote now comes upon the amendment offered by the gentleman from Washington [Mr. JOHNSON], which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: On page 228, after the Crisp amendment, insert a new paragraph, as follows:
"All goods, wares, or articles of merchandise produced, mined, or manufactured wholly or in part by labor subject to penal sanctions or disabilities for refusal or failure to work at the behest of any foreign monopoly or state trust, imported into the United States, 100 per cent of the American wholesale value as of the date of passage of this act; 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)."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. JOHNSON of Washington) there were—ayes 27, noes 91.

So the amendment was rejected.

The CHAIRMAN. The question now recurs upon the committee amendment as amended.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 185, noes 14.

So the amendment was agreed to.

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, the revenue bill for 1932, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BECK (at the request of Mr. DARROW), for one week, on account of important business.

MUSCLE SHOALS

Mr. JEFFERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of Muscle Shoals.

The SPEAKER. Is there objection?

There was no objection.

Mr. JEFFERS. Mr. Speaker and my colleagues of the House of Representatives, there is no proposition which will come before this Congress of greater interest or importance to the farmers of the Southland, and, in fact, to the farmers of the Nation as a whole, than the new bill on Muscle Shoals, which was, by a vote of 13 to 8, reported to the House on Thursday by the Military Affairs Committee. This is really a matter of vital importance. We have seen several bills providing for the leasing of this great project put through the House of Representatives. We have seen other bills pass the Senate. We have seen conferences between the two branches of Congress agree upon conference reports, and twice we have seen bills providing for the disposition of Muscle Shoals reach the White House, where both received a presidential veto.

We well realize that it is a very difficult matter for many conflicting opinions to agree on all the details connected with the disposition of such extensive and vast properties as are included in the great Muscle Shoals project. However, we now come again to the Congress with another bill and with renewed hope.

SOME EXPERIENCES OF THE PAST

In the past we have heard much testimony from people who would not like to see the nitrates plants at Muscle Shoals operated at all to the effect that fertilizer could not be produced there. We have always felt confident that such testimony was incorrect and misleading, and now we have the benefit of the study which has been given to the proposition by the joint commission appointed by the Governors of Alabama and Tennessee. And that commission in its report confirms in positive manner the contention which we have made all these years that fertilizer for the impoverished farm lands of our country can be produced at Muscle Shoals, and that the price of fertilizer can thereby be materially reduced.

Efforts to bring about the leasing of the Muscle Shoals project to some private enterprise with sufficient financial responsibility have been made over a period of years. Stiff opposition has been encountered every step of the way. We have had to fight the influence of the National Fertilizer Association of the United States, sometimes referred to as the Fertilizer Trust, and from the extensive testimony offered by the representative of the National Fertilizer Association just recently before the Military Affairs Committee, I take it that we may consider ourselves forewarned that we may as well again expect the opposition of the same interests which have heretofore fought this proposition. When the Government first sought a contract for a lease for the entire Muscle Shoals project the power people, and the Alabama Power Co. in particular, expressed themselves as not being interested in the proposition and declared that the great nitrate plants at Muscle Shoals were of no value except as "junk."

However, when Henry Ford put in his bid for a lease contract on Muscle Shoals the project then became very valuable overnight, and the influence of the power company was immediately thrown full force against the Ford offer on Muscle Shoals. This was evident from the very beginning, and, under date of Friday, September 22, 1922, I stated to this House that the propagandists of the Fertilizer Trust, the Aluminum Trust, and the Power Trust had undertaken to poison the public mind by calling the Ford proposal a "fraud." I stated further that the farmers of every agricultural section of the United States have told us in unmistakable terms that they were unanimously in favor of the approval of a contract between the Government and Henry Ford, and that the agricultural organizations of the country had made very exhaustive investigation of the whole subject and that they had faith in Ford's ability and preparedness to handle this tremendous development. The people believed that Henry Ford had the proper inclination with regard to the operation of the nitrate plants for the production of cheaper fertilizer, and that he would not exploit the consumer.

No final action was taken on the matter in 1922, and during the next long session of Congress, in the spring of 1924, we found the Muscle Shoals problem still unsolved, and we found that the Ford offer was still pending before the Congress.

THE BIDS OF THE COMBINED POWER COMPANIES

At that time there was presented a proposal from the combined power interests of Alabama and Tennessee. The proposal of the power people was in two parts, or two separate propositions, one proposition being a bid for a contract on the power development at Muscle Shoals, and the other part of their proposal was a bid for a contract on the nitrate plants. Their proposals were not all in one bid, as was the Ford proposal, but were divided. Both proposals of the power companies were signed by the same three companies namely, the Tennessee Electric Power Co., the Memphis Power & Light Co., and the Alabama Power Co.; but they refused to make one complete bid for a contract on the whole Muscle Shoals project, including both the great power development and the nitrate plants.

Of course, they pointed out they would have an interlocking directorate but still they wanted the two features of the Muscle Shoals project—(1) the power development, and (2) the nitrate plants—kept separate, so far as their proposal was concerned. Their plan was a smooth one, but it was very easy to see through it. If they could have gained possession of the entire Muscle Shoals project under that sort of a dual arrangement with divided responsibility, it would have been a simple matter for them to have later forfeited the contract on the nitrate plants by simply failing to operate them successfully, and then the Government would have been compelled to take back the nitrate plants, while the power companies, under their other contract on the power development, would have been in position to hold that end of the project, thus gaining possession of the thing which they were really after, namely, the power development at Muscle Shoals, and turning back to the Government the fertilizer plants. But our citizens were not fooled, the farmers of our country were not fooled, the working people were not fooled, and a storm of protest was immediately heard against this attempt by that combination of the power interests of the South to grab the great water-power development at Muscle Shoals.

In my speech on the floor of the House on March 8, 1924, when we were approaching a vote on the proposition I stated, in part, as follows:

> I believe that it is undeniable that the Ford offer has been, and is now, the only comprehensive and all-inclusive offer that has yet been made to the Government. Other proposals that have been made would split the great project by means of separate offers for the water-power project and for the nitrate plants. In my opinion, it would be a very serious and fatal mistake to split the project. The first and foremost and primary objects of the power development at Muscle Shoals are that we have a supply of nitrate for national defense in time of war and nitrate for fertilizer in peace time, and it appears to me that the nitrate plants should be linked inseparably with the water-power development under some reliable contract. Will Congress ignore the prayer of the people and give way to the powerful pressure of the influence of the Fertilizer Trust, Aluminum Trust, and power monopoly? I believe not. Nearly two years ago I stated that I was in favor of the approval by Congress of the Ford proposal. I believe that the House is now about to go on record in that way, and I am glad that the House at last has that opportunity before it.

In support of their effort to secure control of Muscle Shoals under their double-barreled proposition, and in their effort to block favorable consideration on the Ford proposal the Tennessee Electric Power Co. and the Alabama Power Co. sent their representatives to Washington to appear before the Military Affairs Committee of the House, and many other witnesses suddenly appeared here on the scene at the same time to testify against the Ford proposal and in favor of the power companies. These witnesses were very closely cross-questioned by members of the Military Affairs Committee. The members of that committee, having had such long experience with the Muscle Shoals problem, were naturally curious to find out what was the real reason behind the sudden appearance in Washington of this group of witnesses, and their questions to those witnesses brought out some very interesting and illuminating information.

THE TESTIMONY OF MR. HUNT FRASIER, OF SELMA, ALA.

One of those witnesses was Mr. Hunt Frasier, the secretary of the Chamber of Commerce of Selma, Ala., and I cite his case particularly since Selma is one of the cities located in the congressional district which I have the honor to represent.

In the course of his testimony, Mr. Frasier claimed that he came to Washington as the representative of the Chamber of Commerce of Selma, Ala., and at first he stated positively, as the following record of his testimony clearly shows, that the whole membership of the Selma Chamber of Commerce at a meeting had instructed him to appear here, and then, under the direct questions of Mr. McSWAIN, of South Carolina, a member of the committee, he was forced to admit the incorrectness of his statement that he came here by the direction of the membership of the Selma Chamber of Commerce, and he then said that he came here under the instructions of some of the directors; and at the same time it was brought out in the testimony that one of the directors of the Selma Chamber of Commerce, Mr. E. C. Melvin, who sent him to Washington to testify, is also one of the directors of the Alabama Power Co.

Another claim made by Mr. Frasier was that he did not come to Washington to testify in behalf of the Alabama Power Co., but in spite of his statements it was very apparent to the members of the Military Affairs Committee that Mr. Frasier was against the Ford offer and in favor of the proposal of the Alabama Power Co., and finally one of the members of the committee, Hon. LISTER HILL, of Alabama, noticed that the notes from which Mr. Frasier was reading while giving his testimony were on the stationery of the Washington Hotel, Washington, D. C., and by closely questioning Mr. Frasier on that point Congressman HILL developed the very telling evidence that Mr. Frasier had arrived in Washington on the morning of the day on which he appeared before the Military Affairs Committee, and that the first and only thing Mr. Frasier did after he got off the train in Washington and before he made his appearance before the Military Affairs Committee was to proceed at once to the Washington Hotel and go straight to the rooms of Mr. Thomas Martin, president of the Alabama Power Co., and there on the stationery of the Washington Hotel, under the direction of the president of the Alabama Power Co. and the lawyer of the Alabama Power Co., the notes were prepared which Mr. Frasier later read as the basis of his testimony before the Military Affairs Committee. I quote from Mr. Frasier's testimony, as follows:

Mr. FRASIER. I am secretary of the Chamber of Commerce of Selma, Ala.; I am also manager of and principally interested in one of the largest farming interests in Dallas County. I am also a member of the Farm Bureau Federation, although I am at this time not speaking for the Farm Bureau Federation. I am expressing my own views, so far as that organization is concerned.

I must say that it was very fitting that Mr. Frasier stated that he was expressing his own views, in so far as the Farm Bureau Federation was concerned, because he knew very well, of course, that the Farm Bureau Federation, as well as our farmers who were not affiliated with the Farm Bureau Federation, were practically unanimous in their support of the Ford offer for Muscle Shoals, and that our farmers were very strongly opposed to turning Muscle Shoals over to the Alabama Power Co. or to the combination of the power companies of Alabama and Tennessee. He said he was a member of the Farm Bureau Federation, but, of course, he knew he was not representing their views and feelings, nor the views of our farmers generally.

Here follows the cross-questioning of Mr. Frasier by Congressman McSWAIN, of South Carolina, and Congressman LISTER HILL, of Alabama, to which I have called your attention:

Mr. McSWAIN. Do you represent yourself or your chamber of commerce?

Mr. FRASIER. I represent the chamber of commerce, sir.

Mr. McSWAIN. Now, did the members of the chamber of commerce, as a chamber of commerce, take any action on this?

Mr. FRASIER. Yes, sir.

Mr. McSWAIN. When did the members of the chamber of commerce take action? That is, when did the hoi polloi of the members meet and take action?

Mr. FRASIER. They met right recently.

Mr. McSWAIN. What was the date of that?

Mr. FRASIER. The latter part of last week.

Mr. McSWAIN. The latter part of last week?

Mr. FRASIER. Yes, sir.

Mr. McSWAIN. Not merely the directors, but all the members?

Mr. FRASIER. The directors met.

Mr. McSWAIN. I asked you if the individual members of the chamber of commerce met.

Mr. FRASIER. The directors met.

Mr. McSWAIN. The directors met?

Mr. FRASIER. Yes, sir.

Mr. McSWAIN. Not the individuals?

Mr. FRASIER. Not the individuals, no, sir.

Mr. HILL of Alabama. Is Mr. Melvin a member of your board?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. He was present?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. He is a member of the board of directors of the Alabama Power Co.?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. Do you know when Mr. Melvin was made a member of the board of directors of the Alabama Power Co.?

Mr. FRASIER. No; I do not.

Mr. HILL of Alabama. It has been a recent date, has it not?

Mr. FRASIER. Probably five or six months, I think.

Mr. HILL of Alabama. Mr. Melvin was made a member of the board of directors of the Alabama Power Co. five or six months ago?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. You recognize this fact, so far as that State is concerned, the Alabama Power Co. has gone down there and endeavored to get influential men like Mr. Melvin with them, has it not? Has not that been the policy?

Mr. FRASIER. I do not know if that is their policy. Possibly it is not unlike Ford's in that respect.

Mr. HILL of Alabama. They have done that thing, have they not?

Mr. FRASIER. They have got Mr. Melvin. I do not know the policy.

Mr. HILL of Alabama. I have been interested in what you have had to say about not having any particular interest in any particular offer. I have been interested in this paper you have. On the back is the name of the Washington Hotel. I take it that you are at the Washington Hotel?

Mr. FRASIER. That is the Washington Hotel.

Mr. HILL of Alabama. Did you get this paper at the Washington Hotel?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. You got it there this morning?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. Who gave you that paper, if I may ask, as a matter of interest to me?

Mr. FRASIER. I got that paper out of the room of Mr. Tom Martin.

Mr. HILL of Alabama. Tom Martin?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. In other words, I judge the first thing you did this morning when you got to Washington was to go to the room of Tom Martin, president of the Alabama Power Co., at the Washington Hotel?

Mr. FRASIER. Yes; that was the first thing.

Mr. HILL of Alabama. That was the first thing of any importance?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. He then provided you with this paper, and you went and sat down and worked out, you and he, these notes to be the substance of your testimony before this committee?

Mr. FRASIER. I went over some of those things with Mr. Martin; yes.

Mr. HILL of Alabama. You went over them with him as soon as you got there, and he is a representative of the power company?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. And you also talked to Mr. Thompson, who is the lawyer for the company?

Mr. FRASIER. Yes.

Mr. HILL of Alabama. You held a conference at the Washington Hotel and wrote out the substance of what you should testify to before this committee?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. That is a fact?

Mr. FRASIER. Yes, sir. Will you read that last question?

The reporter read as follows:

"Mr. HILL of Alabama. You held a conference at the Washington Hotel and wrote out the substance of what you should testify to before this committee?

"Mr. FRASIER. Yes, sir.

"Mr. HILL of Alabama. That is a fact?

"Mr. FRASIER. Yes, sir."

Mr. FRASIER. I beg to amend that. These things were things I had worked out myself; practically everything on there I worked out myself on the train coming up, and they were gone over with Mr. Tom Martin.

Mr. HILL of Alabama. You discussed those things you worked out with Mr. Martin, a lot of those things on that paper, which you used as the basis of your testimony. You made them out at the room at the hotel?

Mr. FRASIER. Yes, sir.

Mr. HILL of Alabama. In the room of Tom Martin in the Washington Hotel?

Mr. FRASIER. Yes, sir.

Now, there you have samples of the duplicity of that witness, Mr. Hunt Frasier, secretary of the chamber of commerce from Selma, Ala. There is the picture; you can see it for yourself. You can see Mr. Frasier leaving Selma, Ala., at the instance of Mr. E. C. Melvin, a director of the Alabama Power Co., and coming to Washington, and then the first thing he did upon his arrival in Washington was to report immediately to the rooms of Mr. Thomas Martin, president of the Alabama Power Co., to receive his instructions regarding what he should testify before the congressional committee. Can you see any connection with the Alabama Power Co. there? And yet, Mr. Frasier appeared before the Military Affairs Committee and pretended that he had no connection in any way, shape, form, or fashion with the Alabama Power Co.; and, be it remembered that he also attempted to give the impression that the entire membership of the Selma Chamber of Commerce acted in sending him to Washington, and made a positive statement to that effect, and then, under the pressure of close examination by Mr. McSWAIN, a member of the committee, he was forced to confess that the membership of the chamber of commerce had not met or acted on the proposition at all, but only some of the directors had instructed him to come to Washington to appear before the committee, and one of those directors who instructed him was also one of the directors of the Alabama Power Co.

I am glad to say that the testimony of Mr. Frasier and the other witnesses who came to Washington to fight against the Ford proposal for Muscle Shoals had no effect upon the membership of the Military Affairs Committee of the House, or upon the House of Representatives, and on March 10, 1924, the bill which embraced the Ford proposal was passed in the House by a vote of 227 to 142; and I am also glad to be able to state that all 10 members of the Alabama delegation in the House of Representatives stood unanimously against the effort of the Alabama Power Co. and the other power companies associated with it to take control of that last great water-power resource in the State of Alabama. Although we were able to pass the Ford proposal in the House it was blocked in the Senate, and so it never became effective. The loss of the Ford contract for the operation of Muscle Shoals for the express purpose of producing fertilizer was the saddest and most bitter blow which has been suffered by the farmers of the South. If Muscle Shoals had been put into operation under the Ford proposal, our farmers would have been better off by millions of dollars by reason of the cheaper price of fertilizer which we believe would have been brought about. They would have been receiving these benefits for the past eight years or more.

LOOKING TO THE FUTURE—THE NEW BILL BEFORE US

As I stated in the beginning, we now have before us a new bill providing for the leasing of Muscle Shoals if a proper offer can be secured. The Muscle Shoals Commission has given us their opinion, as the result of their research and study, that fertilizer can be produced at Muscle Shoals, and that a cheaper price on fertilizer can be brought about. I hope we can pass this bill and then, when it is passed, we must bend our best efforts to secure the operation of that great project under a leasing contract with some responsible agency that will guarantee the production of fertilizer that can be sold at a price that will be a great saving to the pocketbooks of our farmers, and that may be expected to produce direct beneficial result in the improvement of the impoverished farm lands of the South.

In fairness to the Alabama Power Co., I want to say that I have no feeling whatever against that great corporation as such, or against people who are connected with it. The statements which I have made are based upon the record which shows what has happened in the past. I do not believe it would be for the general welfare of the State of Alabama, or of the southeastern section of the United States, for that last great water-power development at Muscle Shoals to fall into the hands of the Alabama Power Co., or of the combination of the power companies of Tennessee and Alabama. That is simply a statement of policy regarding this great governmental project at Muscle Shoals.

The experience of the past teaches us that we must be alert and on guard in the future regarding this proposition. I honestly feel that it will be for the best interests of our State and Nation that we guard against the contingency of the hydroelectric power development at Muscle Shoals falling into the hands of the power companies. If they secure control at Muscle Shoals it is easy to see that they will have a complete monopoly on all water-power resources in the entire southeastern section of our country, and thus they will have an absolute stranglehold on consumers of power in the South; and there will be no production, in any form, of fertilizer to rehabilitate the washed-out and cotton-poor farm lands of our country.

EXTENSION OF REMARKS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution by the Democratic committee of my State and a petition of the Chamber of Commerce of Lake City, Fla.

The SPEAKER. Is there objection?

Mr. STAFFORD. I reserve the right to object.

Mr. GREEN. I will state that the petition is for additional beds at the veterans' hospital at Lake City, Fla.

Mr. STAFFORD. I suggest the gentleman incorporate that in his own remarks rather than by invading the rule. I object.

IDLE GOLD

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the President and the Secretary of the Treasury know what will restore business conditions, but they are not favorable to the plan because it is alleged to be against the interest of the ultrarich.

The failure of the bondholding class, who have charge of our currency system, to permit the use of the idle gold in the Treasury is the cause of our troubles.

INFLATION NEEDED

The velocity of money and credits is about one-half what it was three years ago. There is only one way to make up for the lack of velocity and that is to increase the volume of money. The public welfare will be promoted by such a move. If the volume of money is increased, commodity values will rise. Farmers will get a better price for their products; they already have consuming power, and this will give them purchasing power; factories will supply their needs, which will put labor to work.

There is one way that the currency can be inflated by placing money in every nook and corner of America without paying a dole or bonus but by paying a debt.

VETERANS CAN BE PAID WITHOUT BOND ISSUE

The remainder of $2,200,000,000 due 3,660,000 veterans of the World War on their adjusted-service certificates can be paid without a bond issue, without increasing taxes, without

additional interest charges, and save the Government annual payment of more than $112,000,000 until 1945, in addition to abolishing a Government bureau, which will save the people tens of millions of dollars.

If not paid now, practically all the remainder due a veteran who has borrowed on his certificate will be consumed by compound interest paid to banks and the Government. The veterans and the country need this money now.

THAW OUT FROZEN ASSETS

This money can be paid by the issuance of United States notes. We have $346,000,000 of these notes outstanding now which are backed by 40 per cent gold. We have sufficient idle gold to back the $2,200,000,000 in a similar manner. The result of this operation will be to convert a Government noncirculating obligation into a Government circulating obligation.

The issuance of this additional currency will not affect the gold standard; we will still have more than a 40 per cent base; in fact, we need two and one-half billion dollars of gold to stabilize our currency, and we have four and one-half billion dollars in gold.

BONDHOLDERS' SELF-OPPOSITION

The holders of bonds that were voted by the people to build roads, schoolhouses, and to make other public improvement when one bale of cotton would pay $100 on the bonds do not want the currency inflated, because they are now getting four bales of cotton for a $100 payment; this is equal to increasing the interest and the bonds four times. The same illustration can be applied to other commodities and labor.

THE BECK-LINTHICUM RESOLUTION

Mr. MAJOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the so-called Beck-Linthicum resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAJOR. Mr. Speaker, I have received a letter from the Rev. George B. Safford, State superintendent of the Anti-Saloon League of Illinois, concerning my vote on the so-called Beck-Linthicum resolution, and to that letter I have replied as follows:

WASHINGTON, D. C., *March 24, 1932.*

REV. GEORGE B. SAFFORD,
*State Superintendent Anti-Saloon League of Illinois,*
*Chicago, Ill.*

DEAR MR. SAFFORD: I acknowledge receipt of your letter of March 16, in which you state, among other things, the following: "In the newspaper report of the vote yesterday upon the Beck-Linthicum resolution your name appeared in the list of those who voted for the submission of this resolution. I am writing to inquire if we are to interpret this as indicating a change in your attitude toward prohibition?"

I am glad to reply to you that it does not. I was not a Member of Congress at the time of the submission of the eighteenth amendment, but it has always been my belief that a mistake was made in trying to regulate the customs and habits of people by constitutional amendment, and that it is a matter which should be regulated by the several States.

Prohibition has been designated by one in high authority as "an experiment noble in purpose"; and it might be truthfully added that 12 years have demonstrated that it is the most expensive and unsatisfactory experiment ever undertaken in this country. Nevertheless, when I was first elected to Congress in 1922 I believed it my duty to do what I could in seeing that this "noble experiment" should have a fair and honest trial. Acting on that theory I have consistently voted for all appropriation bills making provision for its enforcement, even going so far as to vote for what has often been termed "the notorious Jones bill," so that it could be truthfully said that those in charge of its enforcement might have every opportunity to prove the wisdom of national prohibition.

I quote another paragraph from your letter, as follows: "I realize that one might have voted for submitting that resolution and still be a dry, having in mind the idea that a vote upon the question was desirable. However, as it stands now, it seems to indicate a change of attitude."

It is inconceivable to me in view of the situation existing today, with the widespread dissatisfaction with the law, with its almost complete repudiation in many of the larger cities and various parts of the country, that any Member of the House, whether he be labeled wet or dry, should refuse to again submit this very controversial question to the people for their approval or disapproval. You have asked me the question if I have changed my attitude, and in reply I desire to inquire why you have changed your attitude. And that you may be sure what the attitude of the Anti-Saloon League was in times gone by I desire to quote in full an editorial, lengthy as it is, from the American Issue, the official publication of your organization, which appeared in January, 1915, entitled "Advice to United States Senators and Congressmen," as follows:

"After mature deliberation, we most respectfully advise the Members of both branches of our National Congress, which will convene in Washington in December next, to vote as early in the session as possible to submit to the States for their ratification or rejection the proposed constitutional amendment providing for the national prohibition of the liquor traffic.

"First. Because its submission is requested by more citizens of the Nation than have petitioned for the passage of all the amendments combined that have heretofore been submitted and adopted.

"Second. Because it is unjust for the representatives of the people who compose Congress to thwart the will of the people thus expressed, when it is the only means permitted by the Constitution itself for the people in the various States to consider constitutional amendments.

"Third. Because men are elected to Congress to represent and to do the will of the majority of the people, when that will is known. Congressmen should be servants and not masters of the people whom they were elected to serve.

"Fourth. A Congressman's vote to submit this amendment to the State does not commit him to support the amendment when its ratification shall come up for consideration, nor mean that he favors prohibition.

"Fifth. The one question for Congress to decide is, Do the people of the States desire to vote upon this proposed amendment? The issue is democracy—the people's right to rule. Can not Congress trust this amendment to the people?

"Sixth. It would be expedient for Congress to vote to submit this amendment to the States, in order to eliminate the liquor question from consideration when its Members are candidates for election.

"Seventh. It would be expedient for Members of Congress as soon as possible to submit this amendment in order to clear the congressional calendar of this question that is, to many, so embarrassing and enable them to employ their time in considering other questions of statecraft, for the liquor question will be kept to the front in Congress until this proposed prohibitory amendment has been submitted.

"Eighth. It would be expedient for Congress to submit this proposed amendment this winter, to remove, if possible, the question as an issue before the national conventions of the great political parties, which are to be held next summer.

"Ninth. The liquor question will continue to embarrass with greater intensity every national politician and every candidate for President, United States Senator and Representative in Congress, until this issue has been removed from national consideration by its submission to the States.

"Tenth. When this proposed amendment to the Federal Constitution has been once submitted by Congress to the States, the question will then become an issue in the States, will enter into the election of members of State legislatures, and be before each legislature for ratification or rejection.

"Eleventh. For a Member of Congress to vote against the submission of this amendment when 6,000,000 people have petitioned for its submission is a public declaration that he is a better representative of the liquor traffic, a great corrupt special interest, than he is of the people of this Republic; or a manifestation of the fact that he is so morally afraid of the political influence of the liquor traffic that he lacks the courage to do his duty.

"Let our readers make it plain to their Congressmen and Senators that they are expected to vote for the submission of this proposed amendment and wear the badge of a freeman or stand branded a slave bound in the shackles of political bondage and wearing the brewers' and distillers' collar.

"Elect to Congress a man, not a vassal nor a chattel."

Notwithstanding your attitude in 1915, as above expressed, you have now boldly threatened the political annihilation of any Member of Congress who votes contrary to your command, and who believes now, as you believed then, that the people have the right to express themselves upon this issue. If the people were entitled to express themselves upon the adoption of the eighteenth amendment, there certainly is no reason why they are not now entitled to express themselves upon a proposed change of the eighteenth amendment or even its repeal. If it was good logic in 1915, as stated in the editorial above quoted, that "Congressmen should be servants and not masters of the people who they were elected to serve," it certainly is good logic now. If at that time, as stated in the editorial, "the issue was democracy, the people's right to rule," then certainly the issue now is democracy, and after 12 years of the experiment the people surely are as much entitled to rule as they were then. You at that time asked the very pertinent question "Can not Congress trust this amendment to the people?" and I ask you the question, "Can not Congress now trust the same people?"

Paragraph 8 of the editorial above quoted is a resort to political expediency, but if it was expedient then for Congress to submit the amendment before the meeting of a national convention of the great political parties, in order to remove the question as an issue therefrom, why would it not be expedient now for Congress to submit the question before the meeting of the conventions of the two parties in Chicago?

If as stated in the concluding paragraph of the above editorial a vote for the submission of the eighteenth amendment was an

emblem of the badge of a free man, why is it not the same character of a badge now? If it was good advice for the people to elect a Congressman, not a vassal nor a chattel in 1916, why isn't it good advice in 1932?

In other words, in now opposing the resubmission of the eighteenth amendment to the people of this country you occupy the same position that was formerly maintained by the wets who originally opposed submission of the eighteenth amendment, but just as the logic of the situation then compelled the wets to finally accede to the widespread demand that the amendment be submitted to the people, so will the logic of the present situation, sooner or later, compel the friends of prohibition to accede to its resubmission. Any other course is undemocratic and contrary to our system of Government where the voice of the people is entitled to be heard.

I also note with interest your reference to the various referendums which have been had in Illinois upon different phases of the prohibition question. You seem to get great satisfaction from the fact that only a little more than a million votes were cast by the so-called wets in 1922 and 1930, but you overlook the fact that in each of those elections the wet vote outnumbered the dry vote almost 2 to 1. I recognize the fact that many persons did not participate in those elections and that at least some honest and well-meaning persons refused to participate on account of orders issued from your office. In my experience I have never known of such unfair, undemocratic, and unpatriotic advice given to people by any organization, much less one that claims to represent the moral and Christian influence of the State. All these propositions, as you know, were legal under the law of our State, otherwise the secretary of state would have been enjoined from submitting them. But notwithstanding the legality of their submission you deliberately advised people to refuse to participate in an election submitted to them in the most sacred way provided by the law of the land. In other words, because the particular law providing for a referendum was not satisfactory to your organization you sought to nullify it, a charge so often directed at the opponents of prohibition.

You also make reference to the impressive demonstration of interest on the part of the people of Illinois to the governor before his veto of the repeal of the search and seizure act passed by the general assembly, and remind me of how the political leaders had their eyes opened by such protest. I do not doubt but that there was much protest concerning this action, but I am curious to know if you learned anything regarding the protest against the governor for his action in that respect. It is a matter of rather common knowledge, I think, that the governor was so thoroughly condemned that he declined to become a candidate for reelection.

You conclude your letter by referring to the last senatorial campaign, and you declare that the tremendous vote received by Senator LEWIS was not an indication of a change of heart on the part of the Illinois drys but was a vigorous repudiation of Mrs. McCormick and her methods. I think there is some logic in this statement. There were no doubt many drys who supported Senator LEWIS because of the eminent position occupied by him as a statesman and public official. However, I am reminded of the fact that there was another candidate in the election by the name of Lottie Holman O'Neill, who was the candidate of and had the backing of your organization and who received fewer than 100,000 votes in the State, or about 5 per cent of the vote cast. This leads me to believe that the repudiation of Mrs. McCormick was mild compared with the repudiation of your organization in that campaign.

Please excuse the length of this reply, but the questions raised and comments made in your letter seem to justify it.

Sincerely yours,

J. E. MAJOR.

DEATH OF HERMAN E. WILLS

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by calling attention to the death of Herman E. Wills, an officer of the Brotherhood of Railroad Engineers.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. Mr. Speaker, under permission granted by the House, I desire to say that Herman E. Wills, who died this morning, was born in 1848 in Vermont. Had he lived until July 16, 1932, he would have been 84 years of age. He was really among the leaders in the labor movement. He went West when only 18 years of age. He was a locomotive engineer before he was 25, running in Iowa and Nebraska at a time when they had to ferry the trains across the Missouri River at Omaha.

He succeeded in bringing about the first labor agreement between large American railroads and labor 50 years ago, 1882. His advocacy of this agreement resulted in his being denied employment on many of the roads.

He was a grand lodge officer—this takes in the international aspect of matters concerning labor—in the Brotherhood of Locomotive Engineers. He came to Washington some 22 or 23 years ago as national representative of the transportation activities in which labor was involved.

Perhaps his outstanding achievement was the passage of the locomotive inspection law. As the result of this law there are no doubt hundreds of engineers and firemen now on the retired list who owe their lives not alone to this act but to Mr. Wills. At the time the bill was pending in the Congress it was opposed by the railroads, but were an effort made to repeal it, or any of its provisions, such repeal would be bitterly opposed by them in view of the great benefits that have accrued.

He was practically retired about five years ago. This retirement, however, did not lessen his ardent devotion to labor, for he was chairman of the educational committee of labor and was chairman of the advisory editorial committee of the newspaper Labor, in the founding of which he played no small part.

Herman E. Wills was a good American citizen, and he will go down in the accomplishment of organized labor as one of its leaders in any movement for the betterment of the welfare of working men and women. He was one of the best-loved members of the labor leaders and all of the Members of Congress and Senate who have served for the past several sessions knew of his dignity, his kindness, and his work for sane legislation and against the proposals of a wild and visionary nature.

THE PRESIDENT'S APPEAL TO THE NATION

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD the statement made this morning by the President of the United States.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made this morning by the President of the United States:

I have received many hundred inquiries from different parts of the country as to the prospects of balancing the Budget and for other information connected herewith.

I am confident that the undertaking of the representatives of both political parties to balance the Budget remains and will be fulfilled. It is the very keystone of recovery. It must be done. Without it the several measures for restoration of public confidence and reconstruction which have already been undertaken will be incomplete and the depression prolonged indefinitely.

For a clear view of the situation our people should understand that the deficit for the next fiscal year, excluding further reduction of the national debt during that year, is estimated at about $1,250,000,000. This follows a deficit of $500,000,000 last year and a deficit of over $2,000,000,000 this year, likewise calculated without reduction of the debt. These deficiencies are almost wholly due to decrease in tax receipts.

METHODS OF ELIMINATING DEFICIT

We must eliminate this deficit for next year by the further reduction of governmental expenditures and by increases in taxation. The expenditures budgeted for the next fiscal year as sent to the Congress amounted to about $4,100,000,000, after reduction by the administration of $365,000,000 under the total for the current year. In considering possible further economies in expenditures we must not forget that of this total about $2,100,000,000 is of such character that it can not be reduced; it is largely an inheritance of the Great War through increase of payment on Government obligations and the care of veterans and their families. In addition, our Army and Navy cost about $700,000,000. We should not further reduce the strength of our defense. Thus we must make our further economies mainly out of this balance of $1,300,000,000 remaining from the total of $4,100,000,000, together with economies in the post office, as to which only the net operations are included in these figures. Out of this sum of $1,300,000,000 the many other vital services of the Government must be carried on. Every reduction that can be made without serious injury to these services and in justice to our people should be effected. Further economies can be made and, I am confident, will be made through authority of the Congress to eliminate unnecessary functions of the Government or in postponement of less-essential activities, together with businesslike reorganization and coordination of Government activities. The Appropriation and Economy Committees of the Congress are now earnestly engaged on all these problems. But when all this is done the balancing of the Budget must, in the main, be accomplished by an increase in taxation, which will restore Government revenues.

DANGERS OF CONTINUED BORROWING

Economies in expenditure or increase in taxes alike call for sacrifices—sacrifices which are a part of the country's war on depression. The Government no more than individual families can continue to expend more than it receives without inviting serious consequences. To continue to live on borrowed money only post-

pones the difficulty and, in the meantime, begets all manner of new evils and dangers, which create costs and losses to every workman, every farmer, and every business man far in excess of the cost of courageous action in balancing the Budget.

The American people are no less courageous and no less wise than the people of other nations. All other great nations of the world have been faced with even greater necessity during the last year. In order to preserve their national credit these countries have increased their taxes far more severely than our deficit demands of the American people.

One of the first requirements to the accomplishment of the absolute necessity of a balanced Budget is that the people and all their organizations should support and not obstruct the Members of Congress in sound efforts to both reduce expenditures and adjust taxation.

It must not be forgotten that the needs of the Government are inseparable from the welfare of the people. Those most vitally concerned in recovery are the ones whose margins of savings are the smallest. They are affected by the depression more seriously than any others; ultimately they will pay the biggest price for any failure on our part of the Government to take the necessary action at this time. We can overcome this national difficulty as we have overcome all our difficulties in the past by willingness to sacrifice and by the resolute unity of national action.

WAGES AND THEIR EFFECT UPON THE DEPRESSION

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of Federal salaries.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, we have seen from the report of the Census of Manufactures that the percentage of wages paid 25 or 30 years ago was above 20 per cent of the value of the wealth they helped to produce. In 1923 the percentage fell to 18 per cent of the value of the manufactured products; in 1929 to 16$\frac{4}{10}$ per cent. This resulted in the reduction of purchasing power of the group of wage earners in this particular field. We have no general statistics that I can refer to, showing the percentage of wages in regard to the creation of wealth in other fields, but we do know from experience that in the building trades through modern devices of handling concrete, electrical hoists, mechanical stonecutters, and so forth, in comparison with the production wage percentages fell off in these fields equally or perhaps more than in the manufactures. The same is true of public utilities.

The increased power of engines, the increased trainloads, and the amount of freight carried from one point to another involves not more than 50 per cent of the labor to-day that was required even 10 years ago. In every department of American industry we see a constant effort to reduce the number of wage earners. At the present time about the only fields in which the normal number of employees are at work with the normal wage are the civil-service departments—Federal, State, and municipal. Any reduction of wages in this group, instead of remedying the condition, will increase the seriousness of the problem. The Federal Government should be the one to take the initiative in protection of the wage group. The selfishness of individuals may cause them to follow the principle of supply and demand and reduce the wage far below the minimum requirements. The Federal Government should take every possible means to prevent such a policy rather than set an example which will be only too readily followed. The primary purpose of Government is the protection of the weak.

The average citizen, as far as lies within the power of the Government, should be enabled to enjoy a living wage which does not merely include the necessities of life but normal comforts according to American standards of living. The root of the depression to-day is the concentration of wealth and its consequent inertness. Money at the bottom of a vault adds no more comfort or joy to living than though it were at the bottom of a mine. It is only when in circulation that it can give to mankind the blessings which American citizens have a right to enjoy. The only normal way of distributing money is through wages. When money is circulating through many hands, the rich will benefit because of the percentage which they will gain from the businesses and industries which they conduct, and the wage earner will be benefited by the comforts of life which it will provide for him as it passes through his hands.

REVOLT OF THE HOUSE

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short editorial from the St. Louis Post-Dispatch of March 20, entitled "Revolt in the House."

The SPEAKER. Is there objection?

There was no objection.

The editorial is as follows:

REVOLT IN THE HOUSE

Revolt in the House of Representatives, such as has occurred over the tax bill, has been a comparatively rare phenomenon in recent years. Owing to the docility of the Democrats, the herd instinct of the Republicans, and a set of rules muffling debate and paralyzing legislative initiative, the House, in general, has operated like a well-oiled machine. Major measures, such as the tariff bill of 1930, have in reality been enacted in committee, and have been passed without anything resembling deliberation on the part of the whole House.

Some few exceptions may be noted. In 1922 the House rejected the conference report on the Fordney-McCumber tariff bill and instructed its conferees to eliminate the embargo on dyestuffs and to place potash on the free list, which was done. In 1924, by a vote of almost 2 to 1, the House killed the Ways and Means Committee's proposal for a constitutional amendment to tax State and local bonds exempt from Federal taxation. In the same year the revenue bill was practically written on the floor of the House, but that was due largely to the fact that the Ways and Means Committee was hopelessly divided and submitted a half dozen reports.

Until the rumpus over the tax bill, Speaker GARNER directed the present House with the noiseless precision of his predecessor. The break came when the usually all-powerful Ways and Means Committee displayed a lamentable want of judgment, and the revolting Representatives began to exercise the new liberty afforded by liberation of the rules. It seems likely that the House is about to recapture some of its ancient prestige as a deliberative body responsive to popular will.

ORATION OF HON. CLEVELAND A. NEWTON ON HON. RICHARD BARTHOLDT

Mr. MANLOVE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the life and services of a former Member of this House, Hon. Richard Bartholdt, who recently died in St. Louis, and to include also the oration delivered by a former Member of this House, Mr. Newton, of Missouri.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANLOVE. Mr. Speaker, the Hon. Cleveland A. Newton has paid a marvelous tribute to the life and services of the late Hon. Richard Bartholdt. I appreciate the privilege which has been granted me of making Mr. Newton's memorial a part of the permanent RECORD of the House of Representatives, where both served with distinction for many years.

Emblematic of that great army of German born who left their native heath and sailed across the sea because they were Americans at heart, Richard Bartholdt came to this country an apostle of peace and liberty.

The record of his life is written. So long as time shall last ambitious youth will find inspiration in the story of his long and useful service to mankind. So long as the peoples of all nations shall pray for peace they will turn to those pages which record his supplication that the dragon of war shall forever be banished from the earth.

Others have told of his strength of character, his swaying oratory, his logical debates, and his sturdy manhood. I am pleased to chronicle the loveliness of his kindly life as I first knew him. Years ago a country boy came to Washington as a Government clerk bearing in his pocket, from a German-born friend, a letter to this great Missourian. I would that I had words in which to picture the gracious reception, the words of encouragement, and the strength of companionship with which that stalwart statesman met the timid approach of the young stranger. I was that country boy and Richard Bartholdt was that statesman.

They mourn him most who knew him best. I speak not only for those of his own home city, St. Louis, but also for multitudes who honored and respected him throughout the whole State, because he belonged to and was loved by all Missourians. Truly, "'Tis not death to live in hearts we leave behind."

What I may say will add little to the record already written. Let honor rest where honor is due. Richard Bartholdt was a part of that great army of German born who lent the very substance of their lives to make our State a great and mighty Commonwealth.

In the city of St. Louis, where he lived so long as the idol of untold thousands, he was laid to rest. A poet has beautifully said:

I would like to have my story told
By smiling friends with whom I've shared the way;
Who thinking of me nod their heads and say,
His heart was warm when other hearts were cold.

How apropos those words; Hon. Cleveland A. Newton, a friend and companion of many years, delivered an eloquent oration which I am privileged to extend as a portion of my tribute to this grand and noble American.

IN MEMORY OF HON. RICHARD BARTHOLDT

By Cleveland A. Newton

We have met to-day to honor the memory of a man distinguished by his own achievements. As a lone immigrant boy Richard Bartholdt came to this country in 1872 with the avowed purpose of becoming an American citizen. Imbued with ideals of liberty and freedom, he came to a land where they had been written into its fundamental law. To these ideals he devoted threescore years, and for these ideals he was pleading when he left us.

As a young man he was a journalist. As a writer and editor he expounded his philosophies of life and advocated his conceptions of government. This training gave him the discipline and poise which equipped him for a long and successful career in the Halls of Congress.

During his journalistic period and before he entered public life he made a profound and lasting contribution to the school system of St. Louis. In 1890 he became a member of the board of education. He found among other defects in the school system an utter lack of any facilities or equipment for the physical development of the children. Having received his education in a gymnasium in the very heart of Germany, he recognized that no educational system was complete which did not provide for the physical development of the student. Moved by this conviction and supported by other progressive members of the board, he succeeded in having gymnasiums established in the St. Louis public schools.

In 1892 he was elected to Congress and for 22 years he represented a district with a larger population than any other district in the United States. His repeated elections from that district by ever-increasing majorities bore abundant evidence of the confidence, esteem, and affection in which he was held by his people.

In Congress he was recognized by his colleagues as conscientious, able, dependable, and resourceful, and these elements of character gave strength to his leadership. In legislative matters he was studious, attentive, and active, and his votes were actuated by a patriotic desire to be of service to the whole country.

Richard Bartholdt served with great men in Congress—such men as McKinley, Bourke Cockran, Uncle Joe Cannon, Claude Kitchin, Theodore Burton, Champ Clark, Jim Mann, and others of their caliber. He enjoyed the respect, confidence, and esteem of all of these men, and his ability as a legislator and a debater enabled him to hold his own with the best of them.

He served under the administrations of Presidents Cleveland, McKinley, Roosevelt, and Taft, and no man of his time was more trusted, more esteemed, or more welcome at the White House than was Congressman Bartholdt.

Mr. Bartholdt, like millions of our immigrants who went into the melting pot from whence comes our American stock, was of German origin, and I have always felt that his patriotism and zeal for public service were inspired by the contribution which other Americans of German origin have made toward our national defense and civilization. We can not forget that when the fight for American independence was in the balance, when the footsore, weary, half-starved army of Washington was encamped at Valley Forge it was Baron von Steuben, then military genius, trained in seven campaigns under Frederick the Great, who gave up rank and wealth and position and came to this country to espouse our cause and train our soldiers so that they could successfully battle with regulars of George III. It was the great Lutheran clergyman, Muhlenberg, who threw off his clerical robes, left his pulpit, and with the battle cry of freedom, led a volunteer regiment of American patriots as they hurled themselves against the armies of England in our fight for independence. It was Americans of German origin who were chosen as a bodyguard for General Washington when others had proved faithless. It was Americans of German origin, under leaders of German stock, who captured Camp Jackson and saved Missouri to the Union. It is patriots such as these who inspire men like Richard Bartholdt to achievements which make history.

Among Mr. Bartholdt's contributions to the public service were his efforts for world peace. In this cause he labored to the end. In his autobiography he quotes peace sentiments from the world's greatest leaders. From Victor Hugo he quotes, "Peace is the virtue, war the crime, of civilization." From Benjamin Franklin he quotes, "There never was a good war or a bad peace." From George Washington he quotes, "My first wish is that the plague of mankind, war, may be banished from the earth." From Thomas Jefferson he quotes, "I abhor war and view it as the greatest scourge of mankind." From the sainted and immortal Lincoln he quotes, "Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away."

Inspired by the sentiments of these great leaders, Mr. Bartholdt attended practically every conference of the Interparliamentary Union during the past 30 years. He pleaded fervently for world peace and amity in the Halls of Congress and in conferences in Europe. His heart was in the cause, and now that he is gone let us hope that others, as able, as earnest and persevering, will follow in his footsteps until the plague of war has been banished from the earth.

His was a long and useful life—a life full of hope and endeavor, a life abundant with service and success. His name and his achievements are interwoven with more than 20 years of American history, and his works will live as long as our country and its institutions shall endure.

PROPOSED AMENDMENT TO THE REVENUE BILL

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD the text of an amendment I expect to offer upon the question of the taxation of transfers of stock, and the amendment which would avoid the threat of moving the exchanges to Canada or elsewhere.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

PROPOSED STOCK EXCHANGE AMENDMENT

(c) The tax provided for in subsections (a) and/or (b) shall be imposed on all sales, agreements to sell, and/or memoranda of sale or delivery consummated entirely within the United States or between citizens or residents of the United States; and in addition, such tax shall also be imposed upon the seller or transferor resident in or a citizen of the United States when the buyer or transferee is not a citizen or resident of the United States. When the seller or transferor is not a citizen or resident of the United States and does not pay the tax imposed by subsections (a) and/or (b), the buyer, if a citizen or resident of the United States, shall be liable for the full amount of such tax subject to the provisos and penalties set forth under subsections (a) and (b). A resident or citizen of the United States, acting through a broker or agent abroad, shall be liable for the full amount of the tax provided in subsections (a) and/or (b) as though buying, selling, receiving, or transferring without the intervention of such broker or agent. A broker or agent resident in or a citizen of the United States shall be liable for the full amount of the tax provided in subsections (a) and/or (b) notwithstanding that his principal is or may be a resident or citizen of a foreign country. In all cases where sales or transfers of stock taxable under subsections (a) and/or (b) are consummated through dummies or by ruse or device designed to evade the tax provided in subsections (a) and/or (b), the parties shall be liable for the full amount of the tax as though such dummies, ruse, or device were not employed, provided that nothing in this sentence shall be construed to relieve the parties from the operation of the penalties provided under subsections (a) or (b).

EXTENSION OF REMARKS—THE REVENUE BILL OF 1932

Mr. SIMMONS. Mr. Speaker, under the leave to print granted to all Members, I submit the following statement. We have seen to-day in the House two shining examples of Democratic inconsistency.

The Democratic side orates loudly and often against tariffs, and yet to-day we have witnessed Democratic Member after Democratic Member offering amendments to this bill that to all intents, purposes, and effects are tariff proposals.

Then the majority leader [Mr. RAINEY] told the House and the country that the Democrats were against gag rule and wanted full and free discussion of the tax bill. Following that the acting chairman of the Ways and Means Committee [Mr. CRISP] moved to close debate and applied the gag rule to the debate this afternoon.

Amendments offered by the gentleman from Texas [Mr. JONES] and myself that would have exempted lubricating oil used by farmers from a tax of 4 cents a gallon were voted upon without debate as a result of Democratic gag rule and defeated, the House being compelled to vote without knowing the effect of these amendments that were proposed to prevent further burdens upon the operating costs of the farmer. The amendment by the gentleman from Washington [Mr. JOHNSON], aimed to prevent the importation into America of goods manufactured in Russia, was submitted without debate, thanks to Democratic gag rule, and defeated, with practically a unanimous Democratic vote against it.

By such a procedure they hope to pass a bipartisan revenue bill and hold the confidence of the country.

Mr. TURPIN. Mr. Speaker, in behalf of the Boland amendment, I plead with you as a representative of a half million of our people from the anthracite district of Pennsylvania. In a greater sense I am intensely concerned as to the welfare of all our people. It has been my privilege to vote for a tariff on every importation that was believed by my colleagues to be detrimental to American industry and directly threatening to deny the American laborer his wage.

At the last session of Congress I voted to further restrict immigration; not because of racial hatred, not because of differences in creed, not because of class distinction, but because this great country of ours already has millions of able-bodied men who can not find employment and because I am convinced that the American labor market is entitled to the same protection that our tariff laws give to that which American labor produces.

This bill passed the House but was killed in the Senate. I can not reconcile myself to the inconsistency of my colleagues who, voting to exclude the low-paid imported laborer from our shores, are urging that the conscript labor of Soviet Russia and the coolie wages of China be encouraged and that the product of these countries shall be dumped upon our shores while our American workers remain in the bread line of this great Nation. I can see no consistency in keeping an oversupply of labor from our shores by legislation and at the same time allowing that which it produces to come in tax free to compete with that produced by fair-paid American labor.

The great anthracite basin in Pennsylvania, of which I represent a major part, normally employs 150,000 men upon whom 2,000,000 American folks depend for the necessities of life. The plight of these workers and their dependents is critical. They cry out for relief. Their cry is reechoing throughout these halls to-day. At many of the collieries the morning whistle calling men to work has not sounded in months. At other collieries the occasional blowing of the gong is the most welcome music heard.

I should like to quote statistics, but time will not permit. Suffice it to state that in 1926, 387,000 net tons of anthracite came to our shores from foreign countries. In 1931 this was increased to 638,000 net tons, and new contracts insure importations of more than a million tons for 1932. The tonnage and proportionate increase are even greater in the bitumunous-coal markets.

Thirty-five thousand anthracite miners in the United States are without work. Of the 130,000 miners who are employed, nearly all are working less than half time. In the year just passed, due to importations of untaxed fuel from abroad, 60,000 people in mining and transportation were idle for a total of 3,000,000 workdays, what should have been their earnings going to Russian serfs and Chinese coolies and totaling $15,000,000. Either this money should be paid to our people at home or collected as tax. The underground toilers of the bituminous and the anthracite fields alike offer no protest to the increased cost brought about by the protection of their fellow workers in mills and factories. They do ask that they be treated as fairly.

To my colleagues, who yesterday joined so loyally in placing a tax on oil imports, and more particularly to my colleagues representing the Atlantic Coast Line States, may I suggest that unless American labor can find employment there will be no market for your products, for only through the pay envelope can things be purchased by the masses.

I plead with you, my colleagues, to vote here to-day as you shout at home, "America first."

Mr. MITCHELL. Mr. Speaker, ladies and gentlemen of the House, I am opposed to the manufacturers' sales tax of 2¼ per cent of the sale price of all manufactured articles as provided in this bill. It is not right. It is not just. It will not promote the best interests of our people or of the country, even though it is proposed for passage by the Ways and Means Committee of the House, a majority of whom are Democrats, and for whom I have the greatest respect. I am constrained to oppose this bill, or that part of it which provides for a sales tax. This feature of the bill is un-American and un-Democratic, and contrary to the principles of the party of Jefferson as taught for more than 100 years.

The levying of a tariff, and that is what this bill does, has never been the policy of the Democratic Party, but quite the opposite is our creed and has been our practice. It would be unwise for the Democratic Party in control of this House to pass a measure of this kind, and it is certainly contrary to all the fundamental principles of the party. It is contrary to the platform of the Democratic Party framed in Houston in 1928 and also the national platform of 1924, both of which committed the party in opposition to all sales taxes. The provisions of this bill mean that we are raising the already too high tariff wall 2¼ per cent as a tax on all goods imported into this country. It simply means a tariff, or tax, and surely the Democratic Party does not want to stand sponsor for any additional taxes or tariff levies against our people. If so, they misjudge the mandates of the people and the needs of the hour. Even during the emergency which confronted the country during the World War, when there was urgent need for rapidly increased and vast revenues, neither the Democratic nor Republican Party turned to a sales tax as a means to raise additional revenue for the Government but depended on high-income taxes, luxury, and other special taxes. This should be our policy at this time.

A sales tax is so unjust to the masses of the people of the country that neither party has ever before had recourse to it. And certainly the people of the country were not expecting our leadership in the House, over the position and promise of our party through its representatives in the last national convention, to now propose this measure against which our party is pledged and has always gone on record in opposition to this method of raising revenue. It would violate the party platform and violate our duty to the people of the Nation. It is an indefensible measure. New taxes should not be levied, of any kind, until our Budget of expenses is heavily reduced in every department of government.

A deficit can be cured by reducing expenses as effectively as by increasing taxes.

We do not need 600,000 officeholders to run this Government. Let us reduce the pay rolls. Let us do away with unnecessary bureaus, unnecessary boards and commissions, and have a general reduction of expenses. Let us do away with big appropriations which the conditions in the country so justly demand be left off. Let us stand by and for the people and the taxpayers and against the boards and the unnecessary officeholders. When expenses and appropriations are cut, then we can talk about new taxes, and not until then.

Let us first fight extravagance in government.

A sales tax is unjust because it is levied according to needs, rather than according to ability to pay. The income tax rests not upon needs but upon ability to pay.

A sales tax is the tax prescribed by aristocracy, and one used in the dim past in Egypt, in Babylonia, in Rome, and in France before the revolution, when emperors and kings dictated the methods of raising revenue from their subjects to support the state. This tax comes off of necessities required by the common man.

One of the reasons for a democratic form of government has been to get rid of such taxes as these.

Mexico formerly had a sales tax and abandoned it because of its injustice to the poorer classes. Cuba had a sales tax when the United States first exercised dominion over her, but one of the first things this country did when we took possession was to abolish this tax.

England has always refused to adopt a sales tax; so has Italy. A tax must be fair to the average citizen. Of course it requires more effort to collect an income tax, but effort is the price of justice. A sales tax sins against the principles of equality in taxation.

I have the honor to be a member of the great Committee on Agriculture in the House, and I know from my experience as a farmer, and from reports coming before our committee daily, that the farmers of the United States can not

pay higher taxes and live. Less tribute must be levied upon them and upon the toiling masses of our people rather than to increase their burdens, as do the provisions of this bill.

Ten per cent on all admissions to all the moving-picture shows of 25 cents and over is levied in this bill. The poor man who has labored and struggled all through the week can not go to the movies on Saturday night with his family and enjoy a night of recreation and fun without paying a tribute to the Federal Government for every laugh he enjoys during the show.

Special excise tax on lubricating oil of 4 cents per gallon is imposed, and a tax of 1 cent per gallon is levied on all gasoline, or imported oil, which simply means that the consumer, the buyer, will pay more for the privilege of carrying the family to church, to town, or to visit the neighbors, or to enjoy a trip to see more of the country in which he lives that so grievously taxes him.

In my State we already pay 7 cents per gallon gasoline tax, which is too high, and to levy more means the man of humble circumstances will be denied the right to the use of the highways. He can not afford to pay the tax on the gas to run the family car or to run the truck for hire. It would be an outrage to pass this kind of a tax measure on our people in the midst of this awful panic which prevails. This question of taxation is tremendously important to the people. What is needed is not more taxes but less taxes. We have already levied too much taxes upon the people without a sales tax. Let us defeat this provision of the bill. We need remedial legislation. We need a law to safeguard depositors in our banks, which is soon to come before this House. We need relief along many lines, and the people are looking to us to bring about relief and not to add further burdens upon them.

I recognize that it would be well to balance the Budget, which means simply that we should levy a sufficient tax to meet the expenses of Government. It is proposed by this bill to increase Federal taxes $1,246,000,000 during this year. That means an additional tax of approximately $10 on every man, woman, and child in the United States, and this means a tax of about $50 is visited on every average American family and home in addition to the taxes now being paid by them.

In the district, which I have the honor to represent, it means an additional tax of over $3,000,000. My people are already suffering from an excessive State, county, and municipal tax. They are forced to pay more than should be required of them without adding this excessive Federal tax. It must not be done. It would be unjust to them and wholly unfair.

No necessity exists for this tax. The deficit, as exists now, was created in 1931, when the Republicans were in power. The same necessity existed under their administration to balance the Budget as now exists. The necessity for a balanced Budget seems to come mainly from those who own Government bonds. It is insisted that bonds will go below par in value without it.

Everybody in the Government has witnessed the value of his holdings reduced almost one-half, and ofttimes reduced to nothing, during the present panic, and why then should the bondholder not take his loss along with the rest of us? He will still be in better position than any other investor for his loss will only be temporary. We know he has the best investment, with the best collateral of any man on earth—the good faith of the people of the United States of America—guaranteeing the payment of his debt. We know that in a short time these Government bonds will go back to a premium.

I have no tears to shed for the bondholders and international bankers in this country, who have brought on the necessity for this emergency revenue measure. They should be required to undergo more hardships than the passage of this measure will or can visit upon them, for unfortunately it will not affect them and those most able to pay taxes, but it will fall upon the consumers of the country, the men of small means, men in humble circumstances; poor men, with large families, would have to bear the burdens under this bill, and not the wealth of the country, and hence my opposition and my vote against it.

Not over 5 per cent of our people own Government bonds, and they are the rich class; then why, in the midst of this panic, when the ability of our people as a whole to pay out more in taxes has reached the breaking point, with bankruptcy and failures on every hand, should 95 per cent of the people make sacrifices and be ground to poverty and pay more to accommodate the 5 per cent who hold the Government bonds? Surely we should be, and are, concerned about the welfare of the 95 per cent of the common people of America before the small minority of the 5 per cent of the rich of the Nation.

Why this rush to balance the Budget, when only three weeks ago the Congress voted $500,000,000, with power to float a billion and one-half dollars in bonds and Government obligations, to be used in the next two years.

Nothing was said then about balancing the Budget. We appropriated another $125,000,000 to the Federal land banks, and nothing said about the Budget.

The $600,000,000 sought to be raised under this bill would come, in a large part, off the small wage earners, laborers, and farmers, who are forced to buy clothes, groceries, merchandise, and machinery to live.

Let us get the taxes to run the Federal Government off the big incomes, and the wealth of the Nation, rather than the consumers of the Nation. As I said before, a sales tax is wrong in principle. It is not based on ability to pay, but on necessity to live.

An income tax is fair. It falls on those who are able to pay—those who profit by having the Government protect them while they accumulate the wealth; while under a manufacturers' tax of this kind, it levies a tax on the consumer for the benefit and protection of the Government. This is unjust and unsound.

Let us levy heavy luxury taxes, individual income taxes, and corporation income taxes, on excess profits and surtaxes on corporations, and individuals, and gift taxes on big estates, and increase rates on all incomes and inheritances, and thus have the wealth of the Nation bear this tax rather than the unfortunate consumers of America.

All the farmers and farm organizations of the country oppose a general sales tax as a part of our national fiscal program. Only a national emergency, which does not exist, could ever justify such a tax.

Let us remember that we have to balance the Budget not only of the Federal Government but also of 48 States, of 3,000 counties, and of 10,000 towns and cities and school districts, all of which have outstanding bonds and securities.

The Federal Government owes seventeen billions. The States, cities, and towns of the United States owe fifteen billions, and it is just as important that these budgets be balanced also. The six hundred millions sought to be raised by a sales tax would come from the pockets of the American people, from the same pockets that have to balance the budget for State, county, and city governments. The credit of all these branches of Government is equally important.

Can you take this $600,000,000 from our people under a sales tax without crippling further the ability of these same taxpayers to pay their own local, State, county, and city taxes? They must have credit to carry the $15,000,000,000 they now owe on their own local taxes at home. You endanger the whole credit structure of the Nation by the plan you now propose.

It will take from the taxpayers of Tennessee, who are already overburdened with taxes, many millions of dollars.

People pay taxes even before paying grocery bills or doctors' bills. They pay taxes first, because otherwise, they lose the home, the farm, and the cottage of the wage earner, into which so much toil and sacrifice has gone. They are losing their homes now. Millions of dollars of taxes are in default.

More than one-tenth of the farmers in this country have been foreclosed upon during the last six years—since 1926. This means others in the same community must pay more taxes to balance the local budget from year to year.

We sold $900,000,000 worth of bonds last week at 3½ per cent, which was oversubscribed by $2,000,000. The borrowing capacity of our Government greatly exceeds the borrowing capacity of our States, counties, and cities. We must take care of them and the home owners, if the Government is to prosper. Our local States and counties must have adequate governments properly maintained. We must have credit there. Naturally I think more of the schools, the roads, the hospitals, the police, and fire protection, and conveniences around home, than I do of so many Federal bureaus and boards here in Washington.

Let us keep our credit back home in our States and local communities.

It has been said that "it was the last straw that broke the camel's back." Do not take $600,000,000 more away from the people, who are locally obligated to pay $15,000,000,000 in the States and municipalities. Remember, both budgets are equally important to balance.

If a man is able to pay his income tax, he is able to pay his property tax and will not lose his home. But the consumers are the ones who are now suffering, and the men of small means are losing their homes, as their credit is exhausted. Let us not add more to their burdens, but let us seek a way to relieve them if possible. Let us take from, rather than add to, their grievances.

When you tax his clothes, his shoes, his hat, and everything else he buys, you then make it more difficult for him to pay his property tax, or to pay his mortgage, and to save his fireside for himself and family, which is so sacred. This sales tax must come out of the same pocketbook that is now paying the property tax in each State and county, and would therefore impair the credit of all local indebtedness. The same people who own Government bonds own largely State bonds and are therefore equally interested in having the credit structure sound from top to bottom.

We must stop emptying the Treasury with a steam shovel.

We must reduce the cost of Government. That is the crying need of the hour. The deficit would not exist in the Treasury but for the reckless expenditure of the people's money in such criminal waste as the building of a national highway from Washington to Mount Vernon at a cost of over a million dollars per mile—an outrageous price for even a boulevard of the kind that was built; other expenditures, such as seventeen million for a Department of Commerce Building, with private elevators installed; seven million for office buildings for Members of Congress now under process of completion, which are not needed at this time.

It has been said that 90 per cent of the people have only 10 per cent of the country's wealth, and under this proposed bill 90 per cent of our people with only this 10 per cent of the wealth of the country will bear fully 90 per cent of the sales tax. This must not be. Let this great Government extend a helping hand to the great common people of America. Let us tax the wealth of the Nation; let us protect the interests of the distressed and oppressed people of our land and not crush them further with added burdens when they already have more than their part of expenses levied against them.

The best way to balance the Budget is to keep money in the Treasury and stop voting it out. Let us cut down the expenses of Government in all departments. Let us reduce the number of boards, bureaus, and commissions and begin making money by saving it.

Rather than seeking all the time to find some new mode of levying a new tax on the people of the country who are required to support the Government by paying taxes, this policy of levying excessive taxes must be stopped in all branches of Government—State, county, and city. The people can not and should not longer endure it. They must not and should not carry any additional tax burdens. We should be trying to reduce taxes rather than to increase them.

Let us, as Members of Congress, begin by setting the right example ourselves and reduce at once our own salaries at least $2,500 per year each, and thereby work a saving of Government expense on the taxpayers of a million and eighty-seven thousand five hundred dollars in the House of Representatives alone. Then, according to prices which prevail for commodities produced by those who send us here and those who pay the bill, and whose servants and representatives we are, we have not then taken our share of the loss, which has been so patiently borne by the people of our respective districts.

This is a time for self-denial. It is a time for self-sacrifice. It is a time for patriotism to manifest itself. It is a time to share the hardships of our fellow man and to make his burdens lighter. It is no time for greed or selfishness. Let us put our own house in order and begin an economy that affects us first and then we can more clearly see how to fairly affect the rights of others.

If this tax bill passes, which provides for 2¼ per cent tax levy, the manufacturer when he bills out his $100 worth of goods will add to the bill $2.25; so the jobber gets a statement of $102.25, and then the jobber will invoice to the wholesaler, after adding 15 per cent profit, which will amount to $117.55. Then the wholesaler bills invoices to the retailer with another 15 per cent added, which runs the bill up to $135.25, and then the retailer adds 25 or 30 per cent profit to this price when he sells, and so finally the consumer pays around $175 for the $100 worth of merchandise, and by thus continuing to pyramid and pass on the tax it grows from 2¼ per cent to around 20 per cent which the consumer has to pay on all manufactured articles of every kind—hats, boots, shoes, shirts, overalls, farm machinery, and so forth.

An article which now retails for 5 cents would be sold at 6 or 7 cents, which would be a tax of 20 per cent, and so it would be added to the burden of the consumer at every turn in the road. The excess profit which the manufacturer, the jobber, the wholesaler, and the retailer would add on to the price of merchandise would cost the consumer in the country a billion, eight hundred million, instead of six hundred million, as estimated, and all this extra billion and more dollars would be divided up between the manufacturers, jobbers, wholesalers, and retailers of the country, but all paid by the buyers or consumers, who must have the merchandise.

If we had collected the foreign debts due us instead of voting the moratorium to the European nations, more than $250,000,000 of the deficit would now be paid, and hence that much less to be levied against our own people. No wonder the people cry out against more taxes in the face of such unwise action on the part of Congress. Another $250,000,000 can be easily saved to the taxpayers as heretofore indicated by reducing appropriations and stopping the unnecessary expenses of Government.

The Budget has been balanced many times in the history of our Government by bond issues. In fact, almost as many times this way in the past as by additional taxes. The people will be in better condition to pay after the panic and when business revives again. They can not assume greater tax burdens now. To do so means to further depress business and to prolong the panic and to practically work disaster on the American taxpayer. Then let us declare a moratorium on our own people toward further tax paying.

Let us not destroy the American taxpayer; let us not destroy the Democratic Party by the passage of this bill. Taxes come all too often. They recur each year. Then let us not pass a law that will require our people to pay a Federal tax every time they make a purchase at the store of some needed article of merchandise for the home.

This measure is a customer's tax really, for whoever does the buying will do the paying of the tax. The manufacturer will always pass the tax on to those to whom he sells. Ultimately the farmer and the laborer will pay this tax. It would come from the toiling masses of the people of to-day who are struggling for bread and from whose income they keep the family going. It is the poor man who has to spend the most for clothes to protect the family and to buy what he eats. The rich man pays only a small percentage of his income for something to eat or to wear. The farmer who buys a piece of machinery needed on the farm to raise the crop with which to feed his family and to pay off the

mortgage would have to pay this 2¼ per cent sales tax in addition to the already high prices he is required to pay for machinery. Thus an additional tribute would go to the International Harvester Trust.

If this tax is once adopted, it will never be removed from the shoulders of the consumers of the country, for it is the entering wedge of the rich, whether so intended by our leaders who propose it or not, to get rid of the income tax and finance the Government by this so-called sales tax.

It is an effort to have those least able to pay assume the burdens of Government expense, while the rich make an opening to escape the burdens which they should carry.

This bill taxes all kinds of wearing apparel. It taxes furniture, pens, pencils, ink, paper, books, shoes, stockings, all kinds of chinaware, crockery, woodenware. The lumber sold to build houses is to be taxed. We are taxed to keep out the heat and the cold; the nails that build the house are taxed under this bill; the hinges, the windowpanes, the doors, the shingles that make the roof, the concrete that makes the foundation, the bricks that make the chimney, and the walls—everything that goes to build the home is taxed.

If the farmer builds the house and tries to keep up the battle with the taxgatherer and begins to fence the farm, his wire is taxed to do this; if he buys harness to fit up the team of mules, he must pay the tax; if he buys a tractor, he must pay the tax; or a mowing machine, a rake, a plow, harrow, hoe, binder, cultivator, corn planter, or any other piece of machinery, he is made to pay the manufacturer's tax of 2¼ per cent, which never gets less but always greater in amount.

If he gets sick, he is carried to the hospital in a sales-taxed ambulance; the doctor examines him with instruments bearing the sales tax; he is put in a room filled with furniture bearing the sales tax, including the bed upon which he lies, the carpet on the floor, and the pictures on the wall. If he gets a drink of ice water to cool the fever, he takes it from a tax-ridden glass, the water cooled with sales-taxed ice, and should the unfortunate end come and life is extinct he is put away in clothing, every stitch of which is taxed. The casket in which he is placed is likewise bearing the tax, and even the flowers that cover the grave bear the same label of a sales tax. This is too much. It must not be. It is too serious to contemplate, and too unjust and intolerable to be borne by a great and free people.

Let us reduce expenses of government; let us reduce salaries; let us levy higher income taxes upon the wealth of the country, those able to pay and those who have prospered and should be willing to pay; and let us levy taxes against big estates and the wealth of the country, and then if revenue is not sufficient issue short-term notes and bonds to defray expenses and not burden the humble home owners, the laborers, and the toiling masses with this unconscionable, unjust, unfair, and undemocratic tax measures. Let us rise up and defeat it as freeman and patriots should do. This, and this only, is the full measure of our responsibility to our people and to our common country. That this will be done I have the fullest confidence. Like the soldiers on the field of battle, and this is an important battle for the rights of the toiling masses of this country, that they may remain free and independent and be not crushed with burdens too great to bear—let us say—it shall not pass. Let the patriotic men and women of this House rise to the importance of the occasion and vote down this bill. Let us not levy this unjust burden upon the people of America.

Mr. PATMAN. Mr. Speaker, "Balance the Budget or the credit of the Nation will be impaired" is a fallacy. The wealth of the Nation is $400,000,000,000, so we are told by President Hoover through the antihoarding advertisements. The Nation owes, or will owe June 30, $18,000,000,000, or a ratio of 22½ to 1. The situation is comparable to an individual who owns a business worth $22,500 and who owes $1,000 on it.

The increase of $4,500,000,000 in our national indebtedness will be comparable to the individual increasing his $1,000 debt on his $22,500 business to $1,250. Do you think such an increase would impair the credit of either the individual or the Nation? During the past 10 years we have exceeded the sinking fund law in the retirement of our national indebtedness by $3,500,000,000. Let us utilize that surplus payment and we do not have a deficit. Moderate inflation will cause an increase of profits which will increase the amount of income taxes paid to the Government. Mr. Mills, the Secretary of the Treasury, stated in a speech about 90 days ago that the Government could safely borrow three or four billion dollars without impairing its credit, and that a few years ago we owed $26,000,000,000 and the credit of the Nation was not impaired. Let it not be forgotten that while we owe $18,000,000,000, the railroads, including the Panama Canal Railroad, the Emergency Fleet Corporation, Inland Waterways Corporation, the Federal intermediate credit banks, the Federal Farm Board, Shipping Board, Grain Corporation, and foreign countries, owe us twelve and one-half billion dollars. Not such a big public debt, after all, when we deduct what is owed to the Nation, which leaves five and one-half billion dollars. Can we collect from foreign countries? Not if we keep on paying for them without insisting on payment but letting international bankers collect their money 100 cents on the dollar.

Mr. LINTHICUM. Mr. Speaker, I am sorry the time is up for the consideration of the Schafer amendment to section 2 of the Crisp amendment, which amendment asks to strike out section 2 placing a tax upon malt and wort.

I am heartily in favor of Mr. SCHAFER's amendment to strike out this tax. Yesterday we asked this committee to pass an amendment providing for a tax upon 2.75 per cent beer and providing for its legal manufacture. This committee voted down the amendment and refused to allow the country to have a beer which is nonintoxicating and which would produce a revenue of more than $400,000,000. We felt that this amendment should have been adopted and the people allowed to purchase a good beer manufactured under scientific conditions, under cooling processes and such other means as are only attainable in the splendid breweries of our country. It was to my mind a great mistake to strike down this amendment at a time when the country needs the proceeds and when the people are drinking home-brew to a greater extent than they were drinking real beer before the prohibition amendment.

I believe if we had granted the people real beer, it would have put a different face upon the situation in this country. People would feel that they were at least securing a part of their liberty again and would feel more like cooperating with the whole Nation in bringing back prosperity and success. Now, here we have a provision brought in by the Ways and Means Committee which would tax malt and wort with which home-brews are made. The gentleman from Georgia has provided that malt used in the manufacture of bread or malted milk or the like should be exempt from this taxation, which leaves the tax on malt and wort used in the manufacture of beer. It is another one of those hypocritical provisions. Here the Government proposes to make the home-brew fellows pay a tax and yet yesterday it would not let them have real beer.

It seems that the prohibition proposition has made more hypocrites out of people than any other measure in the history of the country, and now it is turning the law into a hypocritical position. Here they decide to tax beer, grape juice and its concentrates, and provide a revenue of some $50,000,000 from illicit manufactures and then when bootleggers make a large sum of money, the Treasury Department comes in and collects income taxes from these violators. These bootleggers on their part, in order to protect themselves against the collection of this income tax and to protect themselves further from investigations as to their violation of the law, hire safety boxes in the banks and trust companies and store their money where the Government can not ascertain the facts it needs.

The consequence of this procedure is that we have vast hoarding of the currency of the country by bootleggers, racketeers, and so forth, and that in its turn helps bring about the depression, because you can not conduct business

without currency and the hoarding of the currency has been done on a considerable scale. If you want to tax beer, do not tax it indirectly, but tax it directly and provide for its manufacture. Remove this manufacture of beer from the home and family and let it be brewed as it should be brewed so that it will be healthful and nutritious.

I am opposed to the taxing of malt and wort and through it taxing the home-brew manufacturers, who have trouble enough when they have to manufacture their own beer.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p. m.) the House adjourned until Monday, March 28, 1932, at 12 o'clock noon.

## COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, March 28, 1932, as reported to the floor leader by clerks of the several committees:

NAVAL AFFAIRS

(10.30 a. m.)

Relief of certain officers in the Dental Corps (S. 462, H. R. 4734).

Retirement of acting assistant surgeons of the Navy (S. 894).

BANKING AND CURRENCY

(10.30 a. m.)

Stabilization bill.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

506. A letter from the chairman of the Federal Trade Commission, transmitting a report on the price-bases inquiry; to the Committee on Interstate and Foreign Commerce.

507. A letter from the assistant general counsel of the Treasury Department, transmitting a communication from Mr. Staauss on the subject of a discriminating tariff on Japanese manufactures and a subsidy to help American industry; to the Committee on Ways and Means.

508. A letter from the chairman of the United States Tariff Commission, transmitting a copy of a report pertaining to dead or creosote oil; to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 10494. A bill to provide a postage charge on notices to publishers regarding undeliverable second-class matter; without amendment (Rept. No. 912). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H. R. 10600. A bill to exempt from the quota husbands of American citizens; without amendment (Rept. No. 919). Referred to the House Calendar.

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H. R. 10462. A bill to prohibit the use of the United States mails for the transmission of any matter advertising puzzle contests, naming contests, prize offers, or any other form of competition for a prize wherein such offers are made to induce persons to compete in another contest which involves either the purchase or sale of goods as a requisite of winning; without amendment (Rept. No. 920). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 2294. A bill for the relief of C. A. Cates; with amendment (Rept. No. 913). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6851. A bill to reimburse Gottleib Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents; with amendment (Rept. No. 914). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7198. A bill for the relief of the Boston Store Co., a corporation, Chicago, Ill.; without amendment (Rept. No. 915). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7200. A bill for the relief of William Chinsky; with amendment (Rept. No. 916). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7593. A bill for the relief of Louis Zagata; with amendment (Rept. No. 917). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7687. A bill for the relief of W. B. Ford; without amendment (Rept. No. 918). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 9677) for the relief of Margaret Doyle, administratrix of the estate of James Doyle, deceased, and the same was referred to the Committee on War Claims.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McKEOWN: A bill (H. R. 10862) for the purpose of protecting the continuity of American sources of supply of oil and products thereof, the prevention of premature exhaustion thereof, and the maintenance of adequate foreign and domestic markets for such sources of supply, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 10863) for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes; to the Committee on the Judiciary.

By Mr. LANHAM (by request): A bill (H. R. 10864) to restore the Plaza playground; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of Missouri: A bill (H. R. 10865) to amend section 200 of the World War veterans' act of 1924, as amended, by striking out the word "ninety" and inserting in lieu thereof the word "sixty" in paragraph 2 of said section; to the Committee on World War Veterans' Legislation.

By Mr. THATCHER: A bill (H. R. 10866) to provide for the purchase for the Panama Canal of articles of the growth, production, or manufacture of the United States, or of the Republic of Panama; to the Committee on Interstate and Foreign Commerce.

By Mr. HARE: A bill (H. R. 10867) to authorize the issuance of bonds by the St. Thomas Harbor Board, Virgin Islands, for the acquisition or construction of a graving or dry dock; to the Committee on Insular Affairs.

By Mr. CARTER of Wyoming: A bill (H. R. 10868) amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 23, 1931 (ch. 328, 46 Stat. 1454); to the Committee on the Public Lands.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 10869) granting an increase of pension to Mary James; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 10870) for the relief of James M. Giffin; to the Committee on Claims.

Also, a bill (H. R. 10871) for the relief of Paul Kroll; to the Committee on Claims.

By Mr. CANFIELD: A bill (H. R. 10872) granting an increase of pension to Alice J. Boggs; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 10873) granting a pension to Jamaica Taylor; to the Committee on Invalid Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 10874) for the relief of the town of Douglas, Wyo.; to the Committee on Claims.

By Mr. GOLDSBOROUGH: A bill (H. R. 10875) for the relief of Earl Sykes, W. Ward Beaston, and Noble Benson; to the Committee on Claims.

By Mr. HART: A bill (H. R. 10876) for the relief of Leonard, Crosset & Riley (Inc.); to the Committee on Claims.

By Mr. HAWLEY: A bill (H. R. 10877) granting a pension to Augustus B. Hall; to the Committee on Invalid Pensions.

By Mr. KENNEDY: A bill (H. R. 10878) for the relief of Thomas F. Nicholas; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H. R. 10879) granting a pension to Amanda Crooms; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 10880) granting a pension to Ursula M. Cochrane; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 10881) granting an increase of pension to Sarah A. Teague; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 10882) granting an increase of pension to Catherine Smith; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

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

4994. By Mr. ALDRICH: Resolution of Group No. 1001, Polish National Alliance, of Anthony, R. I., urging passage 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; to the Committee on the Judiciary.

4995. By Mr. ARNOLD: Petition of citizens of Mount Vernon, Ill., advocating an old age pension law; to the Committee on Labor.

4996. By Mr. CHIPERFIELD: Petition of 118 residents of Adams County, Ill., urging enactment of the Glenn-Smith bill, H. R. 4650; to the Committee on Irrigation and Reclamation.

4997. By Mr. COYLE of Pennsylvania: Petition signed by 381 citizens of the State of Pennsylvania, earnestly urging that the House of Representatives do not pass any compulsory Sunday observance bills that have been or may be introduced, such as House bill 8092; to the Committee on the District of Columbia.

4998. By Mr. CRAIL: Petition of many members and friends of Hollywood Camp, No. 83, and Hollywood Auxiliary, No. 54, United Spanish War Veterans, of Los Angeles County, Calif., favoring the passage of the Gasque bill, H. R. 7230, for widows' and orphans' relief; to the Committee on Pensions.

4999. By Mr. CULKIN: Petition of Claude E. Snyder, Hamilton, N. Y., and five other veterans of the World War, urging the immediate cash payment of the balance of adjusted-compensation certificates; to the Committee on Ways and Means.

5000. Also, resolution of the Common Council of the City of Oswego, N. Y., favoring immediate cash payment of the balance of adjusted-compensation certificates; to the Committee on Ways and Means.

5001. Also, petition of Charles E. Schuyler and 17 other veterans of the World War, all residing in the city of Oneida, N. Y., urging legislation providing for the immediate cash payment of the balance of the adjusted-service certificates; to the Committee on Ways and Means.

5002. Also, petition of C. W. Richards and six other citizens of the village of Phoenix, N. Y., urging that legislation placing a duty on imported wood pulps be not exacted; to the Committee on Ways and Means.

5003. By Mr. CULLEN: Petition of the Brooklyn Chamber of Commerce, urging the immediate consideration by the Congress in respect to such action as may be proper to safeguard the sugar-refining industry, so vital to the business interests of Brooklyn and the port of New York; to the Committee on Interstate and Foreign Commerce.

5004. By Mr. CURRY: Petition of various citizens of Galt, Calif., opposing the modification, repeal, or resubmission of the prohibition laws; to the Committee on the Judiciary.

5005. By Mr. DELANEY: Petition of Brooklyn Chamber of Commerce; to the Committee on Ways and Means.

5006. By Mr. GARBER: Petition of citizens of the United States, urging the passage of House bill 9891, sponsored by railroad employees who are known as the Railway Employees' National Pension Association; to the Committee on Ways and Means.

5007. By Mr. GOLDSBOROUGH: Petition of Berlin (Md.) Woman's Christian Temperance Union, favoring the maintenance of the prohibition law and its enforcement, and opposing any measure looking toward its modification, resubmission, or repeal; to the Committee on the Judiciary.

5008. By Mr. JAMES: Petition of Houghton Rotary Club, Herman A. Wieder, president, M. W. Youngs, secretary, and other members of the club, petitioning for a tariff on copper; to the Committee on Ways and Means.

5009. Also, petition of A. L. Graffitt, John Huhtala, and Lawrence Collins, of Palmer, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5010. Also, petition of Franklin J. Goodsole and other citizens of Laurium, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5011. Also, petition of Village Council of the village of Laurium, Mich., and signed by Joseph Wills, president, and William Waters, clerk, favoring a tariff on copper; to the Committee on Ways and Means.

5012. By Mr. JOHNSON of Oklahoma: Petition of 34 citizens of Blaine County, Okla., and vicinity, protesting against House bill 8092, proposing to require compulsory Sunday observance in the District of Columbia. The signers of the petition as referred by C. S. Snodgrass, of Takoma Park, Washington, D. C., ask that their protest be referred to the District Committee after being recorded in the CONGRESSIONAL RECORD; to the Committee on the District of Columbia.

5013. By Mr. JOHNSON of Texas: Petition of Rev. M. E. Ramay, pastor Central Baptist Church, Itasca, Tex., favoring House bill 6178; to the Committee on the Post Office and Post Roads.

5014. Also, petition of Hon. J. E. McDonald, commissioner of agriculture, State of Texas, opposing legislation to unduly restrict the salaries of employees of cooperating marketing associations; to the Committee on Agriculture.

5015. By Mr. KVALE: Petition of Renville County Bankers' Association, Renville, Minn., protesting against the imposition of stamp taxes on checks and drafts; to the Committee on Ways and Means.

5016. Also, petition of executive board of the Minnesota Farm Bureau Federation, demanding certain amendments to the agricultural marketing act, opposing Federal sales tax, and favoring Philippine independence; to the Committee on Agriculture.

5017. Also, petition of Clifton local of the Farmers' Union, Marshall, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

5018. Also, petition of Clifton local of the Farmers' Union, Marshall, Minn., urging enactment of Senate bill 2487; to the Committee on Agriculture.

5019. Also, petition of Minneapolis Central Labor Union, protesting against any reduction in wages and salaries of Government employees; to the Committee on Appropriations.

5020. Also, petition of Pope County Bankers' Association, Glenwood, Minn., protesting against the imposition of stamp

taxes on checks and drafts; to the Committee on Ways and Means.

5021. Also, petition of 15 members of the American Legion, Franklin, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5022. Also, petition of George C. Johnson Post, No. 460, of the American Legion, Russell, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5023. Also, petition of J. Ben Johnson Post, No. 169, of the American Legion, Clarkfield, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5024. Also, petition of Island Lake Township, Lyon County, Minn., requesting 25 per cent cut on all Federal officials and employees' salaries; to the Committee on Expenditures in the Executive Departments.

5025. Also, petition of Post No. 441 of the American Legion, Bellingham, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5026. Also, petition of Farmers' Union of Lincoln County, Minn., protesting against the imposition of a Federal tax on gasoline; to the Committee on Ways and Means.

5027. Also, petition of Douglas County Bankers' Association, Alexandria, Minn., protesting against stamp taxes on checks, drafts, etc.; to the Committee on Ways and Means.

5028. Also, petition of Division 357 of the Brotherhood of Locomotive Engineers, Minneapolis, Minn., urging enactment of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5029. By Mr. LINDSAY: Memorial of the Legislature of the State of New York, to provide suitable regulation and transportation of persons and property in interstate and foreign commerce by motor carriers; to the Committee on Interstate and Foreign Commerce.

5030. Also, petition of Allied Printing Trades Council of Greater New York, opposing any salary reduction in Federal employees' salaries; to the Committee on Appropriations.

5031. Also, petition of National Casket Co., Brooklyn, N. Y., referring to the manufacturers' sales tax; to the Committee on Ways and Means.

5032. Also, petition of Ann Rose Frocks (Inc.), New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

5033. By Mr. MILLARD: Resolution adopted by the Chamber of Commerce at Brooklyn, N. Y., urging an adjustment of rates on sugar; to the Committee on Ways and Means.

5034. Also, petition signed by Herbert P. Robinson and other citizens of Ossining, N. Y., requesting the immediate cash payment at full face value of the adjusted-compensation certificates with a refund of all interest charges on loans pending against these certificates; to the Committee on Ways and Means.

5035. By Mr. O'CONNOR: Resolutions of the Legislature of the State of New York, memorializing the Congress 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.

5036. By Mr. PARKER of Georgia: Petition of the Liberty National Bank of Savannah and Hon. George W. Tiedeman, of Savannah, Ga., protesting against the enactment of Senate bill 4115; to the Committee on Banking and Currency.

5037. Also, petition of M. L. Stephens and Charlie Frizzelle, of Ailey, and J. A. Chambers, of Townsend, Ga., protesting against any legislation that would consolidate existing rural mail routes or put rural mail routes on a contract basis; to the Committee on the Post Office and Post Roads.

5038. Also, petition of the Trades and Labor Assembly of Savannah, Ga., and the United Association of Journeymen Plumbers and Steamfitters of the United States and Canada, protesting against any legislation that has for its object the reduction of the salaries of employees and officials of the United States Government; to the Committee on Appropriations.

5039. Also, petition of Dr. Jabez Jones and nine other citizens of the State of Georgia, urging the enactment of legislation to regulate busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

5040. By Mr. RAMSEYER: Petition of farmers and citizens of Keokuk County, Iowa, asking for a substantial reduction in the $1,000,000 appropriation asked for the administration of the Federal Farm Board; to the Committee on Appropriations.

5041. By Mr. RICH: Petition of citizens of Tioga County, protesting against the passage of House bill 8092, known as the compulsory Sunday observance bill; to the Committee on the District of Columbia.

5042. By Mr. ROBINSON: Resolution adopted by the Woman's Christian Temperance Union, Eldora, Iowa, representing about 60 persons and sent in by Mary L. Cruzan, 1315 Tenth Street, Eldora, Iowa, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures and urging that adequate appropriations be made for law enforcement and for education in law observance; to the Committee on the Judiciary.

5043. Also, petition signed by L. G. Raffety, 115 Mildred Avenue, and a number of other citizens of Iowa Falls, Iowa, opposing the 1-cent tax per shell for the purpose of raising money to establish the breeding plants and feeding grounds for ducks in the United States and Canada, feeling that it is decidedly unfair to the farmer and sportsman who do not make the hunting of migratory birds their special hobby; to the Committee on Ways and Means.

5044. Also, petition signed by George Krebs, Valley Junction, Iowa, and many other employees of the Rock Island Railroad living in the State of Iowa, urging support of the railroad employees' national pension bill, H. R. 9891; to the Committee on Interstate and Foreign Commerce.

5045. By Mr. RUDD: Petition of Allied Printing Trades Council of Greater New York, opposing any salary reduction of the Federal employees; to the Committee on Appropriations.

5046. Also, petition of National Casket Co., Brooklyn, N. Y., referring to the manufacturers' sales tax; to the Committee on Ways and Means.

5047. Also, petition of the New York Society for the Prevention of Cruelty to Children, New York City, opposing the Capper-Norton bill, S. 3448, line 144; to the Committee on the District of Columbia.

5048. Also, petition of United Association of Journeymen Plumbers and Steamfitters of the United States and Canada, opposing reduction of the Federal employees' salaries; to the Committee on Appropriations.

5049. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., with reference to a duty on sugar; to the Committee on Ways and Means.

5050. By Mr. SANDERS of Texas: Petition of 181 citizens of Van Zandt County, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5051. Also, petition of 79 citizens of Kaufman County, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5052. Also, petition of 204 citizens of Gregg and Rusk Counties, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5053. Also, petition of eight citizens of Smith County, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act,

and asking that said act be retained without impairment; to the Committee on Agriculture.

5054. Also, petition of 45 citizens of Wood County, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5055. Also, petition of 297 citizens of Henderson County, Tex., asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5056. By Mr. SUTPHIN: Petition of Monmouth County Organization of Social Service, objecting to curtailment of funds by the Children's Bureau of the Department of Labor; to the Committee on Labor.

5057. Also, memorial of Swiazek Nacodowy Polski, of Perth Amboy, N. J., asking that October 11 be set aside as General Pulaski's Memorial Day; to the Committee on the Judiciary.

5058. By Mr. TIMBERLAKE: Petition of Mayflower Ladies Aid Society, of Englewood, Colo., protesting against submission of the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

5059. By Mr. WELCH of California: Resolution of board of supervisors of the city and county of San Francisco, Calif., indorsing the Bingham bill, permitting the manufacture of 4 per cent beer; to the Committee on the Judiciary.

5060. By Mr. WILLIAMS of Texas: Petition of employees of the post office at Denton, Tex., opposing any bill for reduction of salaries of postal employees; to the Committee on Ways and Means.

5061. Also, petition of ex-service men residing in and around Lewisville, Denton County, Tex., urging the passage of the bonus bill paying the balance of the adjusted-service certificates in cash; to the Committee on Ways and Means.

5062. Also, petition of citizens of the counties of Archer, Baylor, Clay, Cooke, Denton, Jack, Montague, Throckmorton, Wilbarger, Wise, Wichita, and Young, asking that Congress enact no legislation which will tend to destroy the effectiveness of the agriculture marketing act, and asking that said act be retained without impairment; to the Committee on Agriculture.

5063. By the SPEAKER: Petition of citizens of Washington City, urging Congress to pass the unemployment and relief measures now pending and to support the American Legion idea of a 5-day working week; to the Committee on Labor.

5064. Also, petition of E. N. Freeman, of Macon, Ga., in behalf of David Threatt; to the Committee on the Judiciary.

5065. Also, petition of the board of supervisors of the city and county of San Francisco, Calif., urging Congress to pass the Bingham bill or a similar one; to the Committee on the Judiciary.

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# SENATE

## MONDAY, MARCH 28, 1932

*(Legislative day of Wednesday, March 23, 1932)*

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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1590) granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes; and it was signed by the Vice President.

### RELIEF OF WATER USERS ON IRRIGATION PROJECTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3706) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law, which were, on page 2, line 9, to strike out all after "authorized" down to and including "deferred," in line 11, and insert "; and otherwise the deferred payments herein authorized shall bear interest until paid at such rate, and shall be paid at such times, as the Secretary of the Interior shall determine"; on page 2, line 18, after "1932," to insert ": *And provided further,* That the payments for construction charges and interest payments on the cost of the power systems referred to in this act shall not be deemed waived, but only deferred, and shall be paid as provided in this act"; on page 3, line 22, to strike out "without interest and penalties"; on page 3, line 24, after "charges," to insert "under the terms as provided in this act"; on page 5, line 10, to strike out "7" and insert "8"; on page 7, line 13, to strike out all after "contracts," down to and including "annum," in line 14; and on page 8, line 2, to strike out "1935" and insert "1934."

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

The motion was agreed to.

### CALL OF THE ROLL

Mr. VANDENBERG obtained the floor.

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

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

### DEATH OF HERMAN WILLS

Mr. DAVIS. Mr. President, I shall absent myself from a part of the day's session of the Senate long enough to attend the funeral of one of the foremost leaders in social legislation, Herman E. Wills, who died in this city last Saturday morning at the ripe age of 84.

Mr. Wills for 50 years was one of the pioneers not only in extending railroads to the West coast, but in the organization and advancement of the principles of the Brotherhood of Locomotive Engineers. He had been in Washington for 22 years as the national representative of transportation activities in which labor was interested.

The passing of Mr. Wills is mourned not only by the railroad brotherhoods but by men and women in every walk of life regardless of their social station or their political affiliation. He possessed a quiet dignity which endeared him to all with whom he came in contact. His vision of legislation was practical and he will be revered for years to come.