

7739. Also, resolution of the Rossmore Safety Club, Rossmore, W. Va., opposing the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

7740. Also, resolution of the Elverton Safety Club, Elverton, W. Va., protesting against the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

7741. Also, resolution of the Laurel Creek Safety Club, Laurel Creek, W. Va., opposing the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

7742. Also, resolution of the Milburn Safety Club, Milburn, W. Va., opposing the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7743. By Mr. SUTPHIN: Resolution of the Chamber of Commerce of South Plainfield, favoring reduction of the taxes and balancing of the Budget; to the Committee on Economy.

7744. By Mr. SWING: Petition signed by 209 residents of National City, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

7745. By Mr. WATSON: Resolutions adopted by the Lumbermen's Exchange of the city of Philadelphia, relative to motor-truck and water-borne transportation; to the Committee on Interstate and Foreign Commerce.

SENATE

SATURDAY, MAY 14, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock meridian, on the expiration of the recess.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Couzens	Kean	Smith
Austin	Dale	Kendrick	Smoot
Bankhead	Dickinson	Keyes	Steiger
Barbour	Dill	King	Stephens
Barkley	Fess	La Follette	Thomas, Idaho
Blaine	Fletcher	Logan	Thomas, Okla.
Borah	Frazier	Long	Townsend
Bratton	George	McGill	Trammell
Broussard	Goldsbrough	McNary	Tydings
Bulow	Hale	Metcalf	Vandenberg
Byrnes	Harrison	Moses	Wagner
Capper	Hastings	Norris	Walsh, Mass.
Caraway	Hayden	Nye	Walsh, Mont.
Cohen	Hebert	Patterson	Watson
Connally	Howell	Robinson, Ark.	Wheeler
Coolidge	Hull	Robinson, Ind.	
Copeland	Johnson	Sheppard	
Costigan	Jones	Shortridge	

Mr. HULL. I desire to announce that my colleague the senior Senator from Tennessee [Mr. McKellar] is unavoidably detained by illness.

Mr. FESS. I desire to announce that the Senator from West Virginia [Mr. Hatfield] is detained in a committee meeting, and the Senator from Nevada [Mr. Oddie] is also detained from the Senate on official business.

The VICE PRESIDENT. Sixty-nine Senators have answered to their names. A quorum is present. House bill 10236 is before the Senate, and the question is on the amendment proposed by the Senator from Michigan [Mr. Couzens].

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 382) making an additional appropriation for printing and binding for Congress for the fiscal year 1932, in which it requested the concurrence of the Senate.

EXPENSES OF ALABAMA SENATORIAL CONTEST

Mr. SHORTRIDGE. Mr. President, as chairman of the Committee on Privileges and Elections, I have been asked to request unanimous consent to take up at this time Senate Resolution 213, a resolution further increasing the limit of expenditures in the matter of the Heflin-Bankhead senatorial contest from the State of Alabama. The resolution

was introduced, referred to the appropriate committee, reported with an amendment, and I understand that as amended the resolution is agreeable to both contestant and contestee. Wherefore I am making this request.

Mr. KING. Mr. President—

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Utah?

Mr. SHORTRIDGE. I yield.

Mr. KING. Has the matter been brought to the attention of the full committee? I am the ranking minority member of the committee, and I never heard of it.

Mr. SHORTRIDGE. The chairman of the subcommittee [Mr. Hastings] will make answer to the Senator.

Mr. SMOOT. Mr. President, is this going to lead to debate?

Mr. KING. It will.

Mr. SHORTRIDGE. I do not think it will; or, rather, I had hoped it would not.

Mr. SMOOT. If it is going to lead to debate, I must object.

The PRESIDENT pro tempore. Objection is made.

Mr. SHORTRIDGE. I hope that when consideration of the resolution is again suggested there will not be any objection or any prolonged debate. There are certain expenditures that have been incurred. The parties to the contest have expressed satisfaction with the resolution as it was and is amended. Of course, if there is objection, the matter will have to rest for further consideration.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 382) making an additional appropriation for printing and binding for Congress for the fiscal year 1932 was read twice by its title and referred to the Committee on Appropriations.

IMPORTATIONS OF WOOD PULP—REVISED DATA

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the United States Tariff Commission relative to its recent report on wood pulp and pulpwood (presenting tables showing the production during the three years 1929, 1930, and 1931 of a large number of domestic pulp mills) submitting additional data on pulp mills, revising and correcting the figures previously presented, which, with the accompanying paper, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented telegrams in the nature of memorials from Margaret O'Reilly, president of the Hibernian organization, and Mrs. Charles O'Donnell Lee, jr., president of the Altar Society of the Old Santa Barbara Mission, both of Santa Barbara, Calif., remonstrating against the passage of the bill (S. 3907) to amend section 211 of the Criminal Code, as amended (relating to certain nonmailable matter), especially with reference to the dissemination of birth-control information, which were referred to the Committee on the Judiciary.

Mr. TYDINGS presented a resolution adopted by Wicomico Post, No. 64, American Legion, of Salisbury, Md., favoring elimination of the interest rate on veterans' adjusted-service certificates, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Snow Hill-Worcester Chamber of Commerce, at Snow Hill, Md., favoring the prompt balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a memorial of sundry citizens of the State of Maryland, remonstrating against reductions in the compensation of Federal employees or adoption of the so-called furlough plan in the Federal service, which was referred to the Committee on Appropriations.

He also presented a memorial of sundry citizens of the State of Maryland, remonstrating against reductions in the compensation of Federal employees, the dismissal of certain married persons in the Government service, etc., which was referred to the Committee on Appropriations.

Mr. BARBOUR presented a resolution adopted by the board of directors of the New Jersey Insurance Co., at New York City, N. Y., favoring the repeal of the recapture clause of the transportation act of 1920, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Republican Veterans' Association of New Jersey, Trenton, N. J., favoring the immediate repeal of the eighteenth amendment of the Constitution and the Volstead Act, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of the State of New Jersey, being members and friends of the South Jersey Radio Association, remonstrating against the passage of legislation to tax amateur radio stations and operators (known as House bill 7716), which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Lions Club of Trenton and the Kiwanis Club of Hackensack, both in the State of New Jersey, favoring the balancing of the Budget and retrenchment in governmental expenditures, which were referred to the Committee on Appropriations.

Mr. JONES presented a resolution adopted by John Wannebo Camp, No. 9, United Spanish War Veterans, of Everett, Wash., favoring the passage of legislation to provide for the stabilization of values of imports from countries changing their monetary standards, which was referred to the Committee on Finance.

He also presented a memorial of members of the Seattle Yacht Club, of Seattle, Wash., remonstrating against the imposition of a 10 per cent tax on motor boats and yachts, which was ordered to lie on the table.

He also presented a resolution adopted by Tacoma Council, No. 12, Junior Order of United American Mechanics, of Tacoma, Wash., indorsing the so-called Moore bill, restricting the immigration of aliens, which was referred to the Committee on Immigration.

He also presented the petition of the Daughters of the American Revolution of the State of Washington, praying for the passage of legislation making it a crime to advocate or promote the overthrow or destruction of the Government of the United States by force or violence and also certain restrictive immigration measures, which was referred to the Committee on the Judiciary.

Mr. KEAN presented a statement from Albert I. Mehrbach, of East Orange, N. J., relative to the so-called Mehrbach plan for the protection of bank depositors, which was referred to the Committee on Banking and Currency.

He also presented a joint resolution adopted by the Legislature of the State of New Jersey, memorializing Congress to provide for the construction of a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation, which was referred to the Committee on Commerce. (See resolution printed in full when presented to-day by Mr. BARBOUR.)

Mr. WALSH of Massachusetts presented papers in the nature of petitions from 1,025 citizens of the State of Massachusetts, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of memorials from 110 citizens of the State of Massachusetts, remonstrating against the modification of the Volstead Act or repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented petitions of 550 citizens of the State of Massachusetts, praying for the adoption of an orderly tax program, retrenchment in governmental expenditures, and the defeat of the cash-bonus proposal, which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 190 citizens of the State of Massachusetts, praying for the balancing of the Budget, the defeat of the cash-bonus proposal, the stopping of "all raids on the Treasury," retrenchment in governmental expenditures, but the preservation of the national defense, the enactment of fair sales and stamp

taxes, amendment of the Volstead Act, and the taxation of light wine and beer, which were referred to the Committee on Appropriations.

RESTAURANT IN NEW FEDERAL BUILDING AT BOSTON, MASS.

Mr. WALSH of Massachusetts. Mr. President, I present a letter in the nature of a memorial, signed by sundry citizens and firms, being restaurateurs of Boston, Mass., remonstrating against the appropriation of Government funds for the purpose of installing or operating a restaurant or eating place for employees of the Post Office Department in the new Federal building at Boston, Mass., which I ask may be printed in the RECORD, without the signatures, and referred to the Committee on Appropriations.

There being no objection, the letter in the nature of a memorial was referred to the Committee on Appropriations and ordered to be printed in the RECORD without the signatures, as follows:

BOSTON, MASS., May 9, 1932.

HON. WESLEY L. JONES,

Chairman Senate Committee on Appropriations,

United States Senate, Washington, D. C.

DEAR SIR: We, the undersigned restaurateurs of Boston, are anxious to enlist your aid in presenting a vigorous and immediate protest against the appropriation of Government funds for the purpose of installing or operating an eating place for employees of the Post Office Department in the Boston, Mass., new Federal building. The following points are submitted for your consideration:

1. The Federal building is in the heart of the city, not isolated, and it is a known fact that the restaurant facilities in the immediate vicinity of the proposed building are adequate to meet all existing and future needs.

2. The operation of restaurants by employees' committees in Government buildings on a rent-free basis constitutes unfair competition to a legitimate industry.

3. In many cities such unfair competition has been one of the factors causing the heavy business mortality in the restaurant industry, the seventh among retail trades.

4. This mortality is the subject of study by the United States Department of Commerce in view of eliminating the financial losses it brings about.

5. The operation of restaurants in Government buildings gives no assurance of better food, service, or surroundings than may be had in many near-by eating places, but will add materially to the tremendous deficit under which the Post Office Department is now operating.

Thanking you for the consideration which we feel confident will be given by you in this matter, we remain,

Very sincerely,

SHIP CANAL ACROSS NEW JERSEY

Mr. BARBOUR presented a joint resolution adopted by the Legislature of the State of New Jersey, which was referred to the Committee on Commerce, as follows:

STATE OF NEW JERSEY.

Joint Resolution No. 4, Laws of 1932, memorializing the Congress of the United States to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation

Whereas an inland waterways system has been provided along the entire Atlantic coast with the exception of the short distance through the State of New Jersey; and

Whereas the construction of a ship canal through the State of New Jersey will complete said inland waterways system; and

Whereas the State of New Jersey has heretofore appropriated considerable money for the acquisition of the right of way for such canal, and has from year to year reappropriated said moneys; and

Whereas the State of New Jersey has been and still is ready and willing to furnish the right of way for such canal in accordance with representations heretofore made to the Federal Government: Therefore be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the Congress of the United States is hereby memorialized and requested to appropriate a sufficient sum of money to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation, upon a right of way to be furnished by this State: Be it further

Resolved, That a copy of this resolution be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Member in the Senate and House of Representatives of the United States from the State of New Jersey.

3. This joint resolution shall take effect immediately.

Approved May 2, 1932.

STATE OF NEW JERSEY,

DEPARTMENT OF STATE.

I, Thomas A. Mathias, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of a

joint resolution passed by the legislature of this State and approved by the governor the 2d day of May, A. D. 1932, as taken from and compared with the original now on file in my office.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton, this 13th day of May, 1932.

[SEAL.]

THOMAS A. MATHIAS,
Secretary of State.

REPORTS OF COMMITTEES

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4554) authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex., reported it without amendment and submitted a report (No. 690) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 691) thereon.

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1197) to liquidate and refinance agricultural indebtedness and to encourage and promote agriculture, commerce, and industry by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened, by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm loan system, the Federal reserve banking system, and the postal-savings depository system, and creating a board of agriculture to supervise the same, reported it with amendments and submitted a report (No. 692) thereon.

GOVERNMENT PRINTING OFFICE APPROPRIATION

Mr. JONES. Mr. President, the joint resolution (H. J. Res. 382) making an additional appropriation for printing and binding for Congress for the fiscal year 1932 passed the House, came to the Senate, and was referred to and considered by the Appropriations Committee. It provides an immediate appropriation of \$500,000 for the Government Printing Office. This amount was included in the legislative appropriation bill to be made immediately available. That bill, as we know, is now before the committee and we are considering very carefully the legislative part of it. The bill will not pass for some little time yet. It is extremely important that this \$500,000 should be made available. The Public Printer is now taking money from here and there and using it in anticipation of getting this appropriation. A letter sent by the Public Printer to the Appropriations Committee of the House calls attention to the situation, and he closes the letter by saying:

I regret to state that unless measures are taken at once to relieve this imperative need I will be compelled to discontinue all congressional printing, including the Record, and this not later than Monday, May 16, 1932. This would mean our entire congressional force would have to be laid off, as departmental printing is insufficient to keep it employed.

From the Committee on Appropriations I report back favorably without amendment the joint resolution and ask for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent for the present consideration of the joint resolution. Is there objection?

There being no objection, the joint resolution was read at length, ordered to a third reading, read the third time by title, and passed, as follows:

Resolved, etc., That the sum of \$500,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for printing and binding for Congress, including the same objects and under the same conditions specified under the appropriation "Public printing and binding, Government Printing Office, 1932," contained in the legislative appropriation act for the fiscal year ending June 30, 1932.

REPORTS OF THE NAVAL AFFAIRS COMMITTEE

As in executive session,

Mr. HALE, from the Committee on Naval Affairs, reported the nomination of Capt. John W. Greenslade to be a rear

admiral in the Navy from the 1st day of May, 1932, and also the nomination of sundry officers in the Navy and the Marine Corps, which were placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. COPELAND:

A bill (S. 4663) granting a pension to Matt Henson; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4664) granting a pension to Max Shar (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 4665) granting a pension to Adah C. Seed (with accompanying papers); to the Committee on Pensions.

By Mr. LOGAN:

A joint resolution (S. J. Res. 158) proposing an amendment to the Constitution of the United States fixing the terms of President and Vice President and Members of the House of Representatives; to the Committee on the Judiciary.

REVENUE AND TAXATION—AMENDMENTS

Mr. COPELAND submitted an amendment intended to be proposed by him to House bill 10236, the revenue and taxation bill, which was ordered to lie on the table and to be printed, as follows:

On page 48, after line 19, insert a new subsection, as follows:

"(c) In any case in which the statute of limitations, as to credits and refunds, in this act or prior revenue acts has not run against a husband and wife, and until such statute shall have run against them, either or both may file under this act and under such prior acts an amended joint return to take the place of the individual returns filed by them or amended separate returns to take the place of the joint return filed by them, if the change will cause a combined lesser tax than the joint return or individual returns originally filed."

Mr. CONNALLY. Mr. President, I send to the desk and ask to have printed and lie on the table a proposed amendment to the pending revenue bill, House bill 10236, providing for the excess-profits tax which we had during the wartime.

The PRESIDENT pro tempore. The amendment intended to be proposed by the Senator from Texas will be received, printed, and lie on the table.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 3584. An act to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Law of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes;

S. 4193. An act 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;

S. J. Res. 36. Joint resolution to change the name of the island of "Porto Rico" to "Puerto Rico"; and

H. J. Res. 382. Joint resolution making an additional appropriation for printing and binding for Congress for the fiscal year 1932.

HUNDRETH ANNIVERSARY OF MORSE SIMPLIFIED TELEGRAPH CODE

Mr. COPELAND. Mr. President, it was a hundred years ago to-day that Samuel F. B. Morse announced the use of the simplified telegraph code. It seems a pity that we must have reminders of these great anniversaries. Recently I had a letter from the granddaughter of Mr. Morse, Miss Leila Livingston Morse, stating:

It was 100 years ago in Paris, after seeing the early efforts of the French telegraphs (without electricity), that there came to him instantaneously the use of the simplified code transmitted by electricity. After 12 years of work to perfect an instrument and heroic effort to get Congress to make an appropriation for an experimental line, the first message was sent, in 1844, from Wash-

ington. This year marks the one hundredth commemoration of his inspiration, to which Fenimore Cooper (then living in Paris) testified in some of his works. There was a joint session of the Senate and House on the occasion of my grandfather's funeral in 1872.

It seems that the first message was sent from a room in New York University in Washington Square and was distinctly heard over 10 miles of wire. The message was, "Attention, the universe; by kingdoms, right wheel."

Then a later message of longer reach, "What hath God wrought?" was sent from what was then the Supreme Court room in the Capitol, received in Baltimore, and immediately answered.

Mr. President, it seems fitting that at least this brief reference should be made to this remarkable discovery, and I ask that, as a part of my remarks, an editorial in this morning's New York Times, entitled "Morse the Intelligencer," be printed with my remarks.

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

[From the New York Times, May 14, 1932]

MORSE THE INTELLIGENCER

The first clear prophecy of the alphabet known as the Morse code and of the instrument for its use is to be found in a statement which Samuel F. B. Morse made aboard the packet ship *Sully* on his way home from Europe in 1832:

"If the presence of electricity can be made visible in any part of the circuit, I see no reason why intelligence may not be transmitted by electricity."

Though he was among the first painters of his time and the first president of the Academy of Design, from that day he was in the way of establishing a name for himself in another field. He became in time the "Intelligencer" of the world.

The first message, sent from a room in New York University in Washington Square and distinctly heard over 10 miles of wire—"Attention, the universe; by kingdoms, right wheel"—had a prophetic suggestion of the future reach of the clicking messages borne by electricity along the wires of which there are now some six or seven millions of miles—and many of them still using the means of communication invented by the son of Jedediah Morse, the early American geographer. The first message of longer reach, "What hath God wrought?" sent from what was then the Supreme Court room in the Capitol, received in Baltimore, and immediately answered, will be especially remembered by the ceremonies in the same room (now the library on the second floor of the Capitol) to be held this afternoon, beginning with a telegram from the President of the United States and the use of the same instrument that Morse used, and followed by a radio program in which European countries, from England to Italy, will take part.

It is not contended that Morse discovered the principle of electromagnetic transmission, but he was the first to devise the alphabet by which electricity could transmit in that universal language the words of men of divers tongues, and the first to construct the device for their utterance. In a very real sense his lines have gone throughout the earth, and there is no language nor speech in which the voice of his instrument is not heard—a Pentecostal code wherein each man can know his neighbor's thought though separated by half the globe.

Word comes by his tele-speech that the ruins of the supposed Tower of Babel have been unearthed in Mesopotamia. Confusion of tongues still prevails in the earth, but there is promise of a "whole earth of one language and of one speech" again through the perfected and extended means of communicating intelligence—and Morse is one of its prophets. The nations of the earth have wheeled right or left at the command of peoples possessed of the far-speaking instruments with which in train of his telegraph democracies have been "implemented."

Mr. DILL. Mr. President, somewhat in keeping with what the Senator from New York has just said, I want to call attention to the marvelous advance in the use of electricity for transmitting the human voice by reference to an article in the New York Times of this morning, which explains how, at the opening of a building last night on Pine Street, 60 Wall Tower, a man's voice was carried on moonbeams, and how moonbeams were used not only to transmit his voice but were used to light the electric lights on the tower of the building. This was done by a photo-electric cell moonbeam condenser which worked as perfectly as any wire connection that could be devised. I only mention that by way of bearing out the remarks of the Senator from New York as to how far we have advanced in the use of electricity in transmitting the human voice.

PROTECTION OF LABOR BY TARIFF ON COPPER

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial

from the Salt Lake Tribune of May 9, 1932, relative to the imposition of a tariff on copper and thereby protecting labor.

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

PROTECTING LABOR

In the popular mind of the West, particularly that part of it which depends in some measure upon copper production for sustenance, there will be no doubt but what the Senate Finance Committee acts wisely in restoring the projected tariffs on copper. Long before this many American families have been visibly impressed with the vital part that copper production plays in daily existence.

They have seen their means of livelihood dissipated by an overabundance of the red metal and attendant declining prices. Those remaining in the industry on a part-time basis know that they eke out an existence in a large measure by the sufferance and the fortitude of the industry. Their only hope, under existing conditions, is to be found in the remedy which it is now proposed to apply—a tariff, which will afford them a measure of protection against foreign competition.

There was a time when the industry itself needed this protection to endure, but in the past score of years it has been able to more than meet the competition of foreign production. Its position now, however, is not so promising. The tenure of those dependent upon this activity for a livelihood is less secure, if it is not altogether uncertain.

At this time the need of a copper tariff is felt keenly by those dependent upon the industry for the support of their families. In the Western States, particularly, a considerable number of people are directly engaged in the process of copper production. Their misfortunes are reflected to other lines of business and industrial endeavor.

Without some protection against heavy importations and without some encouragement to American production, their economic place in the life of the West is threatened with complete dissipation. The copper tariff seeks to preserve in some measure their accustomed place in the industrial life of the West. Without this protection they are faced with the necessity of finding new occupations at a time when every field of endeavor is seriously disturbed by its own surpluses. The proposed tariff is not to be confused with endeavors to foster infant enterprises. Rather it is a well-reasoned effort to protect labor against industrial decay, preserving so far as possible the labor fabric of a gigantic industry.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Michigan [Mr. COUZENS].

Mr. HARRISON. Mr. President, are we about to have a vote taken on the amendment?

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment proposed by the Senator from Michigan. The Chair will state, however, that that amendment is divisible, if any Senator wishes to have it divided.

Mr. SMOOT. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. On this question the yeas and nays are demanded. Is the demand sufficiently seconded?

Mr. LONG. Mr. President, a parliamentary inquiry. Is the roll about to be called on the amendment of the Senator from Michigan?

The PRESIDENT pro tempore. The yeas and nays have not as yet been ordered. Is the demand seconded? A sufficient number having seconded the demand for the yeas and nays, they are now ordered.

Mr. DILL. Mr. President, I shall not delay the Senate for any extended speech, but I want to give voice to my views regarding the pending amendment and what its adoption or rejection would mean in connection with the bill now before us, both as to raising revenue and as to its effect upon the people of this country.

Everybody agrees that we must raise revenue by new taxes. The whole question is, Who is to pay these new taxes? We are not going to get them from the 8,000,000 unemployed in this country; we are not going to get them from the farmers, who have been losing their homes and farms, who have been receiving 30 cents a bushel for their wheat, 3 cents a pound for their hogs, 50 cents apiece for their sheep, 10 cents a pound for their wool, and 5 cents a pound for their cotton. We are not going to get them from the people who have had swept away their life savings in 4,000 banks which have

closed their doors since the panic began. The whole question is, From whom will we secure these taxes?

There are two sources from which we can collect them. One is from the people who are still working on part time, from the small business men who are struggling to keep out of bankruptcy, and from those who still have small savings that have not been entirely exhausted; or we can take them from the people who are still receiving large incomes and who have large accumulations of wealth which can be reached by inheritance taxes.

I do not want by anything I may say to seem to take sides or to array classes one against another, but I do not see how it is possible for any man to close his eyes to the fact that a large part of this burden of more than a billion dollars in new taxes can better be paid by those who still receive substantial incomes, and especially by those few who are still receiving enormous incomes, than it can be borne by the millions of common men who are still keeping their heads above water but are on the edge of bankruptcy or on the verge of losing their jobs or their business.

In last night's Washington News there was an editorial to the effect that 31 per cent of the income of our people is being paid each year in the form of taxes, Federal, State, and local. The editorial pointed out that those who do not have property upon which to pay taxes pay their share of the taxes in the added cost of food, clothing, rent, and other necessities of life. If we adopt the amendment of the Senator from Michigan, we shall be able to avoid adding to the taxes on the necessities of life and on the things used in new production throughout the country. If we do not adopt such taxes, then we must raise considerably more revenue, amounting to between \$200,000,000 and \$300,000,000, by taxes upon business of various kinds that have to do directly with the daily life of our people.

I do not know in any detail how those who have big fortunes from which they will secure during the coming year immense incomes accumulated them, but I do know that some of them were acquired by indefensible methods upon the stock exchanges of this country.

I want to call attention to what happened in connection with the boosting of the prices of stocks of the great industrial and business organizations of this country and what has happened since the panic began. If during the period of boom prices on the stock exchange any citizen bought 1 share of each of the 14 leading industrial stocks on the New York exchanges which I shall mention, he would have paid \$2,530 for them. If he sold them yesterday at the prices then prevailing, he would have received a very small percentage of that amount; in fact, he would have received only \$165. Let me give the Senate some of the figures.

The United States Steel Co. stock in July, 1929, was selling at \$261.75 a share; yesterday it sold at \$27.25;

New York Central Railway stock sold in 1929 at \$256.50 a share; yesterday it sold at \$11;

The stock of the American Machine & Foundry Co. sold in 1929 was \$279.75; yesterday at sold at \$12.75;

The stock of the Westinghouse Electric Co. in 1929 sold at \$292.50 a share, while yesterday it sold at \$23.25;

The stock of the J. I. Case Threshing Machine Co. sold in July, 1929, at \$467 a share; yesterday it sold at \$21;

The stock of the General Motors Corporation sold in 1929 at \$91.75 a share; yesterday it sold at \$10.25;

The stock of the United Aircraft Corporation in 1929 sold at \$162; yesterday it sold at \$7.25;

The stock of the Radio Corporation in 1929 sold at \$114.75 a share; yesterday it sold at \$3.75;

The stock of the Trans-America Corporation in July, 1929, sold at \$67.25 a share; yesterday it sold at \$3;

The stock of the Anaconda Copper Co. in 1929 sold for \$140 a share, and yesterday it sold for \$5;

The stock of the Goodrich Rubber Co. in 1929 sold for \$105.75 a share, while yesterday it sold for \$3.50 a share;

The stock of the Standard Oil Co. of California in 1929 sold for \$81.75 a share, while yesterday it sold for \$19 a share;

The stock of the International Telephone & Telegraph Co. in 1929 sold for \$109 a share, while yesterday it sold for \$5; and

The stock of the General Electric Corporation in 1929 sold for \$101 a share, while yesterday it sold for \$13.50 a share.

The list of these shares, their present values, and the percentages are as follows:

If you bought one share of each of following stock-market leaders in July, 1929, it would—

	Cost you	Recent value, May 13	Percentage of former value
United States Steel Co.	\$261.75	\$27.25	10.4
New York Central R. R.	256.50	11.00	4.3
American Machine & Foundry	279.75	12.75	4.2
Westinghouse Electric Mfg. Co.	292.50	23.25	7.9
J. I. Case Threshing Machine	467.00	21.00	4.5
General Motors Corporation	91.75	10.25	11.1
United Aircraft Corporation	162.00	7.25	4.4
Radio Corporation of America	114.75	3.75	3.2
Trans-America Corporation	67.25	3.00	4.4
Anaconda Copper & Smelting	140.00	5.00	3.5
Goodrich Rubber Co.	105.75	3.50	3.3
Standard Oil of California	81.75	19.00	23.2
International Telephone & Telegraph Co.	109.00	5.00	4.6
General Electric Co.	101.00	13.50	13.3
1 share of each	2,530.75	165.50	6.5

Some of those now possessing vast fortunes accumulated them by boosting on the stock market the price of the stocks of such corporations as I have mentioned; they accumulated them by the issuance of watered stock, by the issuance of split stock, by the issuance of stock dividends. They sold the stock thus acquired at the boom prices and made millions of dollars. I know that many of them have since lost their money in speculation, but I call attention to the fortunes derived from this source which to-day produce large incomes to citizens of the country in considering which in the levying of taxes at a time like this nobody should be tender.

Then there is another source of fortunes, namely, the great chain business of this country. The great commercial organizations that have spread themselves all over the land and pick a few pennies out of the pockets of the millions of common citizens every day of the year for the necessities of life in which they are dealing have built up immense fortunes for some individuals. That has been true of various other activities. I shall not enlarge upon the suggestion, but I am calling attention to it to show that the people who secured these vast sums of money in the days of prosperity and have them now in sufficient amount to enable them to receive big incomes will not be unjustly treated if we place upon them income taxes at the war rates.

The opponents of this proposal, as I have listened to them and as I have read their arguments, continually bring forth the claim that it will handicap business and drive money into tax-exempt securities. The Senator from Michigan [Mr. COUZENS] yesterday answered that better than I can. I just want to say that if the men with large amounts of money put their money into tax-exempt securities somebody must sell those securities; so the same amount of money is still free for business purposes.

Mr. LONG. Mr. President—

Mr. DILL. I yield to the Senator from Louisiana.

Mr. LONG. As a matter of fact—I asked the question yesterday, but I do not think the Senator was in the Chamber at the time—in the Senator's opinion, could anything better be done to-day than to put some money into municipal and State securities, so that we could prosecute public works? Not only is the money spent to employ labor, but after the utility is constructed it is for the common use and benefit of everybody.

Mr. DILL. Yes; I think that is true.

I want to call attention further to the fact that if some of these men with so many millions are induced not to invest their money in these great, nation-wide chain organizations, the independent business men of America will have a little better chance. The growth of individualism and capitalism in this country has gone to such an extent that it will be well if it is curbed somehow. I do not argue for high income-tax rates for the purpose of distributing wealth or for the purpose of curbing big business. I argue for it

as a necessity; but if, as an incident of carrying out a policy that is just and fair, we should break down this growing tendency to extend the chain principle to every activity of American business, we will have done a real service to the American people.

The President this morning, in a statement published in the newspapers, says that we must use war methods to bring back prosperity. Senators, we must do more than that. We must use war methods to save what little business activity there is left in this country.

In the time of war we asked those with great fortunes to make tremendous sacrifices for war; and they did so willingly, I think. They should be willing to make great sacrifices now; and if they are not willing, then by law we should compel them to make those sacrifices. The sacrifices in time of war, we said, were for the purpose of making democracy safe throughout the world. The sacrifices to-day, in my judgment, will be made to maintain democracy in this great Republic.

Congress must levy these big taxes to provide money to run this Government, or it must levy the taxes upon the millions of common men and women who are still struggling to make enough money to keep themselves from the bread lines and from asking help from charity organizations.

I remind you that these high taxes upon the big incomes will not be socialism. They will not be communism. They will not be confiscation. They will not even be a limitation on great fortunes. They will simply be a method of far-sighted legislation by which a great democracy defends itself and insures its own continuation.

When we place a larger share of the burdens of government in these hard times on the rich and the powerful, we shall prove that our democracy can be made to function satisfactorily in periods of great emergency such as this. Such legislation is both fair and wise. It is simple justice. Those who accumulated these vast fortunes in days of prosperity took more than their fair share of the profits of production. It is only fair that they should pay a large part of the expenses of government in these days of adversity.

Even if these high taxes were not justified on this ground, the wealthy and the powerful can well afford to pay them as a small premium to insure the continuation of democracy, and the system of individualism and capitalism of which they are such ardent champions. Unless we do continue this system of democracy, this system of individualism, then the opportunities for which we hear so much pleading for the youth of the world, and particularly of America, will soon be lost.

Those with great fortunes and big incomes have got more out of democracy, they have got more out of individual opportunity, they have got more out of capitalism than any other of our population. If the opportunities which democracy affords our people are taken away, what will be the rewards for brains and enterprise then? If the security which democracy gives to their fortunes, which democracy guarantees to them is taken away, how will they protect those fortunes in the future?

I say to those who talk about this being confiscation that instead it is a wise policy which says to the masses of the people of America that in these times of stress and travail we propose to make those who have accumulated vast wealth, and those who, because of that accumulation, are still able to make vast incomes, pay the major part of the increases in taxes necessary to maintain the Government.

Unless we are able to do that, unless we are willing to do that, we have no right to go to the common citizens of this country and say, "You pay more on your cost of living. You pay more on your postage stamps. You pay more on the things that you use and wear," because we will not have been fair with them. We will not have been just with them in imposing the burdens of government.

Without any spirit of threat, without any spirit of prophecy, I want to call attention to the fact that at a time like this a democracy that does not place these heavy burdens first upon those who are best able to bear them does

not justify the claims of those who argue that equal opportunity shall remain in America.

I have long believed, and I believe now, that the fairest hope and proudest boast of our people is the open door of opportunity before the children of America; and I am not very much worried about discouraging those who have millions, and want to make millions more, as compared with giving the millions of common citizens of the country a chance to get back on their feet, a chance to make a livelihood, a chance to care for their families properly without being compelled to go into the breadlines or accept the dole from charity organizations in this country. I do not care whether we use the particular rates which the Senator from Michigan [Mr. COUZENS] proposes or whether we use the rates which will be proposed by the Senator from Texas [Mr. CONNALLY]; the point I make is that since we must increase taxes at a time when our people are enduring greater privation than they have endured in a generation—aye, in a century, I think—we should place the burden first upon the backs of those who can best carry it.

I come from the great State of Washington, in the far-northwestern part of the country. I speak of the conditions in the city of Seattle, because I know more about it than I do about most other cities. We have a vast army of unemployed in that city. They have formed an unemployed organization there. That unemployed organization to-day controls more than 50,000 of the 150,000 votes in that city. That organization has been demanding, and I am glad to say receiving free seed and free tools from the officials of the city of Seattle, that its members may plant a crop and produce food during the coming summer. They are demanding that the Legislature of the State of Washington shall meet and appropriate \$3,000,000 for public works to give them employment. They are demanding that an unemployment-insurance system shall be established there to provide a ten or twenty dollar a month payment to the unemployed, one-third of it to be paid by the State, one-half by the employees, and one-sixth by the working people themselves.

I am not here to argue for these propositions. I am calling attention to the fact that when one-third of the voting population of the great city of Seattle is in a position to make these demands and does make them, as a legal proposition, it is high time to begin to think of what we are going to do, not only for them but for those who are on the border line between those in class of the 50,000 now unemployed there and those in the class of the 100,000 who are not unemployed or are not yet in need.

I think those who are wealthy, and those who have great incomes, will profit most by placing on their own shoulders these burdens, rather than trying to place them on the class of people who are just between those who are now unemployed and in need of charity and the wealthy and powerful who constitute but a few. I urge upon the Senate to consider what it means when we place upon the backs of the common people an additional burden in the form of taxes, and make the increases in taxes on big incomes only slight and inconsequential in comparison.

Those opposed to these rates tell us that the man who makes a million dollars under these rates will have to pay \$700,000 of it in the form of taxes. They do not remind us that he will have \$300,000 left. Certainly it is not confiscation if we leave to a man \$300,000 a year in times like these, when millions of our people can not secure work, when millions of our people, as honest and as law-abiding and as anxious to make a livelihood for their families as you and I can be, are unable to secure the opportunity to do so. Certainly we are leaving the man with a million-dollar income all that he ought to have in comparison.

I would not have it understood that I am in favor of these high rates as a permanent policy. I would not have it understood that I argue for them as a just method of taxation in ordinary times. I do want it understood, however, that when the alternative is the imposition of taxes that will burden the masses of the people of America who are on the border line between charity and just making their own

way, I choose to place the tax upon the comparatively few people who still have such vast incomes that these high rates will hit rather than upon those who are already overburdened with taxes and the cost of living.

Personally I confidently believe that most of the wealthy will accept such rates in a spirit of sacrifice and of patriotic assistance to the Nation in a time like this rather than in a spirit of punishment or limitation of fortunes or distribution of wealth. I come back again and say: What will it profit us if we maintain the principle that we will not interfere with those men who make a million dollars having four or five hundred thousand dollars of it left and drive millions more of our people to beggary in a time like this? What will it profit us if a few men can still carry on their business with the hope that they will have a million dollars clear next year because the taxes will not be so high as to interfere, while millions more of our people are driven to beggary by the added taxes we place upon them, and, worst of all, have the feeling that they are not being given a square deal by their Government in these times of stress?

I know Senators are thinking in terms of the great theory of individualism—that in the United States a man may make what he desires and keep most of it. I recognize that many Senators here are still acting in accordance with the old ideas and the old principles. But I want to remind Senators of something. There is a younger generation growing up in the United States. It is the best-educated crowd of boys and girls the world ever saw. They are better fitted to take on the duties and opportunities of American citizenship than any young people the world has ever known; and I say unto you that that generation will not consent to beg for a living. They will demand that this Nation shall give them a fair opportunity, and they will see to it that the laws of this land are written so that they will have a fair opportunity. They will see to it that our Constitution is amended, if necessary; and I speak of their ability to do that in a peaceful way, not by revolution but by the peaceful methods of our legislative procedure. I maintain that they will do that; and that those who now plead here for this idea of individualism, for this idea of not interfering with a man's right to make a million dollars clear, without great burden, will find themselves having but accelerated a movement which may result in far more drastic changes in our basic constitutional provisions than this temporarily high tax schedule will be. This tax proposes only a temporary method of taking a large percentage of the income of those who make vast amounts of money in times like these for the purpose of paying the expenses of Government. I earnestly hope the amendment will be adopted.

Mr. COHEN. Mr. President, it is with some timidity that I raise my voice in this body, but I have no desire to escape responsibility by hiding behind a screen of my brief service here.

I shall support the principle of the amendment offered by the distinguished senior Senator from Michigan [Mr. COUZENS].

Ability to pay is the most equitable yardstick of taxation. If we reinstate the income-tax rates of the 1918 revenue act, we shall impose no hardship; for if there be no net income, there will be no payment, and certainly those who enjoy net incomes in a period such as this can not with justice complain of a nonconfiscatory contribution to the support of the Government.

As the Senator from Michigan has said so well, the cost of living now is so far below that of 1918 that the same rate of taxation, taken from net income, means a lighter burden to-day than in the war period, because the purchasing power of the balance left in the hands of the taxpayer is so far greater now.

It is necessary for the welfare of the Nation and its people that we approximately balance the Federal Budget, but in so doing we should adjust the burdens of citizenship fairly.

My observation is that unless we are to go far afield in tapping new or additional sources of revenue we shall be forced to depend upon either materially higher income-tax

rates or a general sales tax. With the sales-tax proposal I find myself in strong disagreement. I take issue with the distinguished chairman of the Finance Committee [Mr. SMOOT] in his assertion that a tax upon outgo is a fair measure of ability to pay. A tax upon consumption operates inequitably and applies its burdens without consideration of income.

We are at war with economic depression. Let us return to war-time rates of taxation upon those sufficiently fortunate to have net incomes and turn our faces against tariff proposals, sales taxes, and nuisance taxes as far as possible. I hope for the adoption of the amendment of the Senator from Michigan.

Mr. NORRIS obtained the floor.

Mr. COUZENS. Mr. President—

Mr. NORRIS. I understand the Senator from Michigan wants to make a brief statement, and I yield to him.

Mr. COUZENS. Mr. President, yesterday I was asked to put into the RECORD a number of tables and I was not quite ready with them then. I now want to place in the RECORD several tables, which I shall designate and then send to the desk.

Table 1 shows by classes the total normal and surtaxes which would be paid under the present law, under the provisions of the bill as it passed the House, under the provisions of the bill as proposed by the Committee on Finance, and under the rates in the 1918 act, which I propose.

Table No. 2 shows the estimated tax which would be yielded, by classes, under the present law, under the bill proposed by the committee, and under the rates in the 1918 act, which I propose.

Table No. 3 is a comparison of taxes paid and the percentage of taxes paid on net incomes under the British law, the present law in the United States, the rates in the House bill, those in the bill proposed by the committee and the 1918 act.

Table No. 4 is an estimate of the net income which will be reported by the various classes under the present law and under the act of 1918 as applied for the fiscal year 1933.

Table No. 5 shows the estimated returns which will be made for the fiscal year 1933, by classes, under the present law and under the act of 1918.

Table No. 6 shows the actual rates of percentage of tax to net income under the present law, the bill as it passed the House, the Finance Committee bill, and the act of 1918, by classes.

Table No. 7 shows the income taxes which will be paid by individuals on net incomes of certain classes under the law since 1918, under the bill passed by the House, under the Senate committee bill, and also the amounts paid under the British law.

I send these tables to the desk for insertion in the RECORD.

Mr. VANDENBERG. Mr. President, before the tables leave the Senator's hand, can he state now for the RECORD the total yield estimated under his proposal, the total yield estimated under the Senate committee bill, and the total yield at the present time?

Mr. COUZENS. Does the Senator mean from income taxes alone?

Mr. VANDENBERG. Yes.

Mr. COUZENS. The report made by the Senator from Utah shows that it was estimated that under the bill sent to the Senate from the House there would be an income of \$211,000,000 from income taxes. I want to point out that included in that amount is the sum of \$89,000,000 which is estimated as the return from taxation on dividends. That was complained of as being double taxation, because a corporation before the declaration of dividends would have paid the normal tax. But the House decided that when a stockholder receives dividends, he shall be required to pay taxes on those dividends.

The committee, therefore, cut out of the bill the enormous sum of \$89,000,000, on the claim, a justifiable claim, that it was double taxation. So when the committee reported the bill to the Senate it had changed the normal rates from two, four, seven to three, six, nine. That in

itself, it is contemplated, will increase the receipts from income taxes from \$29,000,000 to \$59,000,000. Then we increased the other rates so as to receive \$96,000,000, as against \$93,000,000 under the House rates. In the aggregate, therefore, from income taxes the committee expected to raise \$155,000,000 additional.

The rates now proposed will, in the judgment of many, including Mr. Parker, of the Joint Tax Committee, increase the revenue \$486,000,000 above the returns under the present law. From that we deduct what the committee expects to raise, namely, \$155,000,000, which leaves the proposal raising \$331,000,000 more out of income taxes than the committee expected to raise.

That estimate is disputed by the Treasury Department. They say that they would expect to raise only \$193,000,000 more from these rates, and, therefore, there is a difference between the estimate by Mr. Parker, of the Joint Tax Committee, and the Treasury officials, of \$138,000,000.

Mr. VANDENBERG. And these figures include no corporation tax figures at all?

Mr. COUZENS. Absolutely none.

Mr. VANDENBERG. I thank the Senator.

The tables submitted by Mr. COUZENS were ordered to be printed in the RECORD, as follows:

TABLE 1.—Total normal and surtax in dollars

Net income	Present law	House bill	Senate committee bill	1918 act
\$1,000.....	0	0	0	0
\$2,000.....	0	0	0	0
\$3,000.....	0	\$2.50	\$3.75	\$60.00
\$4,000.....	\$5.63	20.00	30.00	120.00
\$5,000.....	16.88	37.50	64.25	150.00
\$6,000.....	28.13	55.00	82.50	250.00
\$7,000.....	39.38	82.50	118.75	390.00
\$8,000.....	50.63	120.00	170.00	530.00
\$9,000.....	78.75	165.00	232.50	680.00
\$10,000.....	101.25	210.00	295.00	830.00
\$12,000.....	168.75	320.00	440.00	1,150.00
\$14,000.....	258.75	500.00	660.00	1,490.00

TABLE 1.—Total normal and surtax in dollars—Continued

Net income	Present law	House bill	Senate committee bill	1918 act
\$16,000.....	\$363.75	\$700.00	\$300.00	\$1,850.00
\$18,000.....	483.75	920.00	1,160.00	2,230.00
\$20,000.....	618.75	1,160.00	1,440.00	2,630.00
\$22,000.....	768.75	1,420.00	1,740.00	3,050.00
\$24,000.....	933.75	1,700.00	2,060.00	3,490.00
\$26,000.....	1,113.75	2,000.00	2,400.00	3,950.00
\$28,000.....	1,293.75	2,320.00	2,760.00	4,430.00
\$30,000.....	1,488.75	2,660.00	3,140.00	4,930.00
\$35,000.....	2,168.75	3,600.00	4,180.00	6,270.00
\$40,000.....	2,908.75	4,660.00	5,340.00	7,730.00
\$45,000.....	3,718.75	5,850.00	6,630.00	9,320.00
\$50,000.....	4,538.75	7,160.00	8,040.00	11,030.00
\$60,000.....	6,508.75	10,160.00	11,240.00	14,530.00
\$70,000.....	8,668.75	13,660.00	14,940.00	19,130.00
\$80,000.....	10,968.75	17,660.00	19,140.00	23,930.00
\$90,000.....	13,368.75	22,010.00	23,690.00	29,230.00
\$100,000.....	15,768.75	26,560.00	28,440.00	35,030.00
\$150,000.....	28,268.75	50,060.00	52,940.00	67,030.00
\$200,000.....	40,768.75	73,560.00	77,940.00	101,030.00
\$300,000.....	65,768.75	120,560.00	128,440.00	173,030.00
\$500,000.....	115,768.75	214,560.00	230,440.00	323,030.00
\$1,000,000.....	240,768.75	449,560.00	492,940.00	703,030.00

TABLE 2.—Estimated tax, by classes

Income brackets	Yield, present law	Yield, finance bill	Yield, 1918 rates
Under \$1,000.....	\$45,000	\$164,000	\$516,000
\$1,000 to \$2,000.....	1,100,000	17,800,000	40,572,000
\$2,000 to \$3,000.....	2,730,000	18,200,000	49,624,200
\$3,000 to \$5,000.....	5,120,000	28,500,000	99,000,000
\$5,000 to \$10,000.....	13,920,000	41,600,000	109,620,000
\$10,000 to \$25,000.....	41,310,000	80,400,000	174,960,000
\$25,000 to \$50,000.....	57,750,000	93,000,000	120,195,000
\$50,000 to \$100,000.....	67,521,000	103,800,000	135,463,000
\$100,000 to \$150,000.....	30,952,200	49,300,000	70,815,600
\$150,000 to \$300,000.....	37,300,000	63,500,000	108,225,000
\$300,000 to \$500,000.....	19,459,000	35,700,000	59,292,000
\$500,000 to \$1,000,000.....	18,884,800	34,600,000	60,447,600
Over \$1,000,000.....	25,900,000	56,300,000	96,390,000

NOTE.—Exemption in lower brackets gives greater increases in these classes because of larger number of taxpayers filing returns.

TABLE 3.—British comparison

Income	Present law		House bill		Senate bill		1918 act		Present British law	
	Tax	Per cent tax to net income	Tax	Per cent tax to net income	Tax	Per cent tax to net income	Tax	Per cent tax to net income	Tax	Per cent tax to net income
\$1,000.....	0	0	0	0	0	0	0	0	\$6	0.60
\$2,000.....	0	0	0	0	0	0	0	0	106	5.30
\$3,000.....	0	0	\$3	0.10	\$3.75	0.12	\$60	2.00	453	15.10
\$5,000.....	\$17	0.34	38	.75	56.25	1.12	150	3.60	703	14.06
\$7,000.....	39	.56	83	1.19	118.75	1.69	290	5.67	1,103	15.76
\$10,000.....	101	1.01	210	2.10	295.00	2.95	830	8.30	1,828	18.28
\$14,000.....	259	1.85	500	3.57	660.00	4.71	1,490	10.64	3,069	21.92
\$20,000.....	619	3.09	1,160	5.80	1,440.00	7.20	2,630	13.15	5,188	25.94
\$30,000.....	1,489	4.96	2,660	8.87	3,140.00	10.47	4,930	16.43	9,475	31.58
\$40,000.....	2,900	7.27	4,660	11.65	5,340.00	13.50	7,730	19.33	14,175	35.44
\$50,000.....	4,589	9.18	7,160	14.32	8,040.00	16.08	11,030	22.06	19,425	38.85
\$70,000.....	8,669	12.37	13,660	19.51	14,940.00	21.34	19,130	27.33	30,475	43.54
\$100,000.....	15,769	15.77	26,560	26.56	28,440.00	28.44	35,030	35.03	47,738	47.74
\$200,000.....	40,769	20.38	73,560	36.78	77,940.00	38.97	101,030	50.52	108,863	54.93
\$500,000.....	115,769	23.15	214,560	42.91	230,440.00	46.09	323,030	64.61	307,233	61.45
\$1,000,000.....	240,769	24.08	449,560	44.96	492,940.00	49.29	703,030	70.30	633,488	63.85
\$5,000,000.....	1,240,769	24.83	2,329,560	46.59	2,652,940.00	53.06	3,783,030	75.66	3,288,488	65.77
\$10,000,000.....	2,490,769	24.91	4,679,360	46.80	5,352,940.00	53.53	7,633,030	76.33	6,600,988	66.01

TABLE 4.—Net income (classes)

	Present law	1918 act
Under \$1,000.....	\$50,000,000	\$250,000,000
\$1,000 to \$2,000.....	1,100,000,000	3,920,000,000
\$2,000 to \$3,000.....	1,300,000,000	5,804,000,000
\$3,000 to \$5,000.....	3,200,000,000	5,000,000,000
\$5,000 to \$10,000.....	2,900,000,000	2,900,000,000
\$10,000 to \$25,000.....	2,430,000,000	2,430,000,000
\$25,000 to \$50,000.....	1,100,000,000	1,100,000,000
\$50,000 to \$100,000.....	710,000,000	710,000,000
\$100,000 to \$150,000.....	237,000,000	237,000,000
\$150,000 to \$300,000.....	250,000,000	250,000,000
\$300,000 to \$500,000.....	122,000,000	122,000,000
\$500,000 to \$1,000,000.....	116,000,000	116,000,000
Over \$1,000,000.....	170,000,000	170,000,000

TABLE 5.—Estimated returns, number for year beginning July 1, 1932

	Under present law	Under 1918 act
Under \$1,000.....	83,100	374,000
\$1,000 to \$2,000.....	650,900	2,580,000
\$2,000 to \$3,000.....	530,900	2,290,000
\$3,000 to \$5,000.....	816,600	1,251,000
\$5,000 to \$10,000.....	421,800	421,800
\$10,000 to \$25,000.....	161,500	161,500
\$25,000 to \$50,000.....	32,400	32,400
\$50,000 to \$100,000.....	10,550	10,550
\$100,000 to \$150,000.....	1,970	1,970
\$150,000 to \$300,000.....	1,240	1,240
\$300,000 to \$500,000.....	330	330
\$500,000 to \$1,000,000.....	175	175
Over \$1,000,000.....	70	70
Total.....	2,711,535	7,125,035

TABLE 6.—Actual rates on net incomes
(Per cent tax to net income)

Income	Present law	House bill	Senate bill	1918 act
\$1,000.....	0	0	0	0
\$2,000.....	0	0	0	0
\$3,000.....	0	0.10	0.12	2.00
\$5,000.....	0.34	0.75	1.12	3.60
\$7,000.....	0.56	1.19	1.69	5.57
\$10,000.....	1.01	2.10	2.95	8.30
\$14,000.....	1.85	3.57	4.71	10.64
\$20,000.....	3.09	5.80	7.20	13.15
\$30,000.....	4.96	8.87	10.47	16.43

TABLE 6.—Actual rates on net incomes—Continued

Income	Present law	House bill	Senate bill	1918 act
\$40,000.....	7.27	11.65	13.50	19.33
\$50,000.....	9.18	14.32	16.08	22.06
\$70,000.....	12.37	19.51	21.34	27.33
\$100,000.....	15.77	26.56	28.44	35.03
\$200,000.....	20.38	36.78	38.97	50.52
\$500,000.....	23.15	42.91	46.09	64.61
\$1,000,000.....	23.08	44.96	49.29	70.30
\$5,000,000.....	24.82	46.59	53.06	75.66
\$10,000,000.....	24.91	46.80	53.33	76.33

TABLE 7.—Income tax, individual—Total tax on net incomes under prior revenue acts compared with tax under House bill and Senate Finance Committee rates
(Married person with no dependents and maximum earned income allowance)

	\$3,000	\$5,000	\$10,000	\$30,000	\$50,000	\$100,000	\$200,000	\$500,000	\$1,000,000
1918.....	60	180	330	4,930	11,030	35,030	101,030	323,030	703,030
1919.....	40	120	500	3,890	9,190	31,190	93,190	303,190	663,190
1922.....	20	100	520	3,520	8,640	30,140	86,640	260,640	550,640
1924.....	8	38	165	2,275	6,095	22,575	65,575	199,575	429,575
1926.....	0	17	101	1,779	4,879	16,059	41,059	116,059	241,059
1928.....	0	17	101	1,489	4,589	15,769	40,769	115,769	240,769
House bill.....	3	38	210	2,660	7,160	26,560	73,560	214,560	449,560
Senate Finance Committee (original).....	4	56	295	3,140	8,040	28,440	77,940	230,440	492,940
British law.....	453	703	1,828	9,475	19,425	47,738	109,863	307,828	638,488

Mr. COUZENS. Before I sit down I want to answer some of the questions raised yesterday.

Let us assume that our estimate is too high and let us take the Treasury Department estimate. I think it is pretty well established that we can not rely too much on Treasury Department estimates, and especially is that true when they do not want anything done. I recall that during years past the Democrats wanted to reduce taxes more rapidly than the Republicans did, so the Treasury Department every year underestimated the receipts and underestimated the surpluses, and as a result of those estimates the taxes were kept higher than the Democrats wanted. I was in entire sympathy with the Treasury Department views at that time, so I was perfectly willing to accept their estimates. Now they are estimating these incomes at a lower rate, in my opinion, than is justified. But let us, for the argument's sake, accept the Treasury Department's estimate of the increased revenue from the 1918 rates over the rates in the bill reported by the Finance Committee. If we take the \$193,000,000 which the Treasury Department says we will get from these increased rates, we can eliminate from this bill the tax on lubricating oil, which it is estimated will amount to some \$35,000,000.

Just think, Senators, we are proposing to tax the wheels of industry \$35,000,000 by a tax on lubricating oil. We are inviting industry to speed up, we are inviting industry to start, we want machinery started, but we say, "Before you start, however, you must pay us \$35,000,000 in the way of taxes on lubricating oil."

That is one of the absurdities in the bill. We can remove the tax on rubber, another tax to hold back production. We can eliminate the tax on automobiles, another strangling act of Congress to curb consumption and production. We can eliminate the tax on children's chewing gum, \$2,000,000. We can eliminate the tax of \$11,000,000 on the radio, a device which everybody ought to have for the purpose of keeping in touch with world affairs. We could take at least \$20,000,000 off representing taxes on admission to theaters. So, in the aggregate, taking these off, we would reduce the estimated tax receipts from these items some \$194,000,000 alone, by simply adopting this plan and accepting the Treasury Department estimate, which I contend is entirely too low.

Mr. TRAMMELL. Mr. President, I wish to ask the Senator from Michigan what amount of increased revenue he proposes to get under the provisions of his amendment which would increase the normal tax as proposed by the committee from 4 per cent to 6 per cent on the first \$4,000 of net income. From the speeches I have heard on the subject it would seem that the impression prevails that the amendment is an increase only on the large incomes, but as

I read the amendment and compare it with the bill as it passed the House and the rates as fixed in the bill by the Senate Committee on Finance, I see the Senator's amendment starts in the very lowest brackets to make very large increases in the tax rate.

His is not merely a proposal of increasing the tax in a very substantial way on the large incomes, but there is a big increase in the tax on the \$4,000 net income and alike on all of the smaller incomes. The House rate was 2 per cent on the first \$4,000 net. The Senate committee recommends 4 per cent. The amendment offered by the Senator from Michigan proposes to increase that to 6 per cent. In other words, under the Senator's amendment the man who has a \$4,000 net income is to have his tax rate increased 200 per cent over the amount fixed in the bill as it passed the House. In the next bracket, including the second \$4,000 of net income, the House provided for a 4 per cent income tax, while the Senator from Michigan proposes by his amendment that it shall be increased to 12 per cent, or an increase of 300 per cent.

He also proposes by his amendment to reduce the exemption. The House proposed to reduce the amount of the exemption from \$3,500 to \$2,500. With that recommendation the Senate committee agreed and recommended an exemption of \$2,500. The House also recommended \$400 exemption for each minor dependent, and the Senate committee agreed to that and reported the bill with that provision. But the Senator from Michigan now proposes in his amendment that married persons and the heads of families shall not have \$2,500 exemption from income tax, but their exemption shall be reduced to \$2,000, and that they shall not be allowed the mere pittance of even \$400 for each dependent minor, but he wants to decrease that to \$200.

As I view the amendment and compare it with the provisions of the bill as recommended by the Finance Committee and as it was passed by the House, it seems to me that the effort of the Senator from Michigan is not only to get an increased rate as applicable to those enjoying the larger incomes, but that he is just as diligently going after those who have the smaller and more insignificant incomes. He does not propose to allow the average American family, say with three or four children, a sufficient exemption for them to live in reasonable comfort and educate their children. He wants to cut the exemption down to \$2,000.

I would like to know what amount of revenue the Senator from Michigan proposes to raise out of people having only small and medium incomes? When we have the data on this point, I dare say it will show that a major part of the \$331,000,000 additional revenue, which he suggests his amendment will raise, will be paid by people having only

small and moderate incomes. If that is true I do not want to support his amendment. If the Senator has any data on that point, I wish he would supply it to us.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. TRAMMELL. I yield.

Mr. LONG. The Senator referred to the average family. The average family will not come within the income-tax tables at all. The average American family does not make as much money as will bring it within the lowest income-tax provision unless it be reduced to something like \$1,200 or \$1,400.

His tax then would be less than he would be penalized by the application of a sales tax, as the Senator very well said yesterday. If he is going to be penalized, it will be done in the lower brackets. For instance, take the man who pays an income tax on \$3,000. There are not very many people in America making \$3,000 to-day. What would be the amount of income tax such a man would pay, may I ask the Senator from Michigan?

Mr. COUZENS. Mr. President, the tables covering the various brackets are shown in the charts which I have placed on the wall of the Senate Chamber, and the Senator can get the information there.

Mr. LONG. A man making \$5,000 would pay only \$189. A man making \$3,000 would probably pay less than \$100. I have not the table before me, so I can not get the exact figure.

Mr. SMOOT. He would pay \$60.

Mr. LONG. What man is going to say that a person making \$3,000 is not going to be affected by the amendment of the Senator from Michigan? Three thousand dollars is not the average income. The average man will make less than \$3,000. The average man is not making \$2,000 a year. The average man would be considered prosperous if he were earning sufficient income to be required to pay \$40 or \$50 income tax on it. If we are going to have a sales tax, the average man with five or six children consumes as much, ordinarily speaking, if he has the money to spend, as the man who makes a considerable amount more than that, and he would pay considerably more in taxes than though he paid a very small income tax. I think if the Senator will quiz the ordinary men in the ordinary constituency all of them would say that they would be happy to know that they could come within the \$3,000 class to-morrow and have to pay the Government \$40 or \$50 or \$60 a year.

Mr. TRAMMELL. Mr. President, I do not think it will add to a man's opportunity or possibility of getting within that class to place an increased tax upon him and remove from the head of the family the exemption which he has heretofore been allowed. The House recommended an exemption of \$2,500 and the Senate Finance Committee recommended an exemption of the same sum. I take it that the Senator from Louisiana desires to allow not even the present exemption for the support of a man's family, the education of his children, and other obligations upon the average citizen but proposes, as does the amendment of the Senator from Michigan, to levy a tax beginning in the lower brackets, to tax him before he has sufficient income exempt for the purpose of caring for his family and educating his children. That is the point I am making. We should not begin increasing the income tax in such low brackets. We should not take away a reasonable exemption from income tax. It has not been done at any time heretofore, I think, even during the war.

Mr. BARKLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Kentucky?

Mr. TRAMMELL. I yield.

Mr. BARKLEY. If a man were to fall within the brackets of \$3,000 or \$5,000 or \$6,000, he pays no taxes except to the Government of the United States, and a tax of \$40 or \$50 or even \$100 a year would not be burdensome; but it seems to me we can not afford to lose sight of the fact that the bulk

of all local taxes, county and district, city and State, are paid by the men who come within the range of incomes from \$3,000 to \$6,000 or \$7,000. It is hardly fair to cite the possibility of a man's willingness to pay taxes provided he were guaranteed an income of \$5,000 a year, which can not be given by the Government or by anybody else. The great bulk of local taxes, which after all constitute the burden of government in this country, are being paid by the small incomes, who would be emphatically at a disadvantage under the amendment offered by the Senator from Michigan.

Mr. TRAMMELL. People coming within the brackets of incomes from \$1,500 to \$5,000 or \$6,000 per annum have, as the Senator said, more of the State, county, and municipal taxes to bear, and they also have upon them in large the maintenance of the civic organizations and local public enterprises of their respective communities. They have a great many more financial burdens upon them than can be responded to by the person who has not the means to make those contributions. These matters are worthy of serious consideration.

Mr. TYDINGS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Maryland?

Mr. TRAMMELL. I yield.

Mr. TYDINGS. It strikes me that a man making \$5,000 or \$6,000, who would pay \$60 a year income tax on the one hand, as provided in the amendment of the Senator from Michigan, would be in a better position than if the amendment is defeated. If the amendment is defeated, that man is going to pay an equal amount, if not more, in sales taxes. What the man who is paying the tax is interested in is how much he is going to pay. If he does not pay that amount in income tax, then the tax on automobiles, admissions, and so forth, will take it, not out of his right-hand pocket but out of his left-hand pocket. The man in the \$3,000 to \$5,000 class is going to pay substantially so much tax anyway. The question is whether we want to take it from his income, as a direct tax upon his income, or from some place else as a sales tax.

Mr. TRAMMELL. He will never pay it through a general sales tax with my vote. Probably the Senator from Maryland proposes to vote for a sales tax, but I have never favored the sales tax. I opposed it as vigorously as I could when it was presented here several years ago.

Mr. TYDINGS. Will the Senator let me clear up that matter? I had no reference to the sales tax as such. I was simply pointing out that under the terms of the bill the taxes on admissions and automobiles, telegraph and telephone messages, and what not, would all be eliminated if the amendment of the Senator from Michigan were adopted, so it is not a question of a general sales tax. It is a question of whether or not we are going to take from the same class of people the equivalent of \$60 through all these nuisance taxes or take it in the form of an income tax.

Mr. TRAMMELL. On the basis of the normal tax, a man who is engaged in business will to a considerable degree pass on to the consumer the amount of his tax that has to be contributed to the Government, and it will indirectly be imposed upon the person that the Senator from Louisiana [Mr. Long] talks about with a \$1,400 income just the same as it would be under the imposition of a sales tax. The person who is making \$5,000 or \$6,000 or \$8,000 or \$10,000 per annum engaged in business, of course, is going to include in his profits the amount of money which he has to contribute in the way of an income tax under the normal tax. Of course, it has been claimed that under the surtax bracket he can not do that very well.

Mr. SMOOT and Mr. LONG addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Florida yield; and if so, to whom?

Mr. TRAMMELL. I yield first to the Senator from Utah.

Mr. SMOOT. I want to invite the Senator's attention to the fact that a man with a net income of \$3,000 under the proposed amendment would pay \$60 income tax. Under the provisions of the House bill he would pay \$3. Under the

provisions proposed by the Senate Finance Committee he would pay \$4. The difference between \$60 and \$3 is \$57, and that would pay a lot of admission taxes.

Mr. TYDINGS. Assuming that that man buys an automobile for \$1,000, how much of a tax does he pay on that?

Mr. SMOOT. He pays the regular percentage.

Mr. TYDINGS. Four per cent, is it not?

Mr. SMOOT. Yes.

Mr. TYDINGS. Then he would pay \$40.

Mr. SMOOT. That is \$20 less than he would pay under the other plan.

Mr. TYDINGS. Assuming that he went to the moving pictures 20 times, how much would he pay in the way of tax?

Mr. SMOOT. It would be \$1.

Mr. TYDINGS. Assuming that he uses the telephone, how much tax would he pay in that way?

Mr. SMOOT. I would have to know the number of telephone calls he made.

Mr. TYDINGS. Assuming he went to 10 ball games a year, how much would he pay in the way of a tax on those admissions? Pretty soon the Senator would find himself away over the \$60, and he would have bothered the man every time he conducted a transaction of any kind.

Mr. COUZENS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Michigan?

Mr. TRAMMELL. I yield.

Mr. COUZENS. Will the Senator from Utah let me correct him on one point? The Senator used a phrase which I think is quite misleading. He referred to the man with a \$3,000 income. I said a man with a \$3,000 net income.

Mr. SMOOT. Of course.

Mr. COUZENS. And there is a great deal of difference between a man with a \$3,000 income and a man with a \$5,000 income who has a \$2,000 exemption. So when we are talking about a man with a \$3,000 income paying \$60, what is meant is a man with a \$5,000 income after he has taken off his \$2,000 exemption.

Mr. COUZENS subsequently said: I merely want to make a correction in the Record before it is too late. In the colloquy with the Senator from Utah a few moments ago I made an error in my statement, and I want now to correct it. I said that the man with a \$3,000 net income would pay \$60 after he had deducted his exemption. What I meant to say was after he had deducted his tax and interest payments and other deductible items, instead of after deducting his exemption. I was confused for the moment between the exemption and the deductions allowed by law.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. TRAMMELL. I will be through in a few moments, but I yield for a question.

Mr. LONG. I wish to quote from the Senator's remarks yesterday, because I was more impressed by them than I was by anything else in yesterday's Record. I read them this morning while in bed. Here is what the Senator said yesterday:

Personally I think that if we have the alternative of having either to accept this tax or to accept a sales tax, this, of course, is preferable. So far as I am concerned, however, I am not favorable to either one. I am not in favor of making this big reduction in the exemption, nor am I in favor of a general sales tax.

The point I am making, and the point which the Senator from Maryland made, is that if it is necessary to raise revenue either by a sales tax or by going to the lower brackets and increasing taxes there, say, on the \$5,000 net income, certainly the Senator's views of yesterday are the views that we ought to follow. That is the point I am making.

Mr. TRAMMELL. My views of yesterday have not been altered in the least by the discussions which have taken place as to the comparability of a sales tax with an income tax and the exemptions thereunder. I said that I was, of course, more opposed to the sales tax than I was to some increase in the income tax, but I am not going to surrender

and yield as if it were inevitable that we will have to have the exemptions reduced in the consideration of this measure on account of the scarecrow of the sales tax. That can not be used with me as a scarecrow. I do not believe a majority of the Senate are in favor of a sales tax; I am sure I am not. I reiterate that I think the situation, as distressing as it may be, is not so desperate that the exemption should be reduced from \$2,500 to \$2,000 and that the deduction for dependent minors under 18 years of age should be reduced from \$400 to \$200. I am very much opposed to that feature of the amendment of the Senator from Michigan. I am also opposed to that feature of his amendment—a number of amendments grouped in one, it might be called—that makes such an enormous increase in the rate of tax upon small and moderate incomes. That is what his amendment plainly does.

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

Mr. TRAMMELL. I yield.

Mr. BARKLEY. The difference between a heavy tax on small incomes and a tax upon admissions it seems to me to be so obvious as to need no comment. A man who wants to go to a baseball game where 50 cents admission is charged would pay a nickel. If he does not want to pay that nickel he does not have to go to the ball game; he can stay at home; but if the income tax be increased on the man of small income there is no way for him to escape it; it is compulsory; the Government reaches its arm into his income and takes out a certain percentage, regardless of what he may do. So it seems to me it is quite unfair to compare the compulsory features of an income tax on small incomes with the voluntary features of a luxury tax upon admissions, which are more or less for pleasure. Everybody can escape the payment of such a tax by not going to the amusement places. The tax, however, is not so burdensome as to keep them away, though they might not want to pay.

Mr. TRAMMELL. I do not think there is any analogy between a so-called amusement tax and an income tax. Of course, the automobile tax is different. I do not think we should increase the automobile taxes on the people of this country.

Mr. NORRIS. Mr. President—

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

Mr. TRAMMELL. I yield.

Mr. NORRIS. I should like to suggest in connection with the remarks of the Senator from Kentucky [Mr. BARKLEY] that if we had a tax on clothing, for instance, a man might go without clothing to avoid the tax, and if we had a tax on food one could starve himself to death and thus would not have to pay the tax. So it is up to a straight, invisible line, where it would be difficult to say whether he ought to be taxed or not. If we want to take away from the American people all their pleasures, all their luxuries, and a good share of their necessities of life, we can do it by simply levying a sales tax, and saying, "You do not need to have a given article; you do not need to buy it; and therefore you can escape the tax." A father can tell his children that they do not need lead pencils when they go to school; that they do not need any books; that the family does not need a baby carriage; they can get along without it—and they may—and that the children do not need to go to the moving pictures, no matter how a parent may suffer when he sees the children of other parents going to the movies and finds it necessary to keep his little ones at home. They can save money by staying at home.

Mr. BARKLEY. Mr. President, the Senator from Nebraska is always interesting and frequently facetious. There is no sales tax in this bill, and, so far as I am concerned, there will not be.

Mr. NORRIS. But there will be one in it before we get through if we do not adequately tax the big incomes.

Mr. BARKLEY. Not by my vote, I will say to the Senator from Nebraska. I do not favor the general sales tax and I do not intend to vote for it; and there is nothing in this bill and nothing will be in it, I hope, that will tax food or

clothing or any other necessity. I should certainly vote to exclude any such taxation; but it certainly is not accurate to say, because a man can stay away from a baseball game and therefore need not pay a 5-cent tax upon the price of admission, that is to be compared with compelling him to go hungry or naked. There is nothing in any bill that I know anything about taxing clothing or food, and I would not favor any such tax. The illustration of the Senator from Nebraska is not at all analogous.

Mr. NORRIS. If a man wishes to go to a baseball game and can not see the game and get his dinner both, he can go without his dinner in order to go to the ball game.

Mr. TRAMMELL. Mr. President, I decline to yield further at this time. I did not expect to occupy the floor except for a very few moments, but I wanted to give expression to my protest against this effort to increase all the way from 100 to 300 per cent the tax upon the people of this country in the lower brackets of income and to withdraw from them the privilege of an exemption of \$2,500 and \$400 for each dependent child under 18 years of age in the case of the head of a family, as is proposed by this amendment. That is my attitude. I have always taken the position that those who are best able to pay should pay; I have no objection to taxing those who have fabulous, enormous incomes; but I do not approve of the policy proposed by this amendment of imposing such an enormous increase upon the taxpayers of small or moderate or intermediate incomes; and that is what the amendment, among other things, proposes to do. I dare say that the greatest part of the increased revenue is going to come from that class of people under the amendment proposed by the Senator from Michigan.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. NORRIS. Mr. President, I should like to suggest to the Senator from Florida, if he is opposing this amendment only on the ground stated, that both the provisions to which he objects are subject to amendment. I think there is some merit in what the Senator from Florida says, but this amendment is subject to an amendment making the exemption \$2,500 instead of \$2,000, and increasing the allowance for each dependent child from \$200 to any other amount that may be deemed desirable.

Mr. TRAMMELL. I agree with the Senator; and I had in mind that when we reached a vote I would ask for a separate vote on those particular amendments. I suppose that will be the procedure followed in regard to all amendments, but on these particular ones I want a separate vote. The Senator from Michigan proposes to strike out the exemption of \$2,500 and insert \$2,000.

Mr. NORRIS. An amendment by the Senator from Florida to that effect would be in order at any time before the vote, as I understand the parliamentary situation.

Mr. TRAMMELL. The proper parliamentary procedure is not for me to propose an amendment; it is for the Senate, if it deems proper, to vote down the amendment proposed by the Senator from Michigan. The Senator from Michigan has proposed an amendment to strike out \$2,500 and insert \$2,000 in the exemption feature of the bill.

Mr. NORRIS. I do not yield to the Senator for another speech.

The PRESIDENT pro tempore. The Senator from Nebraska has the floor and declines to yield further.

Mr. TRAMMELL. Mr. President, I do not wish to be put in a false attitude. The Senator suggested that I propose an amendment. It is not a question of proposing an amendment but of voting upon the one that is proposed.

Mr. NORRIS. The way to get a chance to vote on an amendment is to propose it. I am not particular whether it is proposed by the Senator from Florida or by some other Senator. The Senator from Florida has the same right to propose an amendment as has any other Senator. If he wants to get a vote on the direct question of increasing the amount of the exemption instead of leaving it as it is in the amendment, it is subject to amendment.

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

Mr. NORRIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. It is not necessary to offer an amendment amending the amendment in order to get a straight vote on all these brackets. The Senator from Michigan has offered his amendment as a substitute for what is in the bill. If that is voted down, then an amendment may be in order as to any of the provisions of the bill as it stands.

Mr. NORRIS. I do not understand it in that way. I think Senators would make a great mistake if, for the reason that they object to one particular item such as the exemption on account of a dependent child or for the head of a family, they should ask us to vote down this entire amendment. The way to reach the result is to make a motion to change it before we vote on the amendment.

Mr. President, it is always one of the most unpleasant things imaginable for a lawmaker, in a time of depression, to vote increased taxes on the people. I assume that only where a legislator believes such an increase is absolutely necessary and can not be avoided does he feel justified in casting such a vote. It is unpleasant to increase taxes; it is particularly so when people are in a distressful condition, as the entire country now is.

But, Mr. President, we are confronted with the situation that our Government is running behind; the income of our Government is not as great as its expenses. Everybody knows that that condition can not continue indefinitely and the country live. Yet, I am not one of those trying to scare everybody by saying we must balance the Budget to-day. I think that if it is done within a reasonable time there will be no material injury to the country or to any of our people. However, the fact does remain that we must by taxation raise sufficient revenue to pay the expenses of government. In order to make that easy, we are confronted with the other proposition that we must reduce the expenses of government. It is conceded that we can not reduce the expenses of government sufficiently to make up the deficit. Hence, there is only one thing left to do, and that is to increase taxes; and when we are confronted with that proposition the next question is, Where are we going to levy the taxes? In a time of distress such as this, which, so far as our financial and economic conditions are concerned, is comparable to the war days, every man and every woman who believes in the perpetuity of our Government and of our institutions must be willing—and if they are patriotic, they are willing—to do their part, regardless of the cost, regardless of how we got into this condition. That may be another question upon which we greatly disagree. If that question were discussed, we might say we were not to blame for our condition. Whether we are to blame or whether we are not, however, we are confronted with the fact that we must produce more revenue in order to keep our Government going.

It seems to me those propositions can not be and will not be disputed.

When we come to the place where we are going to levy this tax, there will, of course, be disagreement. My own personal opinion is that when we met in December we ought to have gone into the subject of unemployment then, meeting it fairly, as I think we did not, and ought to have provided a method by which we could have put to work millions of our people who were then and will be again next winter, and to some extent are now, dependent upon charity for food and clothing. But that water has passed over the dam. I have not had my way. Congress, led by the President, did not do then what I think it ought to have done; but we have had to go along and do the best we could. So, regardless of the cause, we have to raise more money from some source.

I think it will be conceded by most economists and most people who have studied the subject that when we come to raise money by taxation, we must and ought to go to those sources where the money can be collected with as little hardship as possible upon the people who have to pay it; and as between the man who has but a living to begin with and the man who has a surplus, we must take the larger portion of our levy from the man who has the surplus. We ought not, if we can help it, to levy a tax anywhere where it will

be a hardship; but again we are faced with the fact that whatever we may think individually about where the taxes on incomes should be levied, we have no chance of passing a law that will levy upon the big incomes the tax that I think ought to be levied unless in the same connection, perhaps, we make a levy upon those who can not so well afford it.

I dislike, in this amendment, some of the levies upon the lower brackets. I would rather not make those levies as heavy as they are made; while I think those levies in some instances are a little bit higher than the necessities require, it is doubtful even now whether we are going to adopt an amendment that will make levies upon enormous wealth and upon big incomes that will be sufficient at least to make the necessary contribution to the wiping out of the deficit.

Of course, there are other things in the bill as to which we do not know now whether they are going to stay in or not; we do not know whether the rates are going to be increased or decreased. When we get through with them all we can probably vote more intelligently even upon this amendment than we can vote now. The amendment of the Senator from Michigan [Mr. COUZENS], however, puts into effect an old law, one that was in existence, one under which levies have been made in the past, and it is, therefore, a matter of history how it operated, and whether it inflicted any great hardship upon any of the people from whom the money was taken by the levy.

In considering an income tax, in my judgment it is just as important to consider how much the man has left after he has paid his tax as it is to consider the rate of the tax. Can we make this levy and still leave in the hands of the men who pay the tax a sufficient amount of money to permit them to live, do business, and not suffer?

An examination of the schedule of incomes and the rates of taxation on the various incomes, it seems to me, must convince any person that no real hardship will be inflicted. In some of the lower brackets the tax will bear down rather heavily, but we must remember, in considering these levies and these various brackets, that the income referred to is always the net income, not the gross income. So when we speak of levying a tax upon a \$5,000 income, we mean \$5,000 net. All of the exemptions allowed by law, which amount to quite a large item, comparatively speaking, are always deducted before the tax is levied. The exemption of a married man is greater than that of an unmarried man. Whether it is too great or whether it is not great enough I concede is a debatable question upon which honest men will differ; but in considering it and passing on it we ought to take into consideration the necessities of the case, the difficulties confronting our Government, the means by which it is going to increase the taxes, and levy them sufficiently high to pay the expenses of government, and then say that within reasonable limits of income all people ought to be patriotic enough to bear some portion of that expense.

This amendment would levy on a net income of \$1,000,000 a tax of \$703,030—in round numbers, \$700,000. In round numbers, now, the man with a million-dollar income pays a tax of \$700,000. That is a big sum of money, but his income is big. Who ever earned a million dollars, as a matter of fact? And what does he have left after he has paid his tax? Three hundred thousand dollars net. That ought to keep the wolf from the door.

Mr. KING. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I have no doubt the Senator has thought, however, of the fact that in many of the States there are income taxes; so that there would be subtracted from the residue by the State a considerable income tax.

Mr. NORRIS. There is still quite a margin there, quite a difference to go on.

Mr. KING. If the State imposed anywhere near the tax that the Federal Government imposes, he would be in a minus position.

Mr. NORRIS. No, no; oh, no!

If a man had a net income of \$500,000—that means after paying all the expenses of operating his business, whatever it may be, and all his taxes except income taxes—he would have, in round numbers, \$200,000 left.

Mr. President, I can not conceive of a man who is permitted under our laws and under our Government to make in one year a net profit of \$1,000,000 who is not willing to pay the amount specified here to the Government under whose laws he lives and under whose laws he is permitted to make this outrageous fortune in one year, if he is as patriotic as he ought to be. It seems to me that in these times of awful distress, when his fellow men by the million are hungry, when he sees little children upon the street half-naked, when respectable people are unable to clothe their children in order to send them to school, when they are unable to buy the books and the other things necessary for the child when he goes to school, the man with \$200,000 net in his pocket ought to feel as though he is really a favored individual.

Now go on down. This proposal increases pretty nearly everybody's tax to some extent. Take the man who has a net income of \$100,000. He would pay a tax of \$35,000. Do you think that is exorbitant? It might be under ordinary circumstances, but these are not ordinary times. Here you are with an income of \$100,000 net. You have taken out your expenses. You have taken out your taxes. You have \$100,000 left. In this terrible depression, which has been well described as equal and similar to a condition of war, your country says to you, "In order to keep your country alive, in order that it may continue to live, we ask you to contribute, out of that \$100,000, \$35,000 to save the country that permitted you to make \$100,000." Is that unfair? Is that unreasonable?

Then go on down. The man who has an income of \$50,000 net, under this bill, will be required to pay a tax of \$11,000. He will have \$39,000 net left. After paying all his expenses and all his other taxes, he will have \$39,000 clear upon which to live for a year.

Mr. President, in these terrible times, when danger can be seen ahead unless something is done to prevent it, ought not every patriotic citizen to be willing to say, "I will thank God if you will permit me to live and not even go into the red. I will be thankful if you will let my books be balanced even, and let me come out with a good living." Thirty-nine thousand dollars ought to do it; and you could go to the baseball games and chew all the gum and do all the other luxurious things that you wanted to do with \$39,000 net.

Suppose you had an income of only \$30,000. After you had paid your taxes and all your expenses, how much would you be required to pay? You would have to pay \$4,930; in round numbers, \$5,000. That would give you \$25,000 clear to live on for a year. If you were economical, and very careful about your expenses, and smoked a cob pipe instead of a cigar, you could get through on \$25,000. Now, speaking to the man who has a net income of \$25,000, there are millions of men who have families just as good as his, whom they love just as he loves his family. There are millions of men who have no income, who are dependent upon charity for their food, who have to depend upon their neighbors and friends to contribute the shelter and the food that will take care of their wives and their children. What do you think of those people? While they are living on charity, you have \$25,000 net. What is there you want to get in these days of distress and financial bankruptcy, what is there you want to get for yourself and your family which you can not buy with \$25,000?

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. COPELAND. The Senator knows my anxiety and the efforts I have made to get some money for the starving people of my State and city. My observation is that after we get money into the Treasury, we can not get any of it out to do the things which the kind-hearted Senator has in

mind. If we collect these millions, we do not have anything to give to the poor. We are denied that privilege on every occasion.

Mr. NORRIS. Mr. President, the Senator knows I have not agreed with those in control as to relief of distress. I have not been one of those who tried to bring about that denial. I am not finding fault with the Senator. I admit that what he says has a lot of merit in it. I do not believe that we have taken the right course so far. I do not believe we are taking the right course now. I think we were justified last December in issuing bonds, using the money for the making of public improvements, particularly building roads, in order to put the millions of unemployed to work, to put to work the men whom we have to support anyway, the people we have to feed anyway, the ones we have to keep warm and clothed anyway; and it will take the money in any case. But I would rather put them to work, and they would rather go to work, God knows, than to be subjects of charity. But we are now confronted with the necessity of bringing in enough income to support our Government. So the question raised by the Senator, important though it is, is not before us at this moment.

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

Mr. NORRIS. I yield.

Mr. COPELAND. Let me call the attention of the Senator to the fact that the Senator from Illinois and I tried hard to add an amendment to the Finance Reconstruction Corporation bill to permit loans to cities for human relief. We could not get that through, and we will not get anything through now for that purpose, so far as I can see. But I want to say this, that when the "banksters" in New York refused to lend any money to the city for human relief the people of income did. They gave us \$17,000,000 last winter to relieve distress in New York. If the \$17,000,000 which came from those people voluntarily for human relief had been taken away from them and put into the coffers of the Treasury, I doubt exceedingly whether the people who were fed by those \$17,000,000 would have had 17 cents from the Treasury of the United States to relieve their distress.

Mr. NORRIS. Mr. President, that may all be true; but let me ask my friend from New York, what has that to do with the levying of this income tax?

Mr. COPELAND. The Senator was making the argument that these people can well afford to give the money which we need for the support of the Government, and I think that is true, I am not disputing that. But I do not want the RECORD to fail to show that they did something for human relief when the Government of the United States and the Senate of the United States and the Congress of the United States did nothing.

Mr. NORRIS. Yes, Mr. President; but it did not all come from the men who had the million-dollar incomes. Much of it came from the clerks, from the laboring people. Take this city as an example. How much money was raised during the winter that has just passed, and how much did the men and the women who are working by the month contribute? In round numbers, one-half of all the money that was raised for charity in the city of Washington came from the people who are working by the day and by the month.

Mr. COPELAND. I join the Senator in applause for what they did, and what such people did in my city, but I do not want to fail to give some praise to the others who contributed.

Mr. NORRIS. Nor do I.

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

Mr. NORRIS. I yield.

Mr. LEWIS. I would like to ask the eminent Senator from Nebraska his judgment on the following test: If this Government shall proceed to levy the proportion of tax the Senator has just described, practically consuming two-thirds and sometimes practically the whole of the large fortunes, does the Senator think those who have made fortunes will again make an effort to make another, and will put people to work and into employment, and undertake their business

further, if it really is to be wholly confiscated by the Government under the cry of necessity?

Mr. NORRIS. Mr. President, the Senator might as well ask this question, If we levy a tax on the man who is getting \$3,000 a year, as we will, probably, are we going to discourage him so that he will quit work next year, or quit work forever? If we levy, as we would under this amendment, a tax of \$830 on the man receiving \$10,000 a year, is he going to quit? Do you suppose he will stop and say, "You make it impossible for me to go on, and have taken so much of my income in taxes." Yet we have left thousands and thousands of dollars to the big-income man where we have left a penny for the \$10,000-a-year man.

Let me answer the Senator's other question. The Senator is wondering, if we tax these big incomes, whether the fellows who have the big incomes are going to quit business. We taxed them in 1918, and they did not stop then. They went on climbing up the financial ladder higher and higher. Suppose they should stop. If we have to get the money somewhere, we must go where it is, and if all the people who pay taxes strike we will not get a penny, and our Government will be chaos in 24 hours; it will be gone.

Mr. LEWIS. Mr. President, I answer the Senator by calling his attention to the fact that the tax of 1918 has an equity which appeals to us all when we reflect that most of the fortunes of that day were made by the profiteers, who made them after we entered the war, or in the years just before.

I reply, then, to the Senator as to the \$10,000-a-year man, and the \$3,000-a-year man, and the millionaire. What I ask the Senator is his judgment, which I greatly respect, as to this question: Would not the men thereafter begin to limit their production, and since the \$10,000 man saw that \$3,000 was being taken from him, would he not gradually limit his capacity to nothing further than serving his need? Would he not cut off the opportunity of employment of many in the larger undertakings that did produce the profits to which the eminent Senator alluded? That is my fear.

Mr. NORRIS. I say no; he would not. It is not the experience of history. It seems to me it is contrary to good business judgment; and if it is true that people are going to do that we might just as well throw up the sponge. If the man with big income and the man with little income are going to so shape their business that they will not have any taxes to pay, we will not collect anything for the Government; that is true. If they do that, it will be a demonstration of the fact that our country is almost unanimously unpatriotic. Then we can say to almost all the people, "You do not love your country. You want it to fail."

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

Mr. NORRIS. I yield.

Mr. COUZENS. I was just wondering whether the Senator could mention any Senator who would resign because he was going to be taxed \$830 on his salary.

Mr. LEWIS. Does the Senator address his query to me?

Mr. COUZENS. No; it applies to the Senator from Illinois, but I was asking the question of the Senator from Nebraska.

Mr. LEWIS. Then I respond that if any Senator has chosen this body and been elected here for money he ought to be put out before the question comes of the quantity he receives.

Mr. COUZENS. Oh, but the Senator receives his \$10,000, whether he came for that purpose or for some patriotic purpose.

Mr. LEWIS. His motive of service is not resting on his pay; and it may be assumed that when he gave up his business, whatever it was, and took this office as a servant of the people, the impetus and incentive was service to mankind and not to himself in dollars and cents.

Mr. COUZENS. Oh, but the Senator seems to forget that he may be speaking of himself alone. I know Senators who are here for their salaries.

Mr. LEWIS. I regret that they hold their seats, if that be their only purpose.

Mr. COUZENS. And they have just as much right to hold their seats for their salaries as a lawyer or a doctor or a professional man or an engineer has the right to hold his job for his salary. I do not so underestimate my capacity as to contend that I hold this position wholly from patriotic motives. I contend that I am worth my salary.

Mr. LEWIS. We who know the Senator from Michigan and are familiar with his labors here deny that he is stimulated by anything except a desire to render patriotic service for the benefit of his fellow men.

Mr. NORRIS. Mr. President, I enjoy this colloquy immensely, and from it I think I can draw a very beneficial lesson. The Senator from Illinois in his eloquent way has called our attention to the motives which animate men to action, and he says that Senators are not here for their salaries, that they are here to perform a patriotic service. When the Senator intimates that the man with a million-dollar income, if we tax him on it, will stop making money, so that he will not have to pay his taxes, does he mean to intimate that that fellow is not patriotic? If the Senator's assumption is correct that we are here from patriotic motives, must we not attribute patriotic motives to the man with an income of a million dollars? If he is patriotic, would he be so mean, so inconsiderate of his fellow men and of the country which enabled him to make this great income to say, "I will not make a cent" or, at least, "I will make less than \$3,000 this next year in order to save paying taxes"? In other words, the man with a million-dollar income would receive, net, \$300,000, and he is so unpatriotic that next year he will not make more than \$3,000 in order to save paying taxes to the Government. While he is doing that he will not have his \$300,000 either. He will lose his \$300,000. If he is not called upon to pay any taxes, instead of having \$300,000 to play with he will not have anything. So even if he were not so patriotic as a Senator is, it would be good business for him to go on making his million-dollar income, if he could.

Mr. President, I think that all these people are patriotic. I do not follow the Senator in his theory that these people would be so unpatriotic and be so unbusinesslike as not to make any money so as to avoid paying taxes. When we get in that condition we will not need a Senate; we will not have a Senate. We will have, as one of the Senators suggested the other day, a Mussolini.

I want to invite the attention of the Senator from New York. I was going to do it a moment ago, when I was interrupted by the Senator from Illinois [Mr. LEWIS].

Mr. LEWIS. Does the Senator mean interrupted or instructed? [Laughter.]

Mr. NORRIS. Both! The Senator from New York [Mr. COPELAND] spoke of men with great incomes who make contributions to the poor. Those contributions are deductible under the law, within certain limits, of course, so the contributors will not have to pay taxes on them anyway.

Mr. COPELAND. Of course, the amount of tax they would save in that way would be infinitesimal.

Mr. NORRIS. It depends on how much their contributions are. If they make very material contributions it would not be infinitesimal. It might be for them, of course, but it would not be for me.

Mr. COPELAND. The Senator is surely going to give some credit to these men, even though they have the misfortune to be rich, if they contribute some of their money for human relief. The point I have in mind is this—

Mr. NORRIS. Just a moment! What have I said that induces the Senator to suggest that I am trying to impute to these rich men any wrongful or unpatriotic or dishonorable motives?

Mr. COPELAND. I do not think the Senator intended to do that. From his suggestion that because they have an exemption or they can obtain a credit because of some contribution, I got the idea that perhaps the Senator thought they were making the contributions in order that they might get such an exemption.

Mr. NORRIS. I never intimated any such thing.

Mr. COPELAND. I am very glad indeed to know that.

Mr. NORRIS. I do not think I said anything from which the Senator could draw that kind of a conclusion.

Mr. COPELAND. The fact remains that rich people in New York City have given millions to relieve human distress when the city of New York could get no money from the banks in order that the city might give the relief, and when the Congress of the United States refused to grant the privilege to the Reconstruction Finance Corporation of giving or lending money for that purpose. I am not defending the rich man who seeks to evade his taxes. I think the man who is rich and has an income ought to be glad to pay a tax. But I know that there are millions of people in the country to-day who are hungry. I had a letter this morning, forwarded to me from my New York office, saying that yesterday a mother of seven children came there for help because she had no food in her house to give the children and no milk for the baby. There must be found some way to give relief to such people. My contention is that the Senator, by getting all the money the rich people may have and putting it into the Treasury of the United States, is not contributing to human relief.

Mr. NORRIS. The Senator would like to let the existing deficit go and say to the millions of hungry and unemployed of the United States, "Go to charity and get your relief." I do not believe in that. I want to tell the Senator, as I tried to tell him before, that while there are many men rich, many men poor, who have made wonderful contributions to charity—and I have not intimated anything to the contrary—there are, nevertheless, many hidebound millionaires who have not contributed a penny to charity. The only way to get those men's contribution is to levy a tax against them and get it by law.

Mr. COPELAND. I agree with the Senator. I know there are many hidebound millionaires who have put all of their property in tax-exempt securities.

Mr. NORRIS. If they do they help the taxpayers, who thereby have less interest to pay on those tax-exempt securities. At least that much can be said for them.

Mr. COPELAND. The Senator and I are not separated by the thickness of a sheet of paper. We want human relief and we have no prospect of getting it from the Congress of the United States. When the President talks about a paltry \$250,000,000 or \$300,000,000 for human relief, how absurd it is when we know there are 10,000,000 men and women in the country without any money whatever and without any means of help from private charity because the Government must not violate the theories of political economy and make any contribution for human relief.

Mr. NORRIS. That is all very nice, but it has not any more to do with this amendment to levy a tax to enable the Government to balance the Budget than the flowers that bloom in the springtime. The men who are going to contribute will contribute whether this amendment is adopted or not, and those who are not going to contribute will not contribute whether it is adopted or not.

Mr. President, the Senator from New York calls attention to tax-exempt securities, and I want to say just a word about them. I think there is an erroneous idea in the country to-day about tax-exempt securities and their evil. I want to preface what I have to say by making this remark: If I had my way, there would not be such a thing as a tax-exempt security. We originally voted during the war to exempt Liberty bonds. The first issue was entirely exempt. All the issues after that were only partially exempt; they were exempt only as to normal taxes. I voted against those provisions. I would be glad to vote for a tax on the salaries of State officials just the same as on the salaries of Federal officials. I would vote for a tax upon the municipal bonds of every city and of every county and of every State. In other words, if I had my way there would be no such thing as tax-exempt securities. But I do not have my way.

Some of the greatest lawyers in the country believe, and apparently the opinion of 90 per cent of the Members of Congress is, that we have no constitutional authority to tax municipal bonds, county bonds, and State bonds; that

we have no constitutional authority to levy an income tax upon the salary of a governor or of a State judge or of a member of a State legislature. For practical purposes we must assume that to be the law. The theory is that the right to tax probably could mean the right to destroy. I do not want to enter into a legal discussion now, but I have always believed and I still believe that in theory there is nothing wrong about taxing State securities and the salaries of State officials. If we undertake to levy a tax upon them that is different from the tax upon other officials, where it is conceded we do have authority to levy a tax, then the constitutional objection could be raised.

But I concede to begin with that my idea does not prevail, so we have tax-exempt securities, and we can not avoid it. The evil which has come from that kind of securities has been, in my judgment, greatly exaggerated. In the first place, the Senator from Michigan [Mr. COUZENS] showed yesterday by statistics that the great fortunes of the country have not been invested and are not being invested in tax-exempt securities.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. The fact is that municipal bonds that are tax exempt have usually an interest limit. As an example, in the State of Louisiana our bonds are limited to 5 per cent. We have sold those bonds as low as $4\frac{1}{2}$ per cent. Had we not a tax exemption, the bonds could not have been sold at $4\frac{1}{2}$ per cent and much of our financing could not have been done at the constitutional limit. When we commence talking about taxing securities which are now tax exempt we are not proposing to do anything but take the money out of the pockets of the State and put it in the pockets of the Federal Government, making it all the more difficult to finance the public projects of the States and of the United States to-day.

Mr. NORRIS. I thank the Senator. He has really anticipated me. I was going to make the point he has just made. It seems to me perfectly clear. If people invested all of their incomes in tax-exempt securities they would be unable in those States to make all the internal improvements at a very much reduced cost. Everybody knows that a county bond in the State of Utah, for example, exempt from taxation, goes on the market at a lower rate of interest than though it were taxable. That is absolutely true. It is the same with every other tax-exempt security. If they were not tax exempt, the rate of interest would be higher and the people who pay the taxes, who must pay the interest and the principal of those bonds, would have to pay the extra cost. After all, we would be taking it out of one pocket and putting it in another pocket. To my mind it is almost immaterial—one hand washes the other—and the only reason why I would tax them all would be because it would relieve the country and the Federal Government in particular of the idea which is almost generally prevalent that we are suffering from the existence of tax-exempt securities.

Let me refer to Federal bonds, our Liberty bonds, for instance. The first issue of Liberty bonds were sold at $3\frac{1}{2}$ per cent. They were tax exempt, exempt from State and Federal taxes. Inheritance and State taxes applied to them. They sold at $3\frac{1}{2}$ per cent interest and except during the depression they have always been above par on the market. We paid as high as $4\frac{1}{2}$ or 5 per cent before we got through borrowing money. We have now outstanding a large amount of Federal bonds drawing $4\frac{1}{4}$ per cent interest. At the present time, or the last time I looked at the figures, these bonds were selling a little above par, but for weeks during the depression they were below par. I presume if we looked at the sales on the New York Exchange on yesterday we would find the $3\frac{1}{2}$ per cent bonds being sold above par or at least at par. If they were taxable, the rate of interest would have to be higher on all

of them, so it is just as long as it is broad, and it does not make any particular difference.

Mr. President, who are the people who invest in tax-exempt securities as a rule? I believe I can use an illustration, perhaps. Members of the Senate, whose time is taken up with their duties here, who have not any time to look after their private business affairs. They probably invest their money in bonds, whether they are tax exempt or not, because it relieves them of the necessity of giving them any attention. Another class of people are those represented by large estates and insurance companies, such as are required to keep large amounts of money invested in bonds as securities, or trustees of estates, charitable institutions, and so forth. They invest not for speculation but for safe investment, not expecting a large return, but one that is certain and about which there is no risk involved.

As the Senator from Michigan [Mr. COUZENS] showed yesterday, most of the tax-exempt securities are held by estates and widows. They are not held as a matter of fact by the men who pay the big income taxes. If we look them over and see the dividends they have paid in the past, we will see the reason why they are considered good investments. It is considered good business to make such investments. If a millionaire buys a million dollars' worth of bonds, he pays a million dollars, or something like that, for them; and whoever gets it uses the money. It does not make much difference whether he uses it or whether the man who sells him the bonds uses it.

Mr. LONG. Mr. President, I should like further to invite the Senator's attention to the fact that the supposed era of tax-exempt securities, and it may be said also the era of high income levies, was the very period when private capital on large scale controlled by men of great fortunes extended its operations more than ever before into private fields, taking in the stores of the country, the banks, and the oil companies. They were not attracted by tax-exempt securities. There never was such an era for taking over of the business of the country as there has been since tax-exempt securities have been on the market.

Mr. NORRIS. I think that is literally true. There never has been a similar period in the history of this country when such operations have been carried to a greater extent than since tax-exempt securities began flooding the market.

Mr. President, I do not want to detain the Senate, but I want to say in conclusion that I look upon this question as a serious one; I think it is one of the serious things connected with the pending bill. Here is an opportunity to levy a tax that will not hurt anybody. The burden will fall upon those who are able to bear it. We have got to place it somewhere. Let us forget our prejudices, if we have any, and realize that somewhere we must levy this tax; from some source we must raise this money. It seems to me we can not hesitate to say it is easier and better for everybody if we raise it from the sources that have money in plenty and in proportion to the amount they have than it is to raise it from taxes levied upon the already overburdened poor.

So it seems to me we ought not to hesitate to adopt this amendment even though we do not agree, as I do not, with the rates suggested in all the brackets. This is an amendment that levies its toll upon the rich and the moderately situated. The average citizen is going to have his taxes increased, but not nearly as greatly as is the rich citizen with a large income. Remember always if they do not have incomes they do not pay the tax; it is no burden upon anybody who does not pay the tax; and the amount to be paid depends upon the amount of income. If the income is big, the tax is big; if the income is small, the tax is small. So it will levy tribute in proportion to the ability of people with incomes to pay.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Michigan.

Mr. McNARY. Mr. President, I ask unanimous consent that when the Senate shall have concluded its business to-day it take a recess until 11 o'clock a. m. Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRISON. I am just wondering, Mr. President, as I think are other Senators who are interested in this particular legislation, if it is possible for us to reach some kind of an agreement?

Mr. SMOOT. Does the Senator mean as to a time for a vote?

Mr. HARRISON. An agreement as to a vote or as to a limitation of debate, either.

Mr. SMOOT. I ask unanimous consent that beginning Monday at 11 o'clock all speeches upon the pending amendment shall be limited to 10 minutes.

Mr. LONG. I object.

Mr. LEWIS. Mr. President, I feel a question of that kind ought not to be submitted with so sparse an attendance of the Senate. A larger number should be here to accept this proposition, if it is acceptable.

The PRESIDING OFFICER. Objection is made.

Mr. SMOOT. Mr. President, as there is objection, I withdraw the request.

Mr. LEWIS obtained the floor.

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

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. I yield.

Mr. LONG. I was going to suggest, not to interfere with the Senator from Illinois, that possibly it would be well that we should take an early recess this afternoon. I see no reason for staying here. So I suggest that the Senate take an early recess this afternoon, as other Senators seem to desire that such action be taken.

Mr. SMOOT. The Senator from Illinois [Mr. LEWIS] desires to speak. When he shall have concluded, if no other Senator desires to address the Senate a recess may be taken.

Mr. LONG. We will not vote on the amendment to-day, will we?

Mr. SMOOT. No; we will not vote on it to-day.

Mr. LEWIS. Mr. President, do I understand from the eminent chairman of the committee, the Senator from Utah, that it is not contemplated to vote to-day on the amendment offered by the Senator from Michigan?

Mr. SMOOT. I am quite sure that we can not secure a vote on it to-day. I hope, however, that on Monday we may have a limitation of debate.

Mr. LEWIS. Mr. President, listening to the observations of Senators SMOOT, NORRIS, and COUZENS on this tax bill, I rise to submit some conclusions on the pending tax bill as I view it. The country may behold that there are no divisions here in the Senate as to which is the Democratic measure, and which is the Republican. For myself, I do not know what Democrats favor one or the other. I have not been able to attend either counsel or consultation in either conference or assembly by which I could deduce what is either desired by my party or would be practicable to its welfare as a political party. I present whatever views I have as a Member of this body representing a State whose people must respond to this tax, whatever it may be.

From my point of view, contemplating the country as I see it and as I feel all my countrymen must perceive it, I regard this tax bill a wholly unnecessary procedure. From my point of view, it can not be justified upon the basis of any argument that rightfully considers the present situation of the Nation and the just rights of its citizens.

Here is a tax upon America designated as the Smoot-Hawley tariff bill. That tax remains in all its horror of application and the severity of its burdens. The only relief that gave some promise and afforded the possibility of some benefit was presented by the eminent Senator from Mississippi [Mr. HARRISON], the leader of the minority on the Finance Committee. It has just received its congé, as it were—its disapproval and veto—by the President of the United States. This was on the day before yesterday. That particular veto laid low to its burial any hope that might have been indulged for benefit or relief under the proposition,

though it was accepted by the Senate and adopted by the other House.

In addition to that tax, all the other taxes remain upon the books—corporation, personal, internal revenue—like a brand of pickles, 56 varieties, all exacting in their persecuting form the response of the citizen from his pennies to his dollars, and from his dollars to his property, and from his property to his income, and from his income to his business, and from his business to his hopes. All hang over the citizen and still pend above him as a cloud of fire, with all the threats and their dire disaster.

The Senator from New York [Mr. COPELAND] brought to the attention of this body a moment past how the Treasury, though overflowing, perchance, with the accumulations of money drawn there by the ferocious and impelling hand of taxation, would still contribute nothing to the immediate needs of those who are without bread and without shelter. This because every method devised to appropriate the money immediately in the form of relief is interdicted in some form by the eminent officials in power who reserve the right to veto the popular will, however expressed, and this even when it runs counter to the political advantage of those who hope to be returned again to power by the same methods that have been administered in the Republic and brought them to life and have brought upon the Nation such affliction as it now endures.

Then we ask ourselves the question, What does the present tax bill do? It levies further taxes, first, upon income. I agree with our friend and benefactor of public welfare, the Senator from Nebraska [Mr. NORRIS], that the matter of income does not seriously disturb the Senators. There are none of them here who rose to acknowledge that they were those whose incomes were of the million-dollar class nor having such expectancy. But we pause to consider those rightly earned incomes which we are under oath and by sense of duty bound to justly protect as honest property of the constituents for whom we speak.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Utah?

Mr. LEWIS. I yield to the Senator from Utah.

Mr. SMOOT. I think that that is exactly what the committee has done. Let me call the Senator's attention to the fact that an individual living in the United States with a net income of \$3,000 under the House bill will pay \$3 and under the Senate Finance Committee bill will pay \$4, while an individual living in England, having exactly the same net income, instead of paying \$3, will pay \$303. What would the Senator do? Would he exclude all citizens from paying taxes whose net income—I do not mean gross income but net income with all the allowances provided by law—does not exceed \$3,000 a year? All they pay now under the bill is \$4 a year.

Mr. LEWIS. Mr. President, the Senator seems to labor under the idea that my remarks are addressed in opposition to the income tax. He forgets that we both sat in this United States Senate as Members when I was allowed the privilege and dared the audacity to present, as one of the floor representatives of the Democratic side of the Chamber, the very income tax bills that were the first and second under the Constitution which allowed them. The Senator must not fall into the error of supposing, merely because of the preliminary observations I have made, that it is my purpose to oppose an income tax wherever it should justly be levied.

I recognize that we have at present a law that does levy these income taxes. I seek neither its repeal nor its qualification. I speak of what I object to now in detail.

I object to a new tax bill being put upon the country where, from my point of view, as will be revealed in a moment, I find it wholly unnecessary. Second, I object because I feel that the method of its adoption or the means of its enforcement does not remedy a situation which should be remedied, and which calls for immediate relief by another

system more practicable and more serviceable to those necessities. I mention them.

I first answer the Senator's comparison with England. I am not interested in the comparison, however much respect I would pay to any suggestion from the eminent Senator from Utah. My answer is, This is America and not England. Our wealth and our income, our position and our situation, can not be used as a parallel to the situations of England, either from the war, her population, or her necessities.

Mr. LONG. Mr. President, will the Senator pardon a question?

Mr. LEWIS. Oh, surely; I yield to the Senator.

Mr. LONG. Has the Senator from Illinois never been sent to London?

Mr. LEWIS. I have been sent officially to London. I have been honored in some slight regard in that respect by this Senate and a former President of the United States; but if the eminent Senator means to parallel my being sent with the privileges granted the late Secretary of the Treasury, with such honor as is afforded him and such privileges as attend him as Secretary and Ambassador, I answer never, nor do I hope to occupy that confusing sphere. [Laughter.]

But I return to mark for a moment the point I wish to indent.

I feel that further tax bills than now in force are wholly unnecessary and, as I see it, wholly unjustified; I mean in addition to the tax bills that are now levied upon the Nation. I now tender from my lips in speech a substitute for the new tax bills proposed. It is that this Government lay a bond issue on the Nation of \$5,000,000,000; that it be so arranged in its construction and adjustment as to exempt the present generation from the burden of its interest and principal proportionately; that it place the burden of the payment of the bonds upon that other generation that will enjoy the benefits of the Government but has not been compelled either to bear the burdens of the war in conflict or its expense of Government paid to the Treasury.

If the private interview I observe between my friend from Louisiana [Mr. LONG] and my friend from Utah [Mr. SMOOT] is not wholly confidential, I should like to hear it for my enjoyment. [Laughter.]

Mr. LONG. If the Senator will yield, the Senator from Utah and I were discussing whether or not we would suggest that the Senator exempt the next two generations.

Mr. LEWIS. If the distinguished Senator has in contemplation his dearly beloved young ones, I would, out of regard to them, consider that, of course. [Laughter.]

I return, Mr. President, to say that I would then with this bond issue, and from its results—which would come from all over the world—since the nations of the earth, having no confidence in their own securities, largely from the fact of such conditions as the eminent Senator from Utah has described in the case of England, they would promptly purchase these, our securities, in preference to any of the world—from the results of the sales I would pay the deficit which is being spoken of constantly as that which calls for that euphonistic aphorism of "balancing the Budget." [Laughter.]

There is no effort whatever to cut the Budget in the places where it should be deflated and where it should be decapitated. The whole theme seems to be, however largely multiplied it is in burden or however severely it may oppress the citizen, to leave it, and to harass the citizen further by draining from him additional and multiplied taxes to equal that heavy proposed expenditure in the Budget without any regard to its equity or its justice in an hour like this bearing upon us.

May I ask the eminent Senator from Oregon [Mr. STEIWER in the chair], than whom there is no nobler or better gentleman representing his State, has there been any proposition of reducing the millions and millions that are to go into the Columbia River, I venture? Does the eminent President of the United States intimate that reductions should be made in the \$800,000,000 that is to go to the Hoover Dam, or these like projects directed for contractors' profits, or is there

any suggestion of diminishing the plan of "beautifying" the city of Washington by tearing down buildings in scores, turning them into sand and eruption and building in their places temples for admiration and habitation, social and commercial, such as the establishment for the Secretary of Commerce? What movement is being made to overcome all this by desisting temporarily from spending this almost billion and by doing so relieve the citizen of the necessity of meeting by taxation these ill-considered and heartless exactions on the taxpayer?

I merely mention these few as illustrations. Therefore, again to return, I say that this bond issue shall first pay the deficit. Then with the deficit paid, Mr. President, I propose that the remaining sum shall go to such proper public undertakings as will give employment to that vast number who are waiting patiently, dreaming hopefully, trusting confidently that from this body they will have their relief. Sirs, I say that in their days of patient waiting they exhibit a patriotism and a devotion to their land which better marks the character of the American than that described by my eminent friend from Nebraska [Mr. NORRIS] or the eminent Senator from New York [Mr. COPELAND] of these who, better clad, better supported, more supplied in bank account, may show their patriotism merely by paying the surplus of their possessions to the Government in the hour of its extremity. Then, turning the remaining sum drawn from the bonds to the maintenance of those who have a right now to ask at the hands of the Government just service, and full pay to the soldier, as may be his due. In this way, I point out, we would meet the Nation's demand; we would start the Government again along the road of prosperity.

And now to the eminent Senator from Utah [Mr. SMOOT] and my friend from Louisiana, Brother LONG, I respond: Then let the income taxes as they are now adjusted in the present existing law go to the payment of the ordinary daily expense of government; and then let us levy an adjusted tax upon inheritances. I do not mean the same rate upon all inheritances. All inheritances should not be taxed equally because they are the same sum in quantity. Inheritances which have passed into the hands of those who have honestly applied them in business and sought to extend them to industry and give employment to individuals and equally multiply the opportunities of their country should be guarded and protected with proper caution and justice. But let me allude to the others. Those which have passed into the hands of the putrid sons of the financial scion. They who spend their time capering upon their yachts in distant waters, accompanied with their diamond-bedecked Delilahs as their companions of joy, while the tendrils of tinkling music as their accompaniment of sweetness drown all sense of responsibility to citizenship. Those whose offenses in different parts of the land cast a corruption upon this America and reflecting upon its honor, leave it the dastardly object of scorn from every land of the world. Let this kind of inheritances, being used for the pollution of the generation, be early seized in a very large sum and be compelled to pay the Government that which would carry it on further in the other things necessary to honest life of noble citizenry and put embargo on the multiplication of the generation I describe, alluded to in St. Matthew as the generation of vipers and all uncleanness.

Thus you will observe that from the bond issue and its results, from the income taxes properly proportioned in the law as it now stands, and from the inheritance tax that I mentioned, we will have had a sufficient sum in total for all the immediate purposes of this Government, without levying one dollar extra upon the immediate business of the citizen, stressing his home, straining his life, frightening his project, and leaving him in the future with an uncertainty that seems to paralyze every prospective hope of prosperity in America.

Mr. LONG. Mr. President—

Mr. LEWIS. I yield to the Senator from Louisiana.

Mr. LONG. The Senator is not far from the kingdom in what he is saying, according to my ideas of what a perfect

kingdom is. Just how would he designate this "putrid son"—by amounts?

Mr. LEWIS. The Senator means to ask how I would designate the amount of the tax?

Mr. LONG. I mean, we want to locate the man who answers to this description; and I think the Senator is right about that. I agree with him entirely.

Mr. LEWIS. Then I know I am right. [Laughter.]

Mr. LONG. If the Senator did not know that before; but how are we going to locate this party? I thought perhaps the Senator had an idea along that line.

Mr. LEWIS. Does my friend mean how I would locate the amount and quantity of the tax, or how I would locate the individual?

Mr. LONG. The individual. The Senator referred to this man who has so much money that he can sail the high seas, or the lowlands, or the low waters in his yachts, with diamond-bedecked parties along with him.

Mr. LEWIS. Did I say "parties"? I think I made that singular, because it is singular indeed to have it occur. [Laughter.]

Mr. LONG. Oh, did the Senator do that? That is probably due to age. [Laughter.]

Mr. LEWIS. That may be self-applied to the Senator. I do not know to whom else he could appropriately apply it. [Laughter.]

I answer my friend to say every State of the Union has its form of tax collector locally. I would say to the energetic and I may say ever-consistent Senator from Louisiana in his championship of the common masses, that those individuals who hold the office of county tax collector, such as he knows in Louisiana, over which State he has presided as executive, knows the particular citizens of that county. The State officer knows those of the State; and in that manner these individuals who come under one description or the other are easily tallied, and their general whereabouts is invariably advertised by their habits. Thus they will be located, and I trust none of them will escape and never be deserted by the tax authorities, when we come to consider their kind and their worth.

But I must conclude.

Mr. LONG. Mr. President, if the Senator will yield further—

Mr. LEWIS. I yield.

Mr. LONG. I do not think that description can be written into a law. The only means I see by which we can lay the tax on inheritances that the Senator proposes is by fixing certain limits beyond which an inheritance becomes useless, or nearly useless.

I do not think the Senator from Illinois or any other Senator would contend that we could write into the law that the one who is accustomed to riotous and abandoned living shall pay so much tax, and the one who spends his time working shall pay less. I think, and I was hoping the Senator might agree, that the proper method—I have proposed an amendment to cover that point—would be that after an inheritance reached a certain amount we should begin to lay on the inheritance tax, so as not to make it too heavy for the man who needs the money in industry.

Mr. LEWIS. It may be that placing a limitation beyond which a larger tax may be levied would have a certain equity in it. We have in the past adopted such a course; but one of the reasons why I can not subscribe to a resolution that shall limit the amount of wealth to be possessed by anyone earning it, is that I fear it would limit, at some time and maybe too often, those who earn and then apply that large wealth inherited to the noble undertakings of helping mankind with their surplus—in hospitals and educational institutions, in business and commercial enterprise, in works of religion and welfare. I desire to avoid punishing such as these and depriving the community of the blessings they confer. I hesitate to lay on those such punishment as would bring upon my country the loss that would follow, merely through seeking to tax the limited number who come under the anathema of my eminent friend who correctly characterized that number. They whom in every year we see ad-

vertised by their habits—not by their fruits, but by their sins, do we know them.

Now, Mr. President, having occupied more time than was my intent, I conclude my suggestion, as it partakes this moment of only a suggestion, in order to define and explain my purpose in tendering a substitute for the whole new tax bill. I ask, what other way can now be provided for these needs of the times and the necessities of our country?

The eminent Senator from New York [Mr. COPELAND] has made an allusion to when he and I jointly on this floor tendered an amendment which would have given the Government the privilege of extending loans to cities and States from the billions advanced for use to the finance construction board. I sought a relief to the State of Illinois, to relieve the conditions of great depression she was under, and the experiences of misery and oppression her citizens endured. I saw that city suffering from a plight which her best citizens could not be charged with responsibility for. Her school-teachers not being paid. For months they were without the ordinary necessities of life and deprived of sustenance and maintenance. I wanted the police and the officers of government of Chicago promptly provided for, to the end that government should go on; so that which we have heard so often described on this floor in flaming tongue—the lawlessness of the land—could not be encouraged by the consciousness of the criminal that those whose duty it was to obstruct that lawlessness by the enforcement of the law were put out of commission, from the fact that they were put out of employment for lack of compensation.

When we sought this relief, eminent gentlemen on this floor denied the right, because such action would have been something of an innovation upon the older theories of government, in conflict. It was contended that such conflicted with constitutional construction.

To-day, however, the President of the United States, as published in the press, concedes the theory. He now, with commendable courage and justice, puts his new adaptation on the ground that the private relief which heretofore has been held up by the White House as being wholly sufficient has failed to serve the purpose, and that the method of applying to the Federal Government for the distribution of loans to the cities and the States is the one remaining in which there was some hope of relief. For this we all commend and support our Chief Executive.

Yet I can not refrain from saying that since, sir, the principle is now conceded, the great mass of people will flash the inquiry to the White House, "Why, for six months, have you let us hunger and starve, our children die for want of food, not a shelter over their heads in the cold enduring hours of a miserable existence, when, if the principle is right now, it was right then?"

Where is the man who can justify the manner we parleyed and played with these situations, until we brought them now to where a surrender is made before the world, and by it we confess that this, our great America, stands with her citizenship with her hands held out to charity, beseeching the mercy of the Government to the sustenance and the life of American citizens who tendered, in numbers upon numbers, all they had of life and honor to save their country.

It has reached the end. This Government must not longer play with these vicissitudes and miseries; and since there are methods now conceded through which these remedies can be had, these reliefs enjoyed, let us enter upon them—here and now enter upon the duty that we may realize our great United States in the fulfillment of her mission, caring for her people, lifting them to the heights of honor, holding them high in independence, from which we, too, may point to this as the assurance of patriotic support from her sons in any national peril as we paraphrase the poet Browning and proclaim to the world:

God's in his heaven,
All's well with America.

Mr. TRAMMELL. Mr. President, I made some observations this morning in regard to the proposed increase of the income tax in the lower brackets suggested by the amend-

ment of the Senator from Michigan [Mr. COUZENS]. At that time I was without any data to support my position, but I felt confident that I was correct in asserting that a major portion of the increase which he contemplated by his amendment would be taken from the people of this country of small and only medium incomes.

I have before me—and I believe it has been sent to the desk since I made those observations—a table compiled either by the Senator from Michigan or some one serving him, showing the amount which his proposed increases will provide. I am not going to take the time to put the entire table into the RECORD at this time but will discuss it probably next week.

I find from this table that persons in that bracket having net incomes of from one to two thousand dollars only under the present law, pay, in the gross, \$1,100,000 annually. Under the bill recommended by the Finance Committee persons with net incomes of from one to two thousand dollars only would contribute \$17,800,000. Persons with incomes of from one to two thousand dollars, under the amendment proposed by the Senator from Michigan, would contribute \$40,572,000 in the way of income taxes. Persons receiving net incomes of from one to two thousand dollars per annum would therefore, under the Senator's amendment, contribute about \$39,000,000 more toward the support of the Government, under this one tax, than they are contributing at the present time.

The Senator's amendment would increase the total amount on incomes of from one to two thousand dollars, over the rate proposed by the Finance Committee in the bill we are considering, from \$17,800,000 to \$40,552,000; the increase in the tax upon this class of taxpayers being \$22,772,000, according to the Senator's own statistics. In other words, people paying taxes on incomes of from one to two thousand dollars would, if we adopted the Senator's bracket on this particular rate, contribute over \$22,000,000 per annum more than they would under the bill proposed by the Finance Committee.

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

Mr. TRAMMELL. I would like to get this consecutively in the RECORD, if the Senator will pardon me for not yielding now.

The Senator from Michigan proposes big increases all along, beginning at the very lowest brackets. Let us take, according to his own table, incomes of from two to three thousand dollars net. I do not think anybody can say that we would be swatting the rich if we swatted the man with an income of two to three thousand dollars a year net. Some seem to be basing their support of the amendment on the idea that they are going to swat the rich, that we are going to make the people with big incomes pay. While we were doing that, if that is the idea—and I do not believe in that kind of a policy; I believe in treating everybody fairly—while we were doing that, I do not know whom we would be swatting more than the poor man who makes only one, two, three, four, or five thousand dollars a year net income.

In this bracket of incomes of from two to three thousand dollars the present law provides a rate which brings in a return of \$2,730,000. The Finance Committee bill would provide a revenue of \$18,200,000. The amendment offered by the Senator from Michigan would provide a revenue of \$49,624,200. In other words, he proposes to increase the rate prescribed by the Finance Committee on incomes of from two to three thousand dollars so that the return would jump from \$18,000,000, in round figures, to \$49,000,000. He proposes to increase it more than 100 per cent.

In the three to five thousand dollar net income bracket, at present the taxpayers pay only \$5,120,000. Under the bill proposed by the Finance Committee they would pay only \$28,500,000. Under the amendment proposed by the Senator from Michigan, they would pay \$99,000,000, an increase of \$70,500,000 from those with incomes of from three to five thousand dollars, as against the bill of the Finance Committee.

I have not had time to compile these figures into groups, except as to incomes of from one to five thousand dollars a

year. We see how the Senator's amendment discriminates against the people of this country who are making merely slightly more than a bare living, probably just a small amount above the ordinary living expenses.

On net incomes of from one to five thousand dollars, under the present law we collect \$8,950,000, according to the Senator's statistics. On incomes of from one to five thousand dollars, under the bill proposed by the Finance Committee, the collection is estimated to be \$64,500,000. Under the amendment proposed by the Senator from Michigan, on incomes of from one to five thousand dollars, the estimate of the collection is \$189,196,200. In other words, if we adopt the amendment proposed by the Senator from Michigan, on incomes of from one to five thousand dollars we would collect 300 per cent more out of the people in that bracket than under the bill proposed by the Finance Committee, the difference between \$64,000,000 and \$189,000,000, practically 300 per cent more. A tremendous increase of the taxes on the people of such moderate incomes.

Under the rates proposed by the Senate committee in these first brackets, covering incomes of from one to five thousand dollars, the rates suggested in the amendment of the Senator from Michigan would provide \$124,696,000 in excess of the amount collected under the rate proposed by the Finance Committee.

Those are the features of the bill which I thought it proper to bring to the attention of the Senate, because as far as I am concerned, I can not support those provisions of the Senator's amendment. If I had had opportunity to group the figures so as to include incomes up to \$10,000 a year, I am sure the figures would have astounded Senators. The tax would average at least 300 per cent more than under the rates proposed by the Finance Committee.

My observation was directed at that particular policy of the amendment proposed by the Senator from Michigan, and also his effort to cut down the exemption of the head of a family from \$2,500, as proposed by the Senate Finance Committee, to \$2,000 and to cut down the exemption of \$400 for dependent minors under 18 years of age to \$200.

I did not mention one feature which I have since noticed in his amendment. The Senator from Michigan proposes to do away with the provision relating to earned income. He wants a person to make just as much money out of capital as out of his individual efforts and labor. He has proposed that in his amendment. For years we have carried the earned-income provision in our tax laws. I think it has been regarded as a very wise policy and a very just policy, upon the theory that a man's earnings from his endeavors and his labors, his talents, and his energies, should have a little recognition over the earnings that come from capital investment. But the amendment of the Senator from Michigan proposes to strike that provision from the text of the bill as reported by the Finance Committee.

I wanted these figures in the RECORD which I have taken from the statistics of the Senator from Michigan. I wanted them to appear in connection with my observations to-day. That is the reason why I have offered them this afternoon. Unless he sees proper to change his amendment, which proposes such big increase in the tax upon these low incomes and moderate incomes, I shall feel impelled to make some further observations when we again reach this feature of the bill.

Mr. LONG. Mr. President, I desire to reoffer the amendment which I originally proposed, with the paging changed in order to conform with the new print of the bill.

The PRESIDENT pro tempore. The amendment will be printed and lie upon the table.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, among the letters I have received from day to day respecting the agricultural situation are some that convey clear notions of the farmer's plight. I invite attention to one that came to my desk this morning. It reads as follows:

The Reconstruction Credit Corporation bill was passed with the promise that it would aid the farmers. But the farmers in this part of Iowa are saying they have received no help. The news-

papers give it out that money has been granted to banks, but if it has been loaned to banks it is not in this part of Iowa; at least no banks, so far as I can hear, are making loans to farmers.

All the banks in this city were closed. We had five. Fourteen out of seventeen banks were closed in the county. A new bank was organized in the city and has taken in about \$650,000 in deposits. In its report a week ago it shows it has made loans of \$29,000, or less than 5 per cent of its deposits, and out of this \$29,000 which was loaned, \$18,000 was loaned to an investment company, a subsidiary of one of the closed banks; so that less than \$11,000 was actually loaned to depositors.

This new bank showed by its report that it had bought and held \$650,000 of Government bonds, which meant that about \$650,000 had gone out of this city and county to buy Government bonds which are nontaxable, and left this community without any source for furnishing money either to farmers or business men. This bank announces that it will loan only to persons who own Government bonds which can be put up as collateral.

Farmers need money to renew mortgages on their farms, but such banks as we have make no loans on farms.

I wrote to the land bank in Omaha for a farmer asking for a modest loan to take up a mortgage of \$9,000, which was on his farm and held by a savings bank which closed its doors in October, 1931. The land bank at Omaha replied, "We make no loans for renewal purposes." The result is the farmers are losing their farms and are getting bitter. In this county 64 foreclosure suits were filed in the May term of court, twice as many as were ever started before at any one term in this county.

Here is a striking statement:

I give you a concrete illustration of what farmers are going through. A farmer here shipped a 215-pound hog to market on May 7, 1932. He got a check from the commission company for his hog. The check was for 5 cents! This 215-pound hog sold for \$1.60. The statement for this transaction is as follows:

Yardage	\$0.13
State weight charge01
Commission35
Fire insurance01
Transportation charges95
Total	1.55

This hog which brought the farmer 5 cents, after expenses were paid, cost him more than \$10 to raise.

And yet, Mr. President, the western railroads are to-day asking the Interstate Commerce Commission for a 10 per cent increase in rates on grain, and that despite the fact that the rates are now 44 per cent higher than they were prior to 1914.

To continue with the letter:

Illustrations of this kind can be multiplied without end. Can you blame the farmer for seeing red?

I beg of you that you appeal to your fellow Senators to pass some measure that will give the farmer a chance. If this is not done soon, a revolution as destructive as the French Revolution is liable to break out in this country.

This may sound like radical talk, but when men are driven off their farms and are hungry they will not stop at using force to gain that which their labor and sacrifice have produced. When that time comes it is going to be hard on the politician and the wobbly executive for neglecting the plea of the farmer for the last 10 years.

Mr. President, during this session we have done nothing for the farmer of a constructive character. There are industries which are highly profitable despite the depression. The power industry—and I am speaking of the operating power companies throughout the country—had a gross income last year of about \$1,900,000,000. Assuming the gross income in 1929, the boom year, as 100, the income in 1930 was 102.7 and in 1931 it was 101.5. For the first three months of this year the operating power companies of the country received but one-fourth of 1 per cent less in revenue than they received during the boom year of 1929. Here is a source of revenue to tax.

I am inviting attention to this fact: That there are industries highly prosperous even now, while the farmer is in despair. Yet Congress has done nothing for him during this session, although both parties pledged themselves in their 1928 platforms to enact something constructive for the farmer's relief. But Congress has failed to do anything of the kind. Are we to adjourn without action on behalf of the farmer or are we, Mr. President, to go home and tell the farmer nothing but this, "There was not the will in Congress to act in your behalf"? Agriculture must be rescued if prosperity returns to the Nation.

Mr. JONES. Mr. President, I would like to ask the Senator from Nebraska a question.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. HOWELL. Certainly.

Mr. JONES. I sympathize very much with what the Senator has said not only to-day, but at other times. I myself think that the Senate ought to do something if it possibly can. I am going to ask this question in entire good faith and sincerity. Has the Senator proposed any concrete remedy for the situation that confronts us? Has the Senator any concrete proposal before any committee of the Senate?

Mr. HOWELL. Mr. President, reviewing the situation that exists at this time, and the short period that remains before Congress adjourns, I came to the conclusion that about the only thing we might get through Congress at this late day would be something with which Congress is familiar. Therefore I have had in mind the McNary-Haugen bill, twice enacted by Congress but vetoed each time. My notion is that possibly we could not get such a bill through Congress including all products, but we might get such a measure through both branches of Congress providing for an experiment with one product.

As a consequence I have introduced such a bill providing for one product, and I have left the name of the product to be determined by the committee, trusting them to select the product that would best serve the experiment. I felt that thus we might at least afford the farmer a consolation prize in the way of an experiment, if nothing more.

Mr. JONES. Let me suggest to the Senator that instead of pointing out that we are likely to adjourn in a month, I should like to hear him say we are not going to adjourn until something is done for the farmer. We do not have to adjourn so soon. This is not a limited session. I think it will be much better if we would notify those in authority that we propose that we shall do something for the farmer before we adjourn.

I might say that the Senator from North Dakota [Mr. Nye] just advised me that his committee has reported a measure along the lines suggested by the Senator from Nebraska. That has been done this morning. I think at least one bill has been reported in that connection, so there is something here upon which we can act, without saying that we must adjourn without doing anything.

Mr. HOWELL. Indeed, I thank the Senator for his expressions at this time. I have known what his attitude has been and that he would be in favor of constructive relief for agriculture.

EXPENSES OF ALABAMA SENATORIAL CONTEST

Mr. SHORTRIDGE. Mr. President, I again ask unanimous consent to take up and consider Senate Resolution 213, the resolution in respect to the late contest involving the Senatorship from the State of Alabama. The resolution was regularly introduced, referred to the appropriate committee, reported favorably as amended, and is upon the calendar.

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. Mr. President, what is the request of the Senator from California?

Mr. SHORTRIDGE. Before answering immediately the Senator from Mississippi I wish to add that the resolution as amended is satisfactory to both the contestant and the contestee, the junior Senator from Alabama [Mr. BANKHEAD], who I believe is now present in the Chamber.

Here is the resolution as amended, I will say to the Senator from Mississippi, which reads as follows:

Resolved, That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate \$30,000 in addition to the amount heretofore authorized for such purpose.

The resolution as originally introduced, may I say to the Senator—

Mr. HARRISON. Mr. President, I am not going to raise any objection to the consideration of the resolution, because I do not know anything about it; I am not on the committee. The Senator from New Mexico [Mr. BRATTON] says that he consented to it, I believe; but if there is any question about it, of course, the Senator from California will consent to a reconsideration of it on Monday?

Mr. SHORTRIDGE. Unquestionably.

Mr. HARRISON. Because there is a sparse attendance here and some Senator may be interested who is not present.

Mr. SHORTRIDGE. Let me add that the resolution originally called for \$35,000, but was amended to authorize the expenditure of \$30,000. I would not again have asked that the resolution be taken up, considered, and adopted until I had been advised, as I have been advised, that the Senator who objected this morning would consent to have the resolution taken up, considered, and disposed of.

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

Mr. JONES. Mr. President, I should like to inquire of the Senator from California if he refers to the Senator from Utah [Mr. KING]?

Mr. SHORTRIDGE. I do.

Mr. JONES. Very well.

Mr. BRATTON. Mr. President, I shall not object to the consideration of the resolution, but it is understood that the committee will canvass the situation before any of the money shall be disbursed?

Mr. SHORTRIDGE. That is the understanding.

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

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on line 7, after the word "Senate," to strike out "\$35,000" and insert "\$30,000," so as to make the resolution read:

Resolved, That the Committee on Privileges and Elections, authorized by resolution of February 23, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate \$30,000 in addition to the amount heretofore authorized for such purpose.

The amendment was agreed to.

The resolution as amended was agreed to.

CONDITIONS IN COAL-MINING INDUSTRY IN KENTUCKY

Mr. COSTIGAN. Mr. President, the Senate has before it and the Committee on Manufactures is considering a resolution providing for an investigation of conditions in the coal-mining district of Kentucky. It appears suitable for the information of the Senate that an Associated Press dispatch, published this morning in the Baltimore Sun, with reference to conditions in Kentucky be incorporated in the Record, and I ask unanimous consent that that may be done.

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

The matter referred to is as follows:

[From the Baltimore Sun, Saturday, May 14, 1932]

INJUNCTION DENIED KENTUCKY PROBERS—JUDGE, WHILE NOT BARRING THEM, SAYS THEIR LIVES WOULD BE IN DANGER—PARTY TO GO, HOWEVER—JURIST CHANGES MIND ABOUT ACCOMPANYING CIVIL LIBERTIES GROUP TO MINE AREA

LONDON, Ky., May 13.—Members of the American Civil Liberties Union investigating party will have no injunction to protect them when they enter the southeastern Kentucky mine area. Federal Judge A. M. J. Cochran denied their injunction petition to-night.

Simultaneously Judge Cochran announced he had changed his mind and would not accompany the party to the coal fields. In court last night he said he intended going with them to afford his personal protection.

SAYS DANGER IMPENDS

In denying the injunction Judge Cochran said he was not holding they had no right to enter the mine area, but strongly advised them not to do so in the face of testimony their lives would be in danger while there.

Arthur Garfield Hays, Ernest Sutherland Bates, the Rev. Charles C. Webber, Dr. Broadus Mitchell, of the Johns Hopkins University, all from the East, and the Rev. Eugene Sutherland, Louisville minister, promptly announced they would go to Bell County to-morrow regardless. Dudley Field Malone, international lawyer, who accompanied the group, said he was undecided whether he would make the trip.

The 73-year-old jurist said there was no evidence introduced at the hearing showing officials of the mountain counties had "acted in bad faith" in ejecting other delegations of investigators. His opinion was delivered orally. He urged the union delegation to appeal his decision, saying he would welcome a ruling on it by the Federal circuit court of appeals.

The judge said he would not accompany the delegation because he did not wish to be placed in a position where anyone might say he approved of their investigation.

"I agree with you," he said, "in your desire to protect the right of free speech, but I do not believe it advisable you go to our mountains to do it in the face of present conditions."

CITES CRY OF "FIRE"

"You advanced the notion here that you have the right to go down and condemn these officials for action which they took to prevent a breach of the peace. You can't express the ideas attributed to you in your own evidence here without doing that. Courts have held that it is unlawful to shout 'fire' in a crowded theater. Your proposed action under the conditions described as prevailing in Bell County would amount to that."

Malone, in final arguments for the injunction, expressed disbelief such conditions could exist in Bell and Harlan Counties as described by citizens and officers of those counties. He said he opposed "assumption of dictatorship," which he said Bell Countians appeared to have assumed.

SAYS RIGHTS ARE NOT DENIED

Cleon K. Calvert, Pineville attorney, arguing for the defense, said the rights of free speech and free assembly were not denied in Bell County. Referring to the union, he said:

"We call their idea of free speech 'unbridled license' and our view has been upheld by the Supreme Court."

Asserting 95 per cent of the citizens of Bell County did not want them there, he remarked, "After all it's their community and I do not think they have the right to endanger the peace."

Hays, basing his argument on a quotation from Voltaire: "I disagree with what you say, but I would die for your right to say it," said he was "ashamed" that the right of free speech was being waged mostly by radicals, "who use it trying to undermine our institutions." He said communism was not the greatest danger of the present times, but fascism, and he compared the acts of Bell County authorities to fascism.

WOULD BE POWERLESS

Police Chief Pearl Osborne, of Pineville, said his police force would be as powerless as "a gnat in a storm" to protect them, and Sheriff J. H. Blair, of Harlan County, testified his entire force of 150 deputies would be necessary to fully protect the delegation.

Both officers said they would guard the delegation from violence if it was threatened in their presence, but Osborne said he "couldn't follow them around" because of other duties. Blair said he wouldn't go "very far out of my way" to protect them.

Judge Cochran, who yesterday pointed out that those who were to be investigated have rights as well as the investigators, commented during the hearing that it was possible the officers had a legal right to eject a visiting delegation.

Springer Robinson, a Harlan County mine superintendent, testified general sentiment was strongly against another delegation visiting the county, and that even the women were aroused to the point of action.

SURVEY OF INDIAN CONDITIONS—EXPENSES

Mr. FRAZIER. I ask unanimous consent for the present consideration of Order of Business 717, being Senate Resolution 193. The resolution provides additional money for the expenses of the Subcommittee on Indian Affairs. The fund that we have is practically exhausted. We have made investigations in a majority of the States where Indians live, but the reports are not as yet all finished and we need more money in order to continue the work. The committee asked for \$12,000, but the Committee to Audit and Control the Contingent Expenses of the Senate has cut the amount in two, making it \$6,000, and we are willing to take that amount at the present time.

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

Mr. JONES. Mr. President, I should like to ask the Senator how long he thinks this investigation is going to continue? My recollection is that it has been going on now for three or four years.

Mr. FRAZIER. The Indian question is a big one. We have a number of requests to visit States in which we have not been up to the present time, and I do not know that it will be possible for us to do so. We wish, however, to com-

plete the reports on which we are working at the present time concerning the investigations which we have made. The money which we now have will not last more than through this session of Congress. I think that the reports can all be in by that time.

Mr. JONES. Does the Senator think that the committee can possibly complete its investigation by next winter?

Mr. FRAZIER. I hardly think it can complete it, because, as I have said, the Indian question is a big one, and places that we investigated two or three years ago are now asking for further investigation. We can complete the work that we have done and perhaps carry on some few other investigations which we have been asked to make.

Mr. JONES. Does the Senator think it is very likely when the subcommittee makes an investigation one year that two or three years afterwards they will not have to reinvestigate the same situation?

Mr. FRAZIER. That depends entirely, as I see it, upon the attitude of the Department of the Interior and the Indian Bureau.

Mr. JONES. It rather seems to me that the committee ought to conduct its investigations independent of the Interior Department and of the Indian Bureau. I should like to see the investigation finished.

Mr. FRAZIER. When we make recommendations and they are not carried out by the department, a further investigation may be needed.

Mr. JONES. I do not see why the committee should make another investigation after one has been made and a report has been submitted just because the department may not carry out the recommendations. In that situation I see no reason why another investigation should be conducted.

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

Mr. McNARY. Mr. President, on a number of occasions I have expressed my disapproval of considering measures on the calendar out of order. I want to ask the Senator from North Dakota if the money provided by the resolution is needed right away?

Mr. FRAZIER. Yes; it is.

Mr. McNARY. Will it be needed between now and the next occasion when we have a call of the calendar?

Mr. FRAZIER. The attorney for the subcommittee and the stenographer who is working with him in preparing the reports have not had their salaries paid for the last month.

Mr. McNARY. I am sure we will have a call of the calendar within a day or two, and I think the Senator had better wait until that time.

The PRESIDENT pro tempore. Objection is made.

GOVERNMENT ECONOMY—ADDRESS BY SENATOR CONNALLY

Mr. SHEPPARD. Mr. President, on the evening of May 12, 1932, my colleague the junior Senator from Texas [Mr. CONNALLY] delivered over the National Broadcasting radio hook-up in this city a notable address on the subject of Government Economy. I submit it for publication in the RECORD.

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

Ladies and gentlemen of the radio audience, the tender sympathy of America goes out to-night to Colonel and Mrs. Lindbergh. The Nation is shocked to learn that to the cruel crime of kidnaping has been added the dastardly and revolting murder of their innocent child. May the perpetrators of this foul and fiendish act of barbarism be apprehended and speedily punished by the severest penalties known to the law.

The Democratic National Committee has invited me to speak to you on economy and the reduction of expenses of the Federal Government.

No government has the right to spend a single dollar of the people's money above that necessary for the maintenance of an economical administration. Waste can not be defended. Extravagance is a breach of public faith. Squandering of public money is a form of embezzlement.

The tragic depression beginning in 1929 has converted business profits into losses; has changed private incomes into private deficits; has transformed a Government surplus into a staggering deficit of more than \$3,000,000,000. During the two years ending June 30, 1932, the Government has spent \$3,000,000,000 more than its income.

The Nation is faced by a financial crisis. The House, the Senate, and the President, without politics or partisanship, must meet the danger; the President's desire to be reelected ought to be submerged; Senators and Congressmen must forget their own fortunes; all must unite in a patriotic service to our common country. The truth can have no political bias. The truth bears no flavor of party.

In view of recent developments, which reveal a shrewd and cunning maneuver for political advantage, an artful and strategic maneuver designed to evade responsibility while invoking the responsibility of others, the public ought to know where and when the stupendous deficit was incurred. The truth is an impartial witness. The truth is not a candidate for reelection. Fairness and justice require that it be known that all the regular appropriation bills in which the deficit occurred were passed by the last Congress, not by the present Congress at all. Both Houses and the Presidency were in the undisputed control of the Republicans. Since March 4, 1921, continuously for 10 years, the Republicans controlled all branches of the Government. That wily wizard of finance, Andrew Mellon, was at the helm. He dominated the administration. For two desperate years after the panic of 1929 nothing was done to balance the Budget—the magic mariner sighted not the tempest—the captain on the bridge discerned no danger. Don't misunderstand me. The responsibility of a Republican President and Republican Congress for the deficit furnishes no excuse for Democrats to fall in their duty. No matter who is responsible, the deficit is a fact. It is here. The Democratic Party will not shirk. It will not dodge. It holds its duty to its country higher than party. It is willing to lay aside its arms—others ought to lay aside their daggers. Nonpartisan action must save the situation. Our weapons must be directed at the deficit and depression—not upon ourselves.

The present Congress, though elected in 1930, did not assemble until December, 1931, just five months ago. For the first time since March 4, 1919, a Democratic House of Representatives met and elected a Speaker, the Hon. JOHN NANCE GARNER, of Texas.

In the last House the Republicans had more than 100 majority. At present the Democrats have a bare majority of four—a majority so slender as to make party action uncertain and doubtful unless every Member is present.

Under the law it is the duty of the President to submit estimates for expenditures to Congress. He is head of all the departments that spend appropriations. They are headed by members of the President's Cabinet. In December the President, in his Budget message, asked Congress to appropriate for the next fiscal year \$3,942,754,614. How did the Appropriations Committee of the House respond? It cut \$161,455,101.56 below the President's requests. Every department was cut. Both Republicans and Democrats cooperated. The appropriations for 1933 by the House were \$563,601,223.35 below appropriations for the current year.

The Senate made further cuts below the President's requests. Under the leadership of Senator McKELLAR, Democratic member of the Appropriations Committee, 10 per cent cuts were made in the Interior, State, Labor, Commerce, and Justice Departments to the amount of \$18,000,000. The Senate directed a similar cut in the Treasury and Post Office Departments, which, if made, will amount to \$98,000,000. Other bills will be radically reduced. These savings and those of the House approximate \$180,000,000 cut from the Budget requests of the President.

Since December the President has asked Congress to appropriate \$825,000,000 additional.

Months ago Democratic leaders in the House began to plan still further economies of \$200,000,000. The economy bill, after exhaustive labor, was drafted. Many items were eliminated on the floor. Action was not partisan. Democrats and Republicans were on both sides of most proposals. As finally passed, the bill carried reductions of \$42,000,000, or in all \$220,000,000 below the President's requests. The Democratic leadership of the House can not justly be blamed for what happened to that measure. Democratic leadership originated the move for economy. The President did not agree to some of the economy proposals. Confusion and dissension and division resulted.

The Democratic House has been in session for only five months. In five months it alone could not correct abuses which have been growing and mounting for 10 years into a mighty bureaucracy.

In the Senate a bipartisan Economy Committee has been appointed. It proposes to make still further cuts. Democrats in the Senate have voted to cut every appropriation bill. They will continue to do so.

Something has been said of lobbyists. Members of the President's Cabinet have been the chief lobbyists against cuts made by the Senate. Each Cabinet officer who has appeared has protested against cuts in his department.

Every group and interest affected by reductions have also flooded Congress with propaganda. Whenever a bureau is touched by the pruning knife, Members of Congress and Senators are submerged by letters and telegrams of protest.

REMEDY FOR UNEMPLOYMENT—STATEMENT BY AUSTIN E. GRIFFITHS

Mr. JONES. Mr. President, I have before me a statement which has been prepared after very much consideration by former Judge Austin E. Griffiths, of Seattle, Wash., who is known to be a careful student of economic problems. The statement has reference to the situation now confronting us with regard to unemployment conditions and

contains suggestions made after careful thought as to what ought to be done. I ask unanimous consent to have it printed in the RECORD.

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

MEMORANDUM ON HOW TO END GENERAL UNEMPLOYMENT

BAD CONDITION

This is the third year of an economic catastrophe. Unemployment spreads. Family reserves are gone. Another winter is coming. All classes are helpless. Confidence has departed. Fear is dominant. It is not poverty nor improvidence. It is not old-time poor nor personal idleness to deal with. It is merciless, resistless, encircling unemployment; out of work, out of position, out of a job that afflicts and decimates and rests like a curse all over the land. Whatever its course may be it is national in effect and result. The cure is beyond the resources and control of States and municipalities. Many will break under the burden. The cure is national in effort, leadership, and resources. Present measures are good, but they do not go deep enough to master the emergency. They do not lead directly to work and everyday business. They do not displace the fatal dole.

CURE IS WORK

Work must be substituted for the prevailing dole—a dollar in money for a dollar in work—mental and manual. These measures do not inspire confidence in the common people—the backbone of the Nation. People in general must be able to get purchasing power before the wheels of industry will start to go round. How can they get it without wage, salary—compensation for something done? The country is fast losing hope in leadership, faith in authority, and respect for our traditions and institutions. Old men are idle; young men are rotting upon the streets; children are in want; business is stopping, even schools are closing. Rental signs, falling prices, and requests for aid are as numerous as the budding leaves of spring, but without their promise. Able and good men and women beg for work and positions for themselves and their families. The masses want work. They are powerless to get it, although useful work and potential enterprise everywhere abound. This is not a picture of ordinary poverty, nor of a limited area of distress. A plague is sweeping, devastating our land. An angel of despair is entering our homes and hovering over our country. The people's morale is falling. Wholesale dole destroys our old spirit of self-reliance. Men who formerly asked for work now take dole willingly—in-different whether they get work or relief. Unemployment saps character. It breeds rankling discontent. Communists, public enemies, thrive upon it like pestiferous flies. The country drifts toward demands for drastic, irresponsible change. This nation-wide pestilence, panic, or depression, so called, must be adequately handled under Federal leadership and direction.

URGENCY

This is imperative to be done before business prostration becomes worse; before social unrest and protest breaks out; before more political strain or political insolvency sets in. Empty stomachs yield only to force.

PUBLIC WORKS

The primary cure is an adequate program of immediate public work.

Combine, correlate, supplement as far as possible national, State, and municipal useful works. Plan and do public work and enterprises, that everybody knows ought to be done sooner or later, and which, when done, will pay for themselves in valuable use.

A person who has traveled over the United States knows the need of such works. There is no limit to their number nor to their usefulness when once done.

The time is ripe to propose such action. States and localities are now sensing the gravity of the crisis. Bond issues for work payment are now proposed instead of dole or hit-and-miss relief.

NATIONAL LEADERSHIP

Let the President call at once, before Congress adjourns, a conference of State, municipal, and Federal official representatives. Let such conference adopt and recommend a program of needed and permanently useful public works and enterprises deemed sufficient under the circumstances for each State.

Let the share of each big city and State be ascertained or approximated and later be authorized and payment provided.

Let the Federal Government authorize up to \$5,000,000,000 for its own work and projects.

This country is so great, so inherently sound in latent spirit and undoubted growth, that such a program could not be inflation. It could sustain a period of justified development, urban, rural, commercial, industrial, agricultural.

For example, one sees miles and miles of farm to market or lateral roads that ought to be graveled—not left in mud, dust, and racking ruts; miles and miles of highways that ought to be paved, and stretches of country without main or strategic highways.

Rivers could be improved for navigation. Big bridges and tunnels could be built; canals made. Power and irrigation could be provided and waste lands reclaimed.

Transportation and distribution facilities and instrumentalities are needed to cut cost between producer and customer.

PAYMENT

Let the Federal Government pay its amount for this purpose in promise to pay paper of convenient denominations. This paper or series to be receivable at par for all Federal services, taxes, charges, demands, or requirements. When once received back, then to be canceled.

This would not be fiat money but value for value. Example: When I was a boy on the farm the farmers of necessity swapped work, or a colt, or horse, or what not, for work or other thing of value or use. Here if A builds for the Government a useful building, bridge, or tunnel, and does an honest job, he receives payment for its fair cost in a million dollars of paper promise. Later, from time to time, in little or big amounts, the Government takes it back as lawful payment for a million dollars of governmental service or demands.

This governmental service or its requirements must be assumed to be useful and fair. Here is worth for worth, value for value. Or let the Federal Government pay its amount in long or short time serial or other type of bonds, delivered in direct payment of such work or pay, from the proceeds of their sale. Interest, if any, not to exceed 2 per cent. Such bonds to be legal tender for all debts and claims—public and private.

Such paper or money is not fiat paper or money, nor inflation.

It would represent honest pay for useful work. Again, when these bonds come back they are to be canceled.

The Government may coin money and regulate the value of money. Better than that is provision for work and service payment. Or let the Government finance such a works program as occasion requires, when its obligations therefor fall due.

The main and central purpose is useful work and satisfactory payment.

Also, no doubt, many undertakings when finished would be self-paying or return their cost in tolls or otherwise.

OBJECTIONS

Bankers and financiers may object. They should be considered but not heeded. They are not masters of any fiscal situation. Bankers have had their way. They know no more of the future, and can see no farther into a millstone than other people.

This is not a bankers' problem. It is the solution of our people's emergency and tragic condition. It is too big and pressing for bankers' control, check, or delay.

Congress no doubt would grant the necessary authority.

EFFECT OF PROGRAM

The instant effect of this program to revitalize the country would drive out fear. Confidence would come back. The effect even before it got started would be dynamic to uplift everyday business. Everyday business of Tom, Dick, and Harry is the life of a nation's trade and commerce.

The ramifications of such a program, carried out under Federal organization and direction, would quickly revive and put new blood into the heart of trade and enterprise.

The foregoing outline merely capitalizes our energy, skill, foresight; our faith in the stability and growth of our country, and places them in immediate productive use.

POLITICAL PROBLEMS AND CONDITIONS—ADDRESS BY GOVERNOR DERN, OF UTAH

Mr. KING. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. George H. Dern, Governor of the State of Utah, at a Democratic victory campaign dinner at Helena, Mont., January 14, 1932. In the address Governor Dern discusses present political conditions, the record of the Republican Party, and the principles and policies of the Democratic Party.

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

For nearly 40 years the Republican Party has kept itself in power through a dishonest and untruthful campaign of misrepresenting the Democratic Party as the party of hard times. I find it hard to give any of the intelligent leaders of the Grand Old Party credit for sincerity in that propaganda. To do so is to impugn their intelligence.

They knew, as we knew, that the panic of 1893 came at the close of a Republican administration, and that President Cleveland simply inherited a condition that was built up during his Republican predecessor's term. They knew, as we knew, that the panic broke before the Cleveland administration had done anything that could have changed or affected the situation. And yet, on the contemptible theory that everything is fair in politics, they put all the blame upon the Democratic Party and by means of a great campaign fund made the people of the United States believe their deliberate misrepresentations.

They knew, as we knew, that the disastrous panic of 1907 occurred during the Republican administration of Theodore Roosevelt, and yet they kept right on preaching that the Republican Party was the party of the full dinner pail.

The Democratic Party was forced to bear these taunts and slanders and on account of them to go down to defeat after defeat, but the Republican chickens came home to roost and during the present Republican administration has come a financial typhoon compared with which the panic of 1893 was a summer zephyr. The Democratic Party has been vindicated and Republican hypocrisy has been exposed.

With the Republican Party in complete control of the country, and with Republican policies in full sway, we are in the throes of the worst panic in the history of the United States. There is more unemployment, more hunger, more suffering than this country has ever seen before. Prices of farm products are lower than at any time since the Civil War, and prices of silver, copper, and zinc are the lowest in the history of the world. Merchants have been going into bankruptcy, banks have been falling right and left, and millions of people have had their life's savings wiped out. Never have the American people been so overwhelmed by unhappiness and despair. All this during the reign of the G. O. P.—Great On Promises, not Good On Performance.

It is easy to picture what our Republican friends would be doing now if this national catastrophe had happened during a Democratic administration. If the Democrats had been successful in the last election, and if this panic had come in spite of Democratic control, can't you see the fun the Republicans would be having, gloating over Democratic "incompetency and Democratic blundering"? The same unctious Republican orators would be filling the air with their denunciation and vituperation. And I have no doubt that it would have been so effective that the Democratic Party would by this time have been greatly demoralized.

I regard it as a remarkable exhibition of forbearance that our party, now that the tables have been turned, and that the Republican Party is the party of panic and poverty, has been so meek and gentle with our former traducers. We have been careful not to rock the boat or do anything that might hinder economic recovery. Instead of retaliating as we had a right to retaliate, we have remained silent and have let the facts speak for themselves. God knows the facts are more eloquent than anything we could say. Every man, woman, and child in the United States has been hurt by the collapse of Republican policies, and now sees that the Republican pretense of being the party of prosperity is a hollow mockery.

Abraham Lincoln said: "You can fool some of the people all of the time, and all of the people some of the time, but you can not fool all of the people all of the time." The people of America have awakened to the fact that they have been fooled and betrayed by the colossal stupidity and ineptitude of their smug Republican leaders, and what they will do to the G. O. P. next November—well, just wait and see.

In 1916 the Republicans carried only two States—Vermont and Utah. I can not answer for Vermont, but I can assure you that they stand no show in Utah in this year of our Lord 1932. And inasmuch as a Democratic Congressman was elected in New Hampshire the other day, I have more than a premonition that Vermont will also redeem herself.

The American voter will this year begin to realize that by means of the Republican appeal to party loyalty he has been led like a lamb to the slaughter. The signs of the times are that the people are going to do their own thinking instead of letting selfish politicians do their thinking for them. They are going to see how ridiculous it is to believe it is an unforgivable sin for a Republican to vote for a Democrat under any circumstances.

I do not know of a single honest student of political science who has not denounced that sort of unreasoning and unreasonable partisanship as one of the most dangerous things in our American life. Intelligent voters abandoned that doctrine years and years ago. Their eyes were opened, and they saw that this party-loyalty cry is nothing more nor less than the specious plea of the unscrupulous politician who wants to retain his unholy power. Theodore Roosevelt, the greatest Republican since Lincoln, refused to be bound by any such absurd conception of party loyalty. When the Republican Party fell into a control which he could not approve, he repudiated and abandoned it. Woodrow Wilson's creed on this subject was expressed by him at Indianapolis, January 8, 1915, as follows:

"My friends, what I particularly want you to observe is this: That politics in this country does not depend any longer upon the regular members of either party. There are not enough regular Republicans in this country to take and hold national power; and I must immediately add that there are not enough regular Democrats in this country to do it either. This country is guided and its policy is determined by the independent voter—I am not an independent voter, but I hope I can claim to be an independent person, and I want to say this distinctly: I do not love my party any longer than it continues to serve the immediate and pressing needs of America. I have been bred in the Democratic Party; I love the Democratic Party; but I love America a great deal more than I love the Democratic Party; and when the Democratic Party thinks that it is an end in itself, then I rise up in dissent. It is a means to an end, and its power depends, and ought to depend, upon its showing that it knows what America needs and is ready to give it what it needs."

If the crooked or stupid politicians, by broken promises, by trades, by purchased delegates, and by promises of future favors, can control nominations, and then, on the plea of party loyalty, can induce decent citizens to vote for the candidates so nominated, how are the people ever going to throw off the yoke of machine corruption?

There is only one way in which the people can keep their parties pure, and that is by repudiating them and their works when they fall into evil ways. Parents punish their children when they do wrong in order to keep them in the right way. Why should a political party be immune from similar correction when it has gone astray? What is there so sacred about a political party? It is only an instrument contrived by man to carry out his own wishes, and it ought to be his servant. When it no longer reflects his ideals, and when it seeks to become his master rather than his servant, then it is not only his privilege but his duty to leave it, at least until it again becomes the mirror of his own opinions.

It is fine to be loyal to your party if your party is loyal to you. If it stands for your ideals, for your principles, for your conceptions of honor, decency, and righteousness, and if its nominees are the best-equipped men for the respective offices, you ought to be loyal to it and support its entire ticket, because it meets the ends of good government. But if you know that control of the party has fallen into evil hands, or if it comes out for policies which you do not approve, or if you despise its candidates and their methods, you certainly can not serve the objective of good government by party loyalty.

If a man whom I knew to be corrupt managed by some hook or crook to get on the ticket of my party, would I be any less a loyal party member if I refused to vote for him? Certainly not. Party loyalty is a wicked and dishonorable thing when it asks me to connive at dishonesty or wink at corruption and inefficiency. Indeed, if I have knowledge of any such thing and silently support it, I become an accessory to the offense.

And besides, it is not manly to take dictation from a machine. Why should any American citizen put his brains in cold storage and vote for whatever the machine hands him? What did God give us brains for if not to use them? This idea of knuckling down to some self-constituted authority and humbly doing whatever somebody tells us to do is just the same thing as recognizing the divine right of kings. The proudest boast of every true American must be that he is his own master, and that he will take dictation from nobody on earth. That sort of self-reliance, that sort of willingness to trust one's own judgment, that sort of a refusal to be anybody's slave is what is needed to build up a strong citizenry; and we can not have a great country or a great State unless we have that sort of a citizenry.

And so I think one of the burning issues of this coming campaign is whether the people shall vote their honest opinion, or whether they shall be bullied or cajoled into voting for men and measures that they disapprove in their hearts.

Party ties are not as binding in the United States as they used to be, and Republican pleas for party loyalty will fall on deaf ears when they reach the 7,000,000 workingmen who are walking the streets vainly seeking the means to support their starving families. Republican pleas for party loyalty will fall on deaf ears when they reach the farmer who can not get enough for his crops to pay his taxes and the interest on his mortgage. Republican pleas for party loyalty will fall on deaf ears when they reach the merchant and the manufacturer who are facing bankruptcy and the loss of a life's planning and working.

Already the Republican alibi is at hand. We are gravely told that the depression is not due to the Republican Party nor to Republican policies, but to a world condition over which they had no control and for which they can not be held responsible. They are trying to fool the people again.

It is an immutable law of the universe that for every effect there is a cause. Nothing just merely happens. There is a cause for everything, and there is a cause for the panic of 1929 and the hard times which have been dealing misery to the American people ever since. It is childish in apologists for the present administration to try to lull the outraged voters of this country to sleep by telling them that this depression is due to a world condition and that the Republican Party can not be blamed for it. That kind of soothing sirup is not going to quiet the millions of workers who are already beginning to ask, "What is the matter with our American system anyway? Is it all wrong, and have we got to try something else?" That spirit of revolutionary unrest and resentment is the greatest danger in the United States to-day, and it is time we were sitting up and taking notice.

Of course, the alert voter, when he is told that a world condition is responsible for his troubles is going to ask, "Well, who is responsible for that world condition?" and it is a proper and sensible question that must be answered. It is my deliberate judgment that when it is honestly and correctly answered we shall find that the chaos which now prevails throughout the world has been caused in no small measure by the blundering policies of the Republican Party of the United States of America. They blame the war, but we blame the Republicans for their unenlightened course since the war.

I said a moment ago that it is an immutable law of nature that there is cause for every effect. There is another immutable law which we all learned at school, namely, that reaction is equal to action and in the opposite direction. There is no use trying to get away from that fixed principle. What has it to do with the

depression? Just this: So long as we have booms we must have depressions.

The present depression is the natural and inevitable reaction from a crazy speculative boom, which was born and nurtured during the administration and with the encouragement of that "wise and silent man," Calvin Coolidge, and which grew and finally collapsed during the tragic administration of his successor.

Wisdom and silence do not necessarily go together. President Coolidge was wise because he did not choose to run in 1928, but he was not wise in keeping silent and letting a boom develop which was bound to bring disaster and sorrow to his trusting countrymen. Indeed, he encouraged the boom instead of keeping silent about it.

I accuse the Republican Party of responsibility for the panic and the depression because it made no attempt to check the frenzied orgy of stock speculation with the train of evils resulting therefrom. On the contrary, President Coolidge, Secretary Mellon, and Secretary Hoover from time to time issued statements to the effect that there was nothing unsound in the situation, that prices were not too high, that it was a natural expansion of business, and that we were in a new economic era. Mr. Hoover said poverty had just about been abolished and that in a short time it would be a thing of the past. This sort of optimism coming from the head of the Government attracted thousands of small speculators into the market only to be fleeced when the day of reckoning came, as it was bound to come, and as conservative bankers predicted that it would come.

I can hear Republican apologists lamely asking now, "How were we to know that it was only a speculative boom rather than a period of healthy prosperity?" The obvious answer is that those who have not wisdom enough to tell dizzy speculation from sound business have not wisdom enough to be entrusted with the destinies of 120,000,000 people.

I accuse the Republican Party to-day of not having a program or a single constructive idea for preventing a recurrence of this depression a few years hence. The best that the Hoover administration has to offer is a few palliative measures to go into effect after most of us have gone broke. That and a lot of fine talk about rugged individualism.

What good is rugged individualism to the working man out of a job whose wife and children are hungry, ragged, and cold?

What good is rugged individualism to the farmer whose mortgage has been foreclosed?

What good is rugged individualism to the States which are now paying for the National Government's mistakes? Surely the State of Montana is not responsible for the misery which her people are now suffering. State policies and State actions did not bring on the hard times, and yet the burden is being thrown back upon the States to feed and clothe their citizens who have been made destitute by blunders at Washington.

One shudders at the folly of the administration in starting a program of retrenchment in Government expenditures at this time. It is more important, it seems, to balance the Budget than to relieve the distress of honest American citizens who are ready, willing, and anxious to work but who can find no jobs. It is more important, it seems, to keep down taxes than to make work for the unemployed. Just think of the heartless cruelty of the Federal Government laying off men in an emergency when it ought to make every effort to put more men to work!

The country should be declared in a state of war, not against a foreign foe but against a more dangerous and more destructive domestic foe, named unemployment. Do you remember the war taxes, the Liberty-loan drives, and the Red Cross drives? Do you remember how eager the people were to lay their lives and their fortunes upon the altar of their country? We need that sort of a spirit to-day, but we can not have it without the right kind of leadership at Washington.

I have no doubt that we shall muddle through this mess of bankruptcy and ruin, and that times will get better after a while, although there will be millions who will never get back to the economic security which they enjoyed before the crash came. But in the approaching election the people of the United States are going to look for a new program so that it shall not happen again. They can not get such a program from the Republican Party, for that party is just tinkering up the old machine so that it will run a while and then break down again.

Woodrow Wilson once said the Republican Party had not had a new idea for 40 years. Many people thought he was trying to be facetious when he made that remark; but what he said was literally true. The Republicans have only one cure for everything, and that is to raise the tariff.

For many years the Democratic Party stood for a tariff for revenue only and opposed a solely protective tariff. With the passing decades, however, the country has worked under the protective system until the United States has become thoroughly industrialized, and a revenue tariff no longer fits the situation. The Democratic Party, being a progressive party with its eyes on the future rather than on the past, has therefore changed its attitude to fit the changed conditions, and its tariff policy to-day has four objectives. The first is to provide revenue for the general Government. The second is to equalize the cost of production at home and abroad, to the end that American industries shall not be destroyed by foreign industries which have lower costs. The third is to maintain American wages and the American standard of living. The fourth is to safeguard American agriculture, which has been neglected and almost destroyed by Republican tariff policies.

I accuse the Republican Party of having violated these sound and fair tariff principles and of bringing woe to the American people by so doing.

The Smoot-Hawley Tariff Act is designed to keep out entirely any products that are also manufactured in the United States. It is no longer a competitive tariff but approaches a prohibitive tariff.

The first effect of a prohibitive tariff is to prohibit other countries from buying our surplus products, because they can not exchange their goods for ours. When we sell goods in foreign nations we must take our pay either in gold or in goods. We can not sell to Europe for gold, because Europe, except France, has no gold; and even if it had, and if it made large purchases from us for gold, we should soon have all the gold in the world, and that would be the end of the business. If we will not take our pay in goods other nations can not buy from us at all, and our foreign trade is gone.

President McKinley was the great apostle of protection in his day. In his last speech, which was delivered at Buffalo shortly before he was assassinated, he said a nation can not always sell without buying, and so he advocated reciprocity. His advice was wise and economically sound but was never followed by his party, which has finally enacted a tariff schedule so high that it has practically strangled our foreign trade.

The second effect of a prohibitive tariff is the destruction of international good will. The Smoot-Hawley bill has aroused hatred and bitterness against the United States the world over, because it has destroyed industries in other countries and thrown great numbers of people out of employment. The consequence is that retaliatory tariffs have been erected against us to keep out our goods, and thus our foreign market has been further damaged, and more American workmen have lost their jobs.

The third effect of a prohibitive tariff is to drive our own industries out of the United States into foreign countries, where they employ foreign labor instead of American labor. The retaliatory tariff walls that have been erected against us by foreign nations on account of the Smoot-Hawley bill have made it impossible for our manufacturers to ship their products into those countries. Our enterprising industrialists have therefore gone into those countries, built factories there, employed foreign labor, and manufactured the goods which used to be manufactured in the United States by American labor. I am informed that already 2,000 such American manufacturing plants have been erected in Canada and Europe. Thus has a prohibitive tariff thrown many thousands of American workmen out of employment, thereby contributing to the depression. And yet the Republican Party poses as the friend of the working man.

The fourth effect of a prohibitive tariff is that it lowers our standard of living, because it lowers the purchasing power of our goods. This is so because the surplus products which we formerly sold abroad are now thrown back upon the home market and break down prices. We can maintain home prices only so long as we can get rid of our surpluses.

The fifth effect of a prohibitive tariff is that it has crucified American agriculture. Our farmers raise large surpluses of the staple crops, such as wheat, cotton, and meats, and these surpluses must find a foreign outlet. Foreign nations can not buy our farm products for cash because they have no gold. The only way they can buy them is to trade some of their goods for our wheat, cotton, beef, mutton, or pork. But we have a tariff wall to keep out their goods, so we make it physically impossible for them to buy our farm and livestock products, and our agriculture languishes. Moreover, the same tariff wall which keeps down the price of what the farmer has to sell keeps up the price of what he has to buy. The farmer has been the victim of this tariff game. He has been catching it coming and going. He has been bled white in order to protect the manufacturing industries, many of which were unwisely established. And yet, having once been established, none of us wants to see them destroyed.

The Republicans are trying to fool the farmer into believing that his troubles are due to the depression. If he will use his memory, he will know that he was "deflated" as soon as the war was over. That is to say, the prices of his products dropped immediately after the war, which means that his wages were cut. All other wages remained up, and hence the price of everything he had to buy remained up. This unbalanced condition has made farming an unprofitable business long before the present general depression commenced. Let the farmer beware of the wiles of political quacks who try to make him believe that he will be all right when the depression is over. He has a depression all his own, which was not caused by the panic, and which requires special treatment.

In the presidential campaign of 1928, more than a year before there was any significant sign of a panic or a depression, farm relief was one of the live issues, and the Republican Party solemnly promised to cure the ills of the farmer, and to put him on an equality with those engaged in other industries. After it had won the election, the Republican Party had to make a pretense of redeeming its promise to relieve the farmer and it enacted the Federal farm marketing act. This measure was economically unsound, and everybody who had any knowledge of economics knew that it could not work. It has probably done the farmer a great deal more harm than good. It has cost the taxpayers of the United States \$500,000,000 and, as John W. Davis said the other day, all it has accomplished is that "it has convinced the American farmer that once more he has been handed a gold brick of purest brass serene."

I wonder if the American farmer is going to keep right on committing suicide by voting the Republican ticket, but I have too much faith in his intelligence and common sense to think he will be so unwise.

There is a sixth effect of a prohibitive tariff that must not be overlooked. I can state it this way: The war debts were canceled by the enactment of the Smoot-Hawley bill.

We say to our debtors, "You owe us large sums of money which you borrowed from us, and we want you to pay it back. We will not accept your goods in payment, for we do not want to destroy our industries and throw our people out of employment. We want our pay in gold. To be sure, you have no gold, and you can not get any, for we and France have it all. Now pay your debts!"

It is just as silly as that, and it is highly amusing to see Republican Senators and Representatives swearing they will never consent to debt reduction or cancellation and at the same time voting for higher and ever higher tariffs. Congress may rave as much as it pleases, but so long as the Smoot-Hawley tariff bill remains a law the war debts are as dead as slavery.

We must not lose sight of the fact that before the war the United States was a debtor Nation. We paid our debts and interest charges chiefly with our surplus agricultural products, and thus had a good market for those products, so that our farmers prospered. But we came out of the war a creditor Nation, and we no longer have debts and interest to pay, and hence that market for our farm products no longer exists. We must find some other way to unload our surpluses, and probably this will call for a changed tariff policy if we want to keep American agriculture alive.

The whole tariff question has become tremendously complex, and should be approached cautiously and scientifically. I like the suggestion that the rates should be reduced gradually and on a reciprocal basis.

I accuse the Republican administration, in the present crisis, of adhering to a financial policy and program that is disastrous to every American debtor and producer.

The United States Senate, mindful of the shrinkage in our oriental trade and of the reasons therefor, passed a resolution advising the President to call an international silver conference. The President has failed to act, and nothing has been done.

The President has also let it be known that the United States is determined to stay on the gold standard. The people of the United States should awaken to the fact that their greatest problem to-day is the money problem. They have made a sacred cow out of the gold standard and are blind to the iniquitous effects of that system.

The situation was clearly set forth in a resolution adopted by the American Farm Bureau Federation last month, which reads as follows:

"The present period of depression and the falling price level has increased the burden of taxes, interest, debts, and other fixed costs on all producers to an intolerable degree. It now requires 45 per cent more of all commodities and 70 per cent more of farm commodities to pay these costs than it did a few years ago. The long-continued deflation is crushing farmers, merchants, transportation agencies, and all manufacturers except a few most favorably situated, and has caused a declining price of property to such an extent that it has largely eliminated equities and is affecting basic securities to such an extent as to seriously impair the stability of our banking and insurance institutions, thereby endangering the welfare of the general public. It is causing a lowering of all wages and salaries, a process which has only started and which must of necessity lower the standard of living if continued.

"The principal cause of this deflation of values is monetary. When the price of any one commodity falls many causes may be responsible. When the average price level of all commodities fall with the rapidity of the last few years the principal cause is a shortage of money and credit in actual use. Commodity prices are expressed in this country in terms of dollars. Every purchase and sale is the exchange of commodities for dollars. When dollars are scarce it takes a larger amount of commodities to get them. In other words, money is at one end of the balance, commodities at the other. Add to the effective supply of money and prices go up. Reduce the effective supply and prices come down. The above statements are justified and supported by the incontrovertible evidence coming from the experience of all former depressions. The problem divides itself into two parts—first, the restoration of the price level, and, second, the stabilization of the purchasing power of money."

Let me restate and amplify the argument in my own words.

We are in the habit of complaining about low commodity prices. It is true that all commodity prices have gone down in terms of money and we jump at the conclusion that it is due to overproduction. But I call attention to the fact that not merely a few commodities have gone down but every one of them has gone down. I also call attention to the fact that they have all gone down in about the same proportion. Is anyone so simple as to believe that there was the same degree of overproduction in each and every one of them? It would be silly to make such an assertion.

When we examine commodity prices in terms of each other instead of in terms of money, we find that they have not fluctuated violently. A bale of cotton will buy about as many pounds of copper as it would when the price level was higher, and so on all through the list of commodities. It is only when we measure them in terms of gold that they have gone down. A gold dollar

now will buy two or three times as much wheat or cotton or lumber or oranges or copper or lead as it would buy two years ago. What does that mean? It simply means that the value of gold has gone up and is now at an enormous premium.

There is a considerable degree of misapprehension about the function of gold as money. A common fallacy is that gold is nothing but a measure of values, and that it really does not make any difference whether the measuring stick be made of gold or of wood so long as it correctly measures the relative values of goods. As a matter of fact, however, by making obligations payable in gold we have made gold subject to the law of supply and demand, the same as any other commodity. When gold is scarce, as it is now, with most of the world's supply locked up in the United States and France, or hoarded in socks, mattresses, and safe-deposit boxes, and with credits practically withdrawn, its value goes up. We are on the gold standard, and all our dollars are gold dollars. These gold dollars are hard to get, and the producer who needs dollars to pay his debts and taxes has to let go of two or three times as much of his product as he did when gold was at par, so to speak.

The depression which has paralyzed the world is due to an increase in the real value of gold, measured by its purchasing power. If it takes two or three bushels of wheat to buy a gold dollar where formerly it took only one, has not the farmer been adversely affected by the advance in the real value of gold? Many wage reductions have been put into effect in the United States, which simply means that the working man must now give more of his labor for a dollar than he gave before.

The trouble is that our gold dollar is a very unstable dollar. First it goes up and then it goes down. When it goes up, God help the poor fellow who owes debts or taxes, for those debts and taxes are all payable in the same old gold dollar, and he must get that gold dollar, no matter what he has to pay for it. He must sacrifice his crops, or his manufactured products, or his stocks and bonds, or his real estate for whatever they will bring in order to get the gold dollars with which to pay his obligations. And of course the man who collects the debt is collecting more real value than the debtor contracted to pay, for the dollar which the creditor receives will buy twice as much produce, or manufactured goods, or stocks and bonds, or real estate as he expected. Pretty soft for him, as the schoolboys would say, provided he can collect. But if the debtor is unable to pay, the creditor loses too, unless he takes over the collateral and holds it until its price goes up again.

That is what is the matter with the debtor and taxpayer, which means all of us. If he is to have relief and a square deal he must get gold back down where it belongs. He must have a stable money so that when his debts and taxes fall due he will have to pay what he promised to pay, and no more.

Is it not a pity that we have apparently committed ourselves to a policy that is breaking every debtor in the country? Why should our Government be so solicitous of the interests of the creditors and so careless of the debtors? The dollar has become too dear. It must be cheapened, or we will all go to smash.

There are several ways to cheapen the dollar. We might go off the gold standard entirely, as most of the world has already done; we might reduce the gold content of the dollar; or we might make a larger use of silver as money. Every consideration seems to favor the third alternative, namely, making a larger use of silver as money.

Money is a commodity, and the more money we have the cheaper it is and the higher prices are. We need to inflate our currency within safe limits in order to restore the price level. If the price level is not restored, wage reductions are inevitable, for business can not be indefinitely conducted at a loss. And wage reductions mean a lower standard of living.

One of the economic follies of the Hoover administration has been its vain insistence upon maintaining wages in the face of the paralyzing effect of falling prices. That simply can not be done very long, for business can not operate indefinitely at a loss. If Mr. Hoover wants to maintain wages, as we all do, he must devise some way to maintain prices. The way to maintain prices is to increase purchasing power, and the way to increase purchasing power is to put more money into circulation, which is usually called inflation.

Purchasing power means money, whether in the form of coin, bank notes, or bank credits. If a bank makes a loan and places the amount to the credit of the customer, so that he may check against it, the result is just the same as if he had so much gold in his pocket. Bank credits ordinarily form a large part of the country's money, but there must be a gold reserve behind bank credits. In a panicky time like this, when confidence is gone and depositors are nervous, one can hardly get a loan at a bank even on Liberty bonds, and hence the form of money represented by bank credits has shriveled up, or deflated. Gold alone is not plentiful enough to do the Nation's business. We need more money.

The best way to inflate the currency within safe limits is to enlarge the use of silver. There should be an international conference of competent experts to study the whole subject and to agree upon a program that will be fair to all and economically sound. I have no doubt that such a conference could devise means to restore silver at least to its pre-war status, to the great profit of all mankind.

I should like to say more about silver, but this is a political speech, and we want to keep the silver question out of politics. I mention the money question only to emphasize its importance and to show how necessary it is to consider it in a spirit of

justice between man and man. I maintain that the single gold standard has proved monstrously unjust, and it certainly is not the last word in finance.

I accuse the Republican Party of large responsibility for the world depression through its foolish policy of national or economic isolation.

I am aware that there are a lot of timid souls in the United States who have an inferiority complex, and who are afraid to have our great country take its rightful place in world leadership. They say we ought to stay at home and mind our own business. That sounds fine, and I am in favor of it, in so far as our business is at home. But if we have business away from home I am in favor of minding that, too. The prudent and successful business man minds all of his business, for if he neglects part of it the whole concern may go to pieces.

And, of course, we have business away from home. Without foreign trade we can not prosper and foreign trade creates all sorts of international relations. It is sheer nonsense to say we ought to stay at home and mind our own business. We are in the world. We are part of the world, and we can not avoid participating in its affairs, any more than a decent citizen of Helena can stay in his own house and avoid participating in the affairs of his city.

The trouble is that we have been staying at home and minding our own business too much, and now look at the fix we are in. Senator CORDELL HULL claims that it has already cost the United States \$25,000,000,000 to find out that economic isolation is impossible.

Our Government owes it to its people to follow the policy laid down in Jefferson's first inaugural address: "Peace, commerce, and honest friendship with all nations, entangling alliances with none." We may take our place as a world leader and cooperate with the rest of the world for the common welfare without getting into entangling alliances. And for our own prosperity and economic well-being we absolutely need and must have commerce and honest friendship with all nations.

I have confidence in American brains and American ability, and I believe our representatives can hold their own in any company. It makes me angry when some wise cracker says we have won every war and lost every conference we ever got into, and I despise the counsel of cowardice which tells us we are too dumb to confer with other countries.

The Republican Party says we are suffering from a world depression, and that we are on the rocks because the whole world is on the rocks. Well, what is the Republican Party doing about it? Is it taking any steps to get the world off the rocks? Not so you can notice it. As Nicholas Murray Butler said recently, we are just a magnificent Micawber, waiting for something to turn up. We are staying at home and minding our own business. Why should we be so timid when timidity has proved so costly? Why shouldn't we bravely and manfully assume the position of world leadership, and work for a higher civilization that shall extend to the uttermost ends of the earth?

If we could simply raise the rest of the world to our own standard of living there is business enough in sight to keep us prosperous for 200 years. But we are shutting our eyes to our great opportunities. Instead of helping other nations to rise we seem to swat them whenever we can so as to keep them down, on the theory that we can get rich by keeping other nations poor. We are making ourselves ridiculous by building a fence around the United States and trying to live within that fence.

I have already taken too much time in discussing a few of the problems that are crying for solution, and that have helped bring on and prolong the depression. Surely I have said enough to show how dismally the Republican Party has failed. It has bankrupted most of the people of the United States, and no wonder, for it is bankrupt itself. It is bankrupt of leadership, bankrupt of ideas, bankrupt of human sympathy, and almost bankrupt of members.

Members of the administration are already taking to the lifeboats. Obviously the Republican administration to-day is a sinking ship. Charles G. Dawes has announced that he is going to resign as ambassador to Great Britain and go back into the banking business at Chicago. Was he dissatisfied with the administration's bungling foreign policy and its lack of candor with the American people in regard to the war debts?

Vice President Curtis has just about announced that he did not choose to run in 1932; was he convinced that his refusal to be a candidate would be regarded as a repudiation of his party's record, just as failure to renominate Mr. Hoover would be a confession of Republican failure, and that it was his duty to sacrifice himself?

The Republican Party is a heterogeneous crowd, and nobody knows what it stands for, or where it is going. It has in its ranks both reactionaries and progressives, but the reactionaries are always in control.

The Democratic Party in both Houses of Congress is giving a fine example of unity of purpose and of sober realization of its responsibilities. It is considering the problems before it with a sympathetic, progressive viewpoint and a patriotic desire to bring back business stability and economic order; to give all of our people a satisfactory income from honest labor, and to restore to them the right and opportunity to earn a living; to let every section of the country enjoy the fruits of its labor, so that no large group shall live at the expense of another group; and to win for America again the position of world leadership, respect, and affection which she had attained under the inspiration, the vision, the

justice, the courage, and the moral purpose of her great idealistic war President, Woodrow Wilson.

Victory in the coming election is certain. Although the Democratic Party was overwhelmed in 1928, the people are calling it back to power, to lead them out of the wilderness. We should all be sobered by the magnitude and the responsibility of the task that is about to be placed in our hands. But with a firm resolution to do the right as God gives us to see the right, we go forward to victory and to our country's service confident and unafraid.

SALE OF COTTON AND WHEAT FOR SILVER

Mr. CONNALLY. Mr. President, I have a letter from the distinguished member of the State Senate of Texas, Senator J. W. Stevenson, which I request may be printed in the RECORD, together with a short excerpt from an article accompanying the letter.

There being no objection, the letter and excerpt were ordered printed in the RECORD, as follows:

THE SENATE OF THE STATE OF TEXAS,
Austin, May 10, 1932.

Senator TOM CONNALLY,

Washington, D. C.

MY DEAR SENATOR: I want to submit a proposition that I think will help in this financial depression, although not effect a complete cure. That is that surplus cotton and wheat be sold abroad for silver, the silver bars to be deposited in the United States Treasury and silver certificates, made legal tender, issued against them. This system prevailed for many years before the seventies; in fact, silver was money from the days before Christ till 1873.

I am not arguing for free and unlimited coinage of silver nor on a basis of 16 to 1. These are subjects for the Congress to determine under our laws. I believe there should be some limit on the coinage of silver and a ratio—not 16 to 1, but more nearly in accordance with values. Not being an economist, I will make no suggestions along these lines, but you can have the work done in a week and pass the bill in 10 days.

I notice Senator BORAH advocates an international Congress to standardize silver. I fear the Senator is fixing things for another of "them things" at Geneva, which I abhor. The United States can standardize silver at a ratio for surplus wheat and cotton without losing anything, for the surpluses are practically a dead loss anyway. Then perhaps other nations will drop in and agree just once with this country.

I have in mind that the peoples who are hungry and naked are India and China. And these are the two peoples having quantities of silver in hoarding. Give them a chance and the trade is on, perhaps through Liverpool and Lancaster, perhaps New York, and perhaps directly. Exchange does not mean the direct trading of money. A Shanghai merchant may deposit silver in his bank for the credit of its New York correspondent, and the New York correspondent will make shipment at once. The adjustment of money in the transaction may go through a dozen banks.

But bear in mind that the silver shall be used only for the purchase of surplus cotton and wheat in the United States. Get these two products going and the wheels of commerce will commence going round again; and while we may not have the inflation of 1928, we will get out of the depression of 1932. Later on other products may come into the plan, and it will be our Congress, not an international talkfest, that will start things going.

I submit these propositions with some humility, because I do not pretend to be a financial expert. Yet if you will read the inclosure you will find that when I was deputy comptroller of New York City I designed a sinking-fund plan that cured a defect in the finances of the city that was approved by the elder J. P. Morgan; Seth Low, then mayor of the city; and by practically every bank president of the city. The plan, let me add, was successful in every respect.

Yours very sincerely,

J. W. STEVENSON,
Victoria, Tex.

JAMES W. STEVENSON, FORMERLY COMMISSIONER OF BRIDGES, NEW YORK CITY

When Mr. Stevenson was appointed deputy comptroller the legal technicalities affecting the sinking fund of the city produced an unnecessary accumulation which in the life of that fund would exceed \$300,000,000. He prepared a bill which corrected these conditions and remedial legislation was secured with the result that the unnecessary accumulation in that fund is now used to reduce taxation. During the years 1903 to 1907 over \$54,000,000 of surplus revenue was used for the reduction of taxation. The taxes for each of those years was reduced by more than 10 per cent. For the next succeeding 20 years the reduction will be still greater. His work in establishing the sinking fund of the city on scientific principles was recognized as a master stroke in municipal finance and was highly commended by the papers of the entire country. His plan received the personal indorsement of the presidents of the larger banks and eminent financiers. Among others who wrote letters approving it was Mr. J. P. Morgan.

Mr. Stevenson was secretary of the board of estimate and apportionment for four years. His advice as to policy and expediency in connection with many important matters decided by that board

was a potent factor in the development of many large public improvements.

RECESS

Mr. McNARY. I ask that the Senate carry out the unanimous-consent agreement entered into earlier in the day and take a recess until Monday at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Thereupon (at 2 o'clock and 30 minutes p. m.) the Senate took a recess until Monday, May 16, 1932, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

SATURDAY, MAY 14, 1932

The House met at 12 o'clock noon.

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

Our Blessed Heavenly Father, we praise Thee for Thy thought and teaching and for the many disclosures of divine revelation. There is no lasting worth of character only as it finds its source and ideals in the truth of the eternally righteous God. In the realm of the present-day circumstances, circled by questions and problems unprecedented, O do Thou direct us and allow us not to be dismayed. Breathe upon our purposes and ambitions. Reveal unto us the fairer uplands of the soul which are attainable. May we be keenly sensitive of our mission and our calling by our Republic, so that we shall be justified by our devoted, wise, patriotic service. In the name of Jesus, our Saviour, we pray. Amen.

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

MESSAGE FROM THE SENATE

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

H. J. Res. 382. Joint resolution making an additional appropriation for printing and binding for Congress for the fiscal year 1932.

The message also announced that the Senate had agreed to the amendments of the House to a bill and joint resolution of the Senate of the following titles:

S. 4193. An act 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; and

S. J. Res. 36. Joint resolution to change the name of the islands of "Porto Rico" to "Puerto Rico."

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 382. Joint resolution making an additional appropriation for printing and binding for Congress for the fiscal year ending 1932.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 4193. An act 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; and

S. J. Res. 36. Joint resolution to change the name of the island "Porto Rico" to "Puerto Rico."

LIGHTER-THAN-AIR AIRSHIP MAIL

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to have until Thursday night next to file minority views on the bill H. R. 8681, the lighter-than-air airship mail bill.

The SPEAKER. Is there objection?

There was no objection.

AMMONIUM SULPHATE

Mr. CRISP. Mr. Speaker, I present the following privileged resolution, as amended, from the Committee on Ways and Means, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 213

Resolved, That the Secretary of the Treasury is hereby requested to submit to the House of Representatives as soon as practicable all the testimony, evidence, exhibits, documents, and records presented in or pertaining to the investigation conducted by the Secretary of the Treasury under authority of the antidumping act, 1921 (U. S. C., title 19, secs. 160-173), relating to the importation of ammonium sulphate.

With the following committee amendment:

Line 1, after the word "that," insert "if not incompatible with the public interest."

Mr. CRISP. Mr. Speaker, the gentleman from South Carolina [Mr. FULMER] introduced this resolution, asking for the evidence presented to the Treasury Department on an application to invoke the antidumping law in respect to the importation of sulphate of ammonium, which is now on the free list. The Treasury Department has not yet decided the case or reached a decision in the matter. Under the rules of the House, as we all know, a resolution of inquiry is privileged, and unless a report within seven days is made, a motion to discharge the committee from further consideration of the resolution is privileged. In the committee there was some opposition to the resolution. The committee adopted an amendment which they recommend to the House to accept, to the effect that the Secretary of the Treasury be requested to send the information if it is not incompatible with the public interest. Those are the facts in the case.

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

Mr. CRISP. Yes.

Mr. CHINDBLOM. Mr. Speaker, I shall not interpose any objection to the passage of this resolution as speedily as may be, but I do want to voice for the Record my opposition to the passage of a resolution of this kind, which calls for the production to the House of all the testimony, evidence, exhibits, documents, and records, matters very clearly of a confidential nature, which have come to the Treasury Department in the course of an investigation of violations of the antidumping act. In my opinion, if this shall become anything like a common practice, it will utterly destroy the possibility of the Treasury Department and of the Tariff Commission securing evidence from outside sources, because, if these matters can not be treated confidentially by the representatives of the Government who obtain this information from manufacturers, producers, and tradesmen, then, of course, we will never get the information. The committee amendment, reading "if not incompatible with the public interest," will, in my opinion, protect the Government as well as private interests in this particular case, but the House should not put a question of this kind up to the department. We have no right to expose information of this kind to either competitive or inquisitive scrutiny, after it has been obtained for the Government's own purposes with no disclosed purpose of intended publicity. Indeed, if such publicity were intended, the information would probably never be obtained. No business interest would disclose its costs of production, sales prices in different markets, and other competitive conditions, even for the use of the Federal Government, if that information is to be disclosed to the world.

Mr. CRISP. Mr. Speaker, I move the previous question on the resolution and amendment to final passage.

The previous question was ordered.

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

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. CRISP, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

VOCATIONAL REHABILITATION

Mr. BANKHEAD, from the Committee on Rules, presented the following privileged report from the Committee on Rules, which was referred to the House Calendar and ordered printed:

HOUSE RESOLUTION 215

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4743, a bill to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

LEAVE TO ADDRESS THE HOUSE

Mr. GASQUE. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, on what subject?

Mr. GASQUE. I want to talk for a few minutes upon the President's veto message on the omnibus pension bill, which I have been trying to get time to do for some time.

Mr. SNELL. If we are going to finish the Army appropriation bill to-day, it seems to me important that we should get on with that. However, I leave the matter to the gentleman in charge of the bill.

Mr. COLLINS. Mr. Speaker, I do not like to object, but I think the gentleman ought to withdraw his request.

Mr. GASQUE. I have been trying to get time to make this short talk for two or three weeks. I have not yet called upon this House to yield me any time during this session. In view of the severity of that veto message, I think I should be given opportunity to be heard. I intend to be heard. I have been before different gentlemen who have had control of time, but I have yet been unable to get time.

Mr. STAFFORD. It is very unfortunate the gentleman was not here on Calendar Wednesday when we were killing time and looking for persons to consume time because we had no bills of importance to consider.

Mr. GASQUE. I tried my best to get time that day and did not get it.

Mr. STAFFORD. If the gentleman had applied to me, I was looking for Members like the gentleman to give time to.

Mr. GASQUE. I sought time on my own side.

Mr. BARBOUR. Mr. Speaker, reserving the right to object, it is absolutely necessary that we finish this bill and get it to the Senate. Early next week there will probably be opportunities for the gentleman to get 20 minutes or more. Could the gentleman not wait until the first part of next week and accommodate us with this bill, so that we can make progress to-day?

Mr. GASQUE. The only reason I do not accede to the gentleman's request is that I have been trying to get this time for more than two weeks, and I have not been able to get it in any other way.

Mr. COLLINS. If the gentleman will withdraw it, I will help him get some time next week.

Mr. GASQUE. Mr. Speaker, I withdraw my request.

THE SOLDIERS' BONUS

Mr. KERR. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from North Carolina [Mr. ABERNETHY] be permitted to extend his remarks in the RECORD, and to include therewith a letter.

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

There was no objection.

Mr. ABERNETHY. Mr. Speaker, during my 10 years in Congress I have without hesitation voted for every bill which concerned the welfare of our soldier boys who served their country in time of war. I have favored every bonus proposal, and now stand committed to the full payment of the present obligation that is due the soldiers from the Govern-

ment. I have not only actively supported legislation for the benefit of the veterans, but I have handled hundreds of individual claims for the veterans of my district, and have done everything in my power to assist them in securing benefits to which they might be entitled under the law. The following letter, which I have received from Col. Edgar Bain, of Goldsboro, a prominent member of the American Legion and the Veterans of Foreign Wars, leads me to believe that the veterans of my district and State know that I always stand ready to serve them and guard their interests:

GOLDSBORO, N. C., May 9, 1932.

HON. CHARLES L. ABERNETHY,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: It is with pleasure that I wish to express to you my appreciation for the excellent service you have rendered in your district. By your untiring efforts you have served your people in every way possible, securing for them appropriations for public buildings, national parks, waterways, and the consideration you have given the individual has been marvelous.

Let me say as an ex-service man you have been more than a friend to them. You have taken their part on every occasion. You have secured for them pensions, compensation, hospitalization, and benefits for the widow and the orphan.

We are pleased that you are now on important committees that will give you still better opportunities to serve. Your 10 years' experience is a valuable asset to you and the district.

We are indeed glad that you have recovered from a severe attack of influenza and that you are steadily and surely regaining your former splendid health. Your people appreciate you, Mr. ABERNETHY, and you hear them singing your praises all over the district.

I am saying to all the buddies of the World War in this territory:

"Time has passed rapidly since the war ceased. When you were serving your country the most popular song of the day was Keep the Home Fires Burning. Many who sang it have forgotten, but I know one man who has not, and that is Hon. CHARLES L. ABERNETHY, your Congressman.

"Congressman ABERNETHY has always fought for you and served you without ceasing. When others have failed to secure benefits for you, he has succeeded. I know this to be a fact as he has assisted me in securing favors for you time and again. There are hundreds of men and women who will bear me out in this statement.

"When the adjusted compensation (so-called bonus) came up, without fear Mr. ABERNETHY came out boldly and stated that you should have your money.

"Your Congressman (ABERNETHY), friend and benefactor to the ex-service man, is a man who knows you before as well as after an election. He is no high-hatter and is one of the most appreciative persons I know, a servant of the people.

"He is going back to Congress, and you and I want to help him on his way. He is in a better position to serve you now than ever before. Why even think of a change? It is ridiculous. Another may be just as good, but how do we know? We can't take a chance on a possibility when we have a reality. Those who know me will tell you that my comrades of the war come first; and if I did not believe it was for your best interest and the district to support our man, I would say so."

Wishing you success, I am, sincerely yours,

EDGAR H. BAIN,

Ex-Captain World War.

The following editorial concerning my record in Congress appeared in the New Bern Sun-Journal of May 10, 1932:

SUPPORTING ABERNETHY

Without going into the merits of a political campaign that is past, it must be admitted that New Bern was the heavy loser when two years ago a native New Bernian was not returned to the United States Senate. Similar lines were drawn in another State, and those who are now connected with the New Bern daily newspapers living there gave their allegiance to the straight Democratic ticket. Fortunately there the decision did not require a vote against a neighbor. Two years ago Craven County cast a vote which indicated she was unwilling, despite party ties, to sacrifice representation in Congress by a New Bernian.

There is now in progress a campaign in which this city and county have at stake the position of their remaining Representative in Congress. There is little danger of his defeat, but there is the future menace of cultivating dissension and disagreement. In this instance the question of political alliance is eliminated, and the local daily newspapers favor the nomination of Congressman CHARLES L. ABERNETHY to succeed himself as the Representative in Congress of the third congressional district of North Carolina.

There are at this time a number of matters being considered by the National Government which are of vital concern to this section of eastern North Carolina. Such farm aid as the National Government can give our farmers was never more needed. The waterways of eastern North Carolina are being deepened and extended, and ports are being built. With the hoped-for improvement of the farm situation, the drainage question will immediately present itself. There is need of Federal aid in conserving,

extending, and developing all the natural resources of eastern North Carolina—and of the State, for that matter.

There is not the slightest doubt that Congressman ABERNETHY is of more value to this entire section at this time than any other available man could be. Experience and seniority in Congress have placed him in a position which can not be attained by any new Member of that body for years. He is in a position to accomplish now that for which this section can not wait another 10 or 14 years. Why should this district sacrifice now her carefully builded standing in Congress?

While New Bern and Craven County can and do claim Congressman ABERNETHY as their own personal representative in Washington and have that added interest in his return, even his personal and political enemies will admit that any resident of his district gets prompt and efficient action when an appeal is made to the Representative for aid. The various counties and communities and individuals in the district have that representation impartially and promptly.

It may be some time before New Bern and Craven County have another Senator, and it most assuredly will be a long time before any Senator from this city attains the rank and standing of the one who retired two years ago. It would as certainly be a long time before this city and county would place another citizen in the House of Representatives if Congressman ABERNETHY is not given their support.

As for the district, its loss would be almost equal to that of New Bern and Craven County.

WAR DEPARTMENT APPROPRIATION BILL

Mr. COLLINS. 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. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, 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. 11897, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

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

Mr. COLLINS. Mr. Chairman, the Clerk has not read the paragraph yet.

The CHAIRMAN. Is the amendment which the gentleman from Massachusetts desires to offer directed to the paragraph beginning at line 21 on page 12 and concluding at line 14 on page 13?

Mr. CONNERY. It is, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

Mr. COLLINS. Mr. Chairman, that paragraph has been passed. That was read and the committee rose. It will be necessary to read another paragraph before any amendment is in order.

The CHAIRMAN. The Chair will say to the gentleman from Mississippi that that paragraph was read and there was no opportunity to offer amendments. The committee rose immediately after the reading of the paragraph. Under the circumstances, the Chair thinks if the gentleman from Massachusetts has a pertinent amendment it would be in order at this time.

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

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 12, strike out all of lines 21, 22, 23, and 24; and on page 13, strike out all of lines 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14.

The CHAIRMAN. In other words, the amendment is to strike out the paragraph.

Mr. CONNERY. Mr. Chairman, due to sickness in my family, I am obliged to leave at 3 o'clock. I wanted to take this opportunity, both on this amendment and the entire bill, to say that I am in favor of retaining the Budget provisions for the Reserve Officers' Training Corps and the citizens' military training camps, and I hope that Congress will pass a bill which will give us adequate national defense.

I am in favor of all propositions to which amendments will be offered to keep our Army up to the standard, the National Guard, the citizens' military training camps, and all of the other propositions, which will give us an adequate national defense.

I have no personal interest in this particular matter to which my amendment is directed. I was a private during the war, and this applies only to officers, and there is no question of any personal issue in it at all. But I can not see the justice of saying to a man like General Glassford, who is chief of police in Washington, D. C., or a man like General Patrick, who was Chief of the Air Corps, or any of those men who are working in positions for the Government now, "Because you have got brains, because you are capable and able and do an efficient job for the United States Government in some of its departments, if you can make over \$3,000 with your retirement and this pay you must be dropped from the pay roll. You must either do one or the other." I do not think that is the right kind of economy. I do not think it is efficiency. It applies not only to these men but to other men in other bureaus of the United States Government.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LaGUARDIA. What is the gentleman's amendment, again?

Mr. CONNERY. It would strike out all of the paragraph down to line 15 on page 13.

That is the whole proposition. As I say, I do not believe it is the right kind of economy. I do not believe that because a man is efficient he should thus be penalized. Referring to General Glassford, particularly, he was commander of the Twenty-sixth Division in France, and he was the youngest general in the American Expeditionary Forces. His men were crazy about him. His men thought he was a wonderful leader. The fact that he is young and was retired from the United States Army and is now able to go into civil life outside of the United States Government and get far more pay than he is getting here should not be held against him. He loves that work. He is a soldier. He was a born soldier and likes that work. To say to him, "Your combined pay exceeds \$3,000 and therefore you will have to give up one or the other," I do not think is the kind of economy that the people of the United States want.

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

Mr. CONNERY. I yield.

Mr. LaGUARDIA. If I remember correctly, the gentleman from Massachusetts and I have been collaborating for many years to avoid overtime and duplication and to create a spread of employment.

Mr. CONNERY. Yes.

Mr. LaGUARDIA. And here is a class of men who could retire and whose places could be taken by very worthy citizens who do not have the benefits of retirement pay.

Mr. CONNERY. That is true; but if that rule were followed to its logical, natural conclusion, men would be taken out of Congress; they would be asked to choose between their retired pay and getting out of Congress.

Mr. SNELL. Some of them will be retired, too.

Mr. CONNERY. I think this is going a little too far. The gentleman from New York says these men may be filling jobs that others not drawing retirement pay might fill, but I say we would look a long time before we found another Glassford or another Patrick for this kind of job.

In conclusion, Mr. Chairman, I am sorry I am obliged to leave, but I want to place myself on record as being in favor of retaining the provision for the citizens' military training camps, the National Guard, and all the propositions which were originally advocated by the President in the Budget message, and I hope Congress will give the country a good national defense act. [Applause.]

Mr. COLLINS. Mr. Chairman, I wish to let the House know that this amendment would strike out the provision which limits retired pay and other compensation from the Government to a total of \$3,000, combined.

A provision identical to this was carried in the naval appropriation bill. The language in the naval appropriation bill is identical with the language in this bill.

In addition to that let me call the attention of the House to the situation as we know it in a few instances. General

Crosby, one of the Commissioners of the District of Columbia, draws a retirement allowance of \$6,000. It is my understanding that if and when General Crosby, should he be retired from the District of Columbia, or if and when General Patrick should be retired from his position with the District of Columbia, or General Glassford, in addition to the retirement pay they now receive as retired officers they also would receive retirement pay from the District of Columbia. I asked the corporation counsel of the District of Columbia that question, and he said that the law might be so interpreted, and that probabilities are they would be retired with the allowances that officers of such classifications would receive. Mr. Chairman, in view of the fact that the provision will not affect anyone receiving less than \$3,000, it seems to me the House should follow its previous action in passing a like provision upon the naval appropriation bill.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. HILL of Alabama. If this provision remains in the bill and becomes law and a man sees fit to elect a civilian position with a civilian salary, and thereby, under the operation of this law, could not for the time he is holding this civilian position receive his retired pay, would he then forfeit his right to get his retired pay after his civilian employment terminated?

Mr. COLLINS. No; after his civilian employment terminated he would again begin drawing his retirement pay.

Mr. HILL of Alabama. He would automatically begin drawing his retired pay as a retired officer of the Army?

Mr. COLLINS. The following words appear in this provision:

Shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services—

And so forth.

Mr. HILL of Alabama. And there would be no question that when his civilian pay terminated he would begin drawing his retired pay?

Mr. COLLINS. Absolutely not.

Mr. McDUFFIE. Mr. Chairman, may I ask the gentleman if that section would apply to retired emergency officers?

Mr. COLLINS. I should say so.

Mr. McDUFFIE. I hope it will.

Mr. LA GUARDIA. They are on the retired list.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The amendment was rejected.

The Clerk read as follows:

No appropriation for the pay of the Army shall be available for the pay of any officer or enlisted man on active list of the Army who is engaged in any manner with any publication which is or may be issued by or for any branch or organization of the Army or military association in which officers or enlisted men have membership and which carries paid advertising of firms doing business with the Government: *Provided, however,* That nothing herein contained shall be construed to prohibit officers from writing or disseminating articles in accordance with regulations issued by the Secretary of War.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the subcommittee if the words "any publication which is or may be issued by or for any branch or organization of the Army," cover the cadet papers issued at West Point? One is the Howitzer and the other, I believe, is the Pointer. Does this limitation extend to publications issued at West Point? They are purely college publications.

Mr. COLLINS. It was never the intention of the committee to touch those publications.

Mr. LA GUARDIA. That is very satisfactory. Those two publications are the same as almost every college in this country has, and it is not the intention of the committee to include the two publications issued by the cadets at West Point.

Mr. COLLINS. The gentleman's statement is correct.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. HILL of Alabama. This language, of course, will not affect the publication of different service journals?

Mr. COLLINS. No.

The pro forma amendment was withdrawn.

The Clerk read as follows:

TRAVEL, MILITARY AND CIVIL PERSONNEL

For mileage, reimbursement of actual traveling expenses, or per diem allowances in lieu thereof, as authorized by law for official travel on military and nonmilitary duty under the War Department, to commissioned officers (including discharged officers to their homes), warrant officers, contract surgeons, and expert accountant, Inspector General's Department; for transportation of troops, Philippine Scouts, nurses, flying cadets, enlisted men (including discharged enlisted men to their homes or places of enlistment); for transportation of recruits and recruiting parties and of applicants for enlistment between recruiting stations and recruiting depots; and rejected applicants for enlistment; for transportation of dependents of officers, warrant officers, and enlisted men as provided by law; for transportation of general, paroled, escaped, and discharged prisoners and persons discharged from St. Elizabeths Hospital after transfer thereto from the military service to their homes or elsewhere as they may elect, the cost in each case not to be greater than to the place of last enlistment; transportation of cadets and accepted cadets from their homes to the Military Academy and discharged cadets, including reimbursement of traveling expenses; for traveling expenses of civilian witnesses before courts-martial; for traveling expenses of attendants accompanying remains of military personnel and civilian employees; for traveling expenses of civilian employees and other persons under the War Department authorized by law to travel on departmental, military, and nonmilitary duty; and for examination of estimates of appropriations and of military activities in the field, \$4,126,865, of which sum \$737,478 shall be available exclusively on account of travel in connection with river and harbor and flood control activities under the Corps of Engineers, and no other appropriation in this act shall be available for any expense for or incident to travel of personnel of the Regular Army or civilian employees under the War Department, except the appropriation "Contingencies of the Army" and the appropriations for the National Guard, the Organized Reserves, the Reserve Officers' Training Corps, and the Panama Canal.

Mr. BARBOUR. Mr. Chairman, later on in the reading of the bill there will be an amendment offered to restore the citizens' military training camps. If that amendment is adopted—when it is reached some 40 or more pages from the present place in the bill—it will be necessary to incorporate in line 4, on page 16, after the word "Corps" and before the word "and," the words "citizens' military training camps." I would like to have an understanding or agreement at this time that if the amendment to which I have referred is adopted, those words will be incorporated at the place I have indicated.

Mr. COLLINS. Mr. Chairman, I will offer no objection to that.

Mr. STAFFORD. Mr. Chairman, why can we not have a unanimous-consent agreement to that effect now?

Mr. COLLINS. I think it would be better to return to it, and I shall offer no objection.

Mr. BARBOUR. Mr. Chairman, I ask unanimous consent that, in case the amendment with reference to the citizens' military training camps is adopted, permission be given to return to this section in order to incorporate the words to which I have referred.

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

There was no objection.

Mr. LA GUARDIA. Mr. Chairman, I offer an amendment.

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

The Clerk read as follows:

Amendment offered by Mr. LA GUARDIA: Page 16, line 4, before the period, insert "Provided, That no appropriation contained in this act shall be available for or on account of any expense incident to the permanent change of station of any commissioned officer of the Army except (1) officers appointed to and relieved from positions that are filled by and with the advice and consent of the Senate, (2) officers detailed to and from Army schools as students, (3) military attachés, (4) officers ordered to and from duty in the Canal Zone and in the Philippines, and (5) officers ordered to replace officers who die or may be separated from the active list."

Mr. LA GUARDIA. Mr. Chairman, if this amendment is adopted, I shall then move to strike out, on page 15, the amount "\$4,126,865" and insert in lieu thereof "\$2,997,000."

The purpose of this amendment is to carry into effect section 316 of the McDuffie bill, which passed the House, and which provides:

The President is authorized, during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public interest.

What I have in mind is this: My amendment allows sufficient latitude for the normal travel and the normal and necessary transfer of officers and men, but it occurred to me that in this period of extreme economy it might be well to defer any wholesale changes of posts during this one fiscal year. I submit to the House that it is possible to make a saving of over \$1,000,000 on this one item. This saving will not impair the efficiency of the Army. The House has passed upon this matter in section 316 of the McDuffie bill, which is now before the Senate.

Here is a proper place to effect a real economy. I repeat, it would not interfere with the normal assignment of officers and men; but it would prevent the wholesale shifting or exchange of posts with the consequent travel cost from one station to another.

Mr. McDUFFIE. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. McDUFFIE. The committee, of which I happen to be a member, in dealing with this problem left the question of the removal or transfer from one post of duty to another of officers or enlisted personnel entirely with the President, believing that the President would exercise proper discretion in having the transfers made or in restricting transfers. I do not know whether the gentleman's amendment refers to an emergency or not.

Mr. LaGUARDIA. It would only be applicable to the fiscal year, of course.

Mr. McDUFFIE. It would only be applicable to the fiscal year, and, of course, I hope there may not be any emergencies during the fiscal year; but if the President does make this restriction, it follows that the money will not be expended for the transfer of troops, and I am wondering if the gentleman's amendment might so restrict or curtail the appropriation that in the event the President saw fit to order a transfer the money would not be available for the cost thereof.

Mr. LaGUARDIA. I am certain that what the gentleman has in mind would be an emergency, because, after all, troops in one place are just the same troops, whether their number is the Sixteenth Regiment or the Twentieth Regiment. In case of emergency it would be quite different, and then, I think, we would be here anyhow; but I shall be glad to submit it to the gentleman from Mississippi and get his views upon it.

Mr. McDUFFIE. So far as I am personally concerned, while I am not a member of the committee—

Mr. LaGUARDIA. I am simply trying to cooperate in effecting economy, though I did not agree with many items in the so-called economy bill.

Mr. McDUFFIE. I am going to support every suggestion made here for economy.

Mr. SNELL. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. SNELL. As I understand, a large amount of this travel comes by reason of the fact they have to remove people who have been assigned to the Tropics and replace them with other troops. I understand that represents the major part of these transfers.

Mr. LaGUARDIA. Does the gentleman know—

Mr. SNELL. I do not know, and I am trying to get some information.

Mr. LaGUARDIA. Does the gentleman know that there is such a long waiting list for assignments to Hawaii and the Philippines that the officers really wait a long time for assignment there?

Mr. SNELL. That may be true, but they have to transfer them every two years or so on account of the fact they can not live for a long time in such a hot country.

Mr. COLLINS. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. COLLINS. The amendment of the gentleman from New York exempts travel to and from the Canal Zone and the Philippines. Here is what actuated the committee in this matter. We found that the total of all travel items for all activities under the cognizance of the War Department amounted to \$8,912,000, carried in all of the four corners of this bill.

[Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, I ask recognition.

The committee felt that these travel items should be consolidated so that the Congress would know something about the amount of travel provided in the bill. For that reason we grouped the travel items and took one-fourth off the total, excluding the amounts for travel under rivers and harbors and flood control and the civil components.

In the Navy appropriation bill the committee recommended a reduction of one-third in the amount included in the Budget for travel by officers, and the House has approved one-third in that bill.

I am satisfied, I will say to the gentleman from New York, if the committee had known of the action of the Economy Committee at the time this bill was reported, a larger amount than one-fourth would have been taken off and, so far as I am individually concerned, particularly in view of the provision in the economy measure, I shall accept the amendment of the gentleman from New York because I believe that restrictions on travel should be imposed at this particular time.

Mr. STAFFORD. Will the gentleman yield?

Mr. COLLINS. And I might add that this is in line with quite a number of letters I have received from officers of the Army throughout the United States as one of the economies that should be effectuated in this bill.

I now yield to the gentleman from Wisconsin.

Mr. STAFFORD. To me this provision is rather restrictive, maybe too restrictive, for the real operations of the Army. Those who are in favor of economy do not wish to do any havoc to the organization. I can conceive of a case where an officer who would be detailed for instruction at one of our Army posts would not be allowed his transportation under these limitations. We should not, under such circumstances, no matter what our desire may be with respect to economy, hamstring the Army so that we will make this body absolutely ridiculous.

Now, I am in favor of well-thought-out amendments, but this amendment would absolutely cripple the Army in its legitimate functions, and we ought not to do anything like that. Take, for instance, an officer assigned for instruction to an Army school. He is not a student; he is detailed for instruction purposes.

Why, gentlemen, we can not legislate on the floor of the House on matters of this moment and support it because some one says it will save a million or two dollars. It makes us ridiculous in the eyes of the country.

Mr. LaGUARDIA. If the officer is an instructor, and he dies, his successor will get travel.

Mr. STAFFORD. I am talking about the officer who might be detailed to Fort Bragg or Fort Benning as an instructor, and he would not be excepted from the purview of this amendment. He is not detailed as a student. He is detailed as an officer.

I can not, on the spur of the moment, state every possible case, but you ought not to cripple the service in this way. The Committee on Military Affairs or the War Department has given no consideration to this proposition.

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

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

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. STAFFORD. Mr. Chairman, this amendment seeks to restrict the travel and pay of officers of the Army. It limits the officers who may obtain travel pay. The five instances

where they may be able to secure travel pay are the following:

First, officers appointed to and relieved from positions that are filled by and with the advice and consent of the Senate.

That is rather restrictive.

Second, officers detailed to and from Army schools as students.

I have pointed out the objection to that, and it has not been met. Officers are detailed to Army schools who are not students, who are instructors.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. LA GUARDIA. If an officer is detailed as an instructor, the purpose is to leave him there for the fiscal year.

Mr. STAFFORD. Instructors at West Point are detailed for four years' service. That is the rule. They have eight permanent instructors there, and instructors coming from the Army are detailed for four years.

You are going to disrupt the whole service on the plea of economy. We do not want to make ourselves ridiculous. I am in favor of cutting out needless service and have spoken against it, but here is an amendment that has not been considered by the Committee on Military Affairs or the War Department. You are attempting to restrict the activities of the Army in a way that has not been considered, or properly considered.

Mr. JAMES. Suppose an officer is detailed to Porto Rico, how is he going to get there?

Mr. STAFFORD. The gentleman from Michigan, who knows as much about this matter as anybody on the floor, has pointed out another instance. I can not point out all the conceivable conditions which this amendment might restrict in its operation.

It is proverbial in the history of this House that we can not legislate successfully on the floor of the House. There is no one here who would question my desire for economy, but I do not want to disrupt the whole Army.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HILL of Alabama. There is no greater advocate of economy in the House than the gentleman from Wisconsin, but does he not think, before a provision of this kind is put into a bill, that there ought to be some hearings, some information given before some committee in a proper way?

Mr. STAFFORD. What does the subcommittee of the Committee on Appropriation or our committee do when a proposal is made of an administrative character? We refer it to the War Department, and properly so, for comment, although we have first-hand information ourselves. I have served on the War Department subcommittee of the Committee on Appropriations and acquired a lot of information as to War Department affairs. I have served on the Military Affairs Committee, but I would not take the responsibility of offering an amendment just because, perchance, it will save \$1,000,000 or \$2,000,000 and take the chance of disrupting the entire Army. The gentleman is not here for that purpose, nor am I.

Mr. HILL of Alabama. And the gentleman knows that many times there are things in provisions of this kind that do not appear on their face.

Mr. STAFFORD. The gentleman from Michigan has cited one instance and I cited one instance. The sensible thing to do is to vote down this amendment, which I believe is conceived with a proper purpose but is ill-considered and would cripple the Army in many respects.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. LA GUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LA GUARDIA: Page 15, line 20, strike out "\$4,120,865" and insert "\$3,126,865."

Mr. LA GUARDIA. Mr. Chairman, here is an opportunity to save a million dollars, leaving all of the discretion in

the hands of the President just as this House agreed to do when it passed the McDuffie bill. There are no recommendations except that the policies of the War Department should be so conducted as to limit these exchanges and these transfers, which are very costly. All of the objections raised by the gentleman from Wisconsin [Mr. STAFFORD] and the gentleman from Alabama [Mr. HILL] would be eliminated. It is a saving of \$1,000,000 without in any way hampering, restricting, or curtailing the effectiveness of the administration of the Army. There is a great deal of traveling going on. We are trying to save everywhere we can, and it strikes me that there is no hardship if we leave a regiment or a battalion at Fort Jay, N. Y., for one year longer instead of transferring it to a post out West. All the necessary transfers are permissible under existing law. I do not restrict it in any way, but I say that an economic administration by the War Department can easily save a million dollars, and I submit it to the House for your consideration.

Mr. JAMES. Mr. Chairman, I call the attention of the House to the fact that this repeals the "Manchu" law. For years our committee has fought for this law so that officers shall be with troops and not sitting around in Washington or some other place in soft jobs. This absolutely repeals the "Manchu" law.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. JAMES. Yes.

Mr. LA GUARDIA. The gentleman does not want to make any such statement.

Mr. JAMES. I do want to make that statement.

Mr. LA GUARDIA. Because under existing law they would have to be transferred, and there is \$3,000,000 to transfer them with.

Mr. JAMES. I state that this in effect repeals the law Congress has fought for, for so many years, and that is that officers shall go with troops. We ought not here on the spur of the moment, without discussion or referring it to anyone, amend the national defense law.

Mr. LA GUARDIA. Does not the gentleman believe that \$3,126,865 would take care of everything?

Mr. JAMES. The gentleman says that he is leaving it to the President. Why do you want to repeal the national defense law by a proposition of this kind?

Mr. LA GUARDIA. There is not anything that remotely or in any way can be construed as repealing any law.

Mr. BARBOUR. Would not the President have power any way to order that a certain amount of this money for travel should be expended?

Mr. JAMES. Of course.

Mr. BARBOUR. And by an order of that kind limit the amount that could be expended?

Mr. JAMES. Certainly.

Mr. HILL of Alabama. And the Subcommittee on the War Department Appropriations has brought this amount in here in this bill in substance saying to us that this amount is absolutely necessary.

Mr. JAMES. Yes; and it has been approved by the President as the amount necessary.

Mr. BARBOUR. And not a dollar will have to be expended unless the President deems it necessary to so expend it.

Mr. JAMES. Certainly not.

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

The amendment was rejected.

Mr. COLLINS. Mr. Chairman, I offer the following amendment, which I send to the desk:

Page 16, line 2, amendment by the committee: Before the word "and" insert "the appropriation 'Air Corps, Army' for flying new aircraft from factory to first destination."

Mr. COLLINS. Mr. Chairman, I feel the House should have an explanation of the reason for that amendment. It was submitted to the committee by General Foulois, Chief of the Air Corps of the Army, and he said it was necessary in order to save money. Otherwise, an officer who goes to a

factory for a plane would probably be prohibited from making the trip to the factory and flying the plane back. This enables him to make the trip to the factory and will pay for his transportation. He will fly the plane back rather than make it necessary to ship the plane by freight from the factory to the point of use.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. LA GUARDIA. Where is the delivery of the plane?

Mr. COLLINS. The first destination.

Mr. LA GUARDIA. Is that delivery to the Army?

Mr. COLLINS. Yes. The cost of delivering a plane by flying it from Buffalo, N. Y., to Selfridge Field, Mich., for example, would be \$35.88. If the plane were shipped by rail, instead of flown, it would necessitate an expenditure, including packing and crating, of \$592.58.

Mr. LA GUARDIA. But the gentleman does not get my point. I think there is more involved than the mere transportation of the pilot. Does the contract call for delivery of the plane at the aviation field? If it does, then when we go to the factory and take possession of it, delivery is made there, and if anything happens on the way and we lose a plane, we lose \$10,000 instead of \$595.

Mr. COLLINS. The contract might be made either way. It is made, however, so that it is required that the Army deliver the plane itself from the factory to destination.

Mr. LA GUARDIA. If the gentleman states that our contracts call for delivery of the plane at the factory, then I think it is all right. But if it does not, we are assuming a great deal of risk, that may cost a great deal more than the cost of transportation.

Mr. COLLINS. The amendment accords with the present practice.

Mr. GOSS. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. GOSS. Would not the proviso on page 25 of the bill effect the same thing which the gentleman is trying to effect by another proviso?

Mr. COLLINS. No. That is a different proposition and affects the Quartermaster Corps only. I will say to the committee that this amendment was suggested to me by the Chief of the Air Corps and is in the interest of economy.

Mr. TILSON. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. TILSON. Is it not a fact that the delivery of the plane, if sent by train or truck, has to be paid for by the Government?

Mr. COLLINS. Certainly.

Mr. TILSON. In either case.

Mr. COLLINS. Yes; and by plane or truck the saving would be considerable.

Mr. TILSON. So that if the Government can deliver the plane itself by sending the pilot there it will save the transportation of the plane and also the return transportation of the pilot?

Mr. COLLINS. The gentleman is correct.

Mr. STAFFORD. That is, if the plane ever gets to its destination.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. EATON of Colorado. What difference does it make? The plane is delivered in good shape, whether at the factory or at the aviation field. If it is delivered and anything happens to the plane, whether it is at the factory or whether en route, the Government must pay for it.

Mr. LA GUARDIA. It is one more risk that we assume; that is all.

Mr. EATON of Colorado. When we get the plane we begin to operate it.

Mr. LA GUARDIA. It makes this difference, that if a plane is delivered at the field, we can insist that it be assembled, that it be taken up for trial, and then turned over to us. I want to say I shall not resist this amendment on the information given by the gentleman from Mississippi that our contracts call for f. o. b. delivery. If it were otherwise, this would be foolish.

Mr. EATON of Colorado. F. o. b. where?

Mr. LA GUARDIA. F. o. b. factory.

Mr. STAFFORD. Not necessarily. It might be at a near-by field.

Mr. EATON of Colorado. The point I make is that it makes no difference.

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

The amendment was agreed to.

The Clerk read as follows:

EXPENSES OF COURTS-MARTIAL

For expenses of courts-martial, courts of inquiry, military commissions, retiring boards, and compensation of reporters and witnesses attending same, contract stenographic reporting services, and expenses of taking depositions and securing other evidence for use before the same, \$55,700.

Mr. GASQUE. Mr. Chairman, I move to strike out the last word to ask the gentleman a question. I want to ask the chairman of the committee if he can inform me what is done with the fines that are collected from these court-martial cases? I have been told that those fines are turned over to the National Soldiers' Home in Washington.

Mr. COLLINS. The gentleman is correct; the law so provides.

Mr. GASQUE. Why should not those fines go toward defraying this expense of \$55,700 that is appropriated here?

Mr. COLLINS. Personally, I should like to see the law changed so that all moneys received would go into the United States Treasury and have all expenditures subject to appropriation by Congress, but this is one of the exceptions that has been created by law.

Mr. GASQUE. It has to go there?

Mr. COLLINS. Yes.

Mr. GASQUE. It can not be used for defraying the expenses of this particular item?

Mr. COLLINS. No.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For payment of claims not exceeding \$500 each in amount for damages to or loss of private property incident to the training, practice, operation, or maintenance of the Army that have accrued, or may hereafter accrue, from time to time, \$100: *Provided*, That settlement of such claims shall be made by the General Accounting Office, upon the approval and recommendation of the Secretary of War, where the amount of damages has been ascertained by the War Department, and payment thereof will be accepted by the owners of the property in full satisfaction of such damages.

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

I have some difficulty in construing this paragraph. The Secretary of War is authorized to adjust the payment of claims not exceeding \$500, and then there is appropriated only \$100 for that purpose.

Mr. COLLINS. We will have a balance on hand at the end of this fiscal year of \$16,776.

Mr. STAFFORD. Where did that fund originally come from?

Mr. COLLINS. From prior appropriations, balances of which are carried forward from one year to another.

Mr. STAFFORD. I had a vague impression that, after an appropriation was made in a general appropriation act, it lapsed after two or three years.

Mr. COLLINS. This has been construed as a continuing appropriation.

Mr. STAFFORD. Has the gentleman any information as to the average yearly amount of claims paid out of this appropriation?

Mr. COLLINS. In 1931 claims were paid to the extent of \$12,932. It is estimated that in 1932 the amount of claims paid will be \$11,500. So this appropriation of \$100 plus the estimated balance of \$16,776 will take care of the claims that it is estimated will be presented during the next fiscal year.

The pro forma amendment was withdrawn.

The Clerk read as follows:

QUARTERMASTER CORPS

Subsistence of the Army: Purchase of subsistence supplies: For issue as rations to troops, including retired enlisted men when

ordered to active duty, civil employees when entitled thereto, hospital matrons, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), Indians employed by the Army as guides and scouts, and general prisoners at posts; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army Transport Service; hot coffee for troops traveling when supplied with cooked or travel rations; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers, including members of the Officers' Reserve Corps while on active duty, and enlisted men of the Army. For payments: Of the regulation allowances of commutation in lieu of rations to enlisted men on furlough, enlisted men when stationed at places where rations in kind can not be economically issued, including retired enlisted men when ordered to active duty and when traveling on detached duty where it is impracticable to carry rations of any kind, enlisted men selected to contest for places or prizes in department and Army rifle competitions when traveling to and from places of contest, applicants for enlistment, and general prisoners while traveling under orders. For payment of the regulation allowances of commutation in lieu of rations for enlisted men, applicants for enlistment while held under observation, civilian employees who are entitled to subsistence at public expense, and general prisoners while sick in hospitals, to be paid to the surgeon in charge; advertising; for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed \$900 per annum; and for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army; in all, \$11,714,792: *Provided*, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable.

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

I want to point out that while this section looks good in the eyes of Members who are very keen on economy because there is a saving of \$10,000,000 on the item of subsistence of the Army, which last year was \$21,237,708, yet we have not reduced the enlisted personnel of the Army that is provided with subsistence under this section; and it seems to me that, like many other savings, this is merely a paper saving.

Congress is bent upon increasing commodity prices. This House is on record twice; Congress is on record once in that regard. In all likelihood the Senate will pass the bill which has already passed the House, the effect of which is to increase commodity prices; and I submit in that event the saving will be entirely wiped out, and by the time we come back here in December the first thing we will have to do will be to increase this appropriation to feed the Army for the balance of the fiscal year.

When I suggested a saving on travel I requested something definite and tangible, something that could be accomplished. You have to feed the Army, the Army has to eat, and I do not see how you are going to feed the men by arbitrarily cutting off nearly 50 per cent of the normal appropriation for that purpose when the law fixes the ration. There is no justification for the hope that commodity prices will go down, for, as I say, we are legislating to put them up.

Mr. COLLINS. Mr. Chairman, if the gentleman from New York will permit a statement, I wish to say that I appreciate very keenly his solicitude for the enlisted men in the Army. I have always found him one of their best friends. However, I think he fails to appreciate fully in this instance the action of the committee.

This is the situation: The War Department has been able in past years to build up because of decreasing commodity costs, its working-capital fund. The Army has been able to build up this fund to over seven and one-half millions of dollars. They say they only need a working-capital fund of approximately \$5,000,000, if the gentleman pleases. We based the appropriation upon a ration cost of 36 cents. The President fixes the components of the ration. If commodity costs go up, as the gentleman justly anticipates, and I hope his anticipation will be realized, especially as far as foodstuffs are concerned, it will mean the Army can draw upon that working-capital fund of approximately \$5,000,000 and add to the 36 cents such an amount as might be necessitated by increased food costs. So as a matter of principle we are appropriating all of the money needed to feed the Army

under any conditions which it would seem might arise during the next fiscal year.

Mr. MORTON D. HULL. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. MORTON D. HULL. Is that capital fund represented by goods in storage or money?

Mr. COLLINS. It is on hand; in stores and money.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Regular supplies of the Army: Regular supplies of the Quartermaster Corps, including their care and protection; stoves required for the use of the Army for heating offices, hospitals, barracks, and quarters, and recruiting stations, and United States disciplinary barracks; also ranges, stoves, coffee roasters, and appliances for cooking and serving food at posts in the field and when traveling, and repair and maintenance of such heating and cooking appliances; authorized issues of candles and matches; for post bakery and bake-oven equipment and apparatus; for ice for issue to organizations of enlisted men and offices at such places as the Secretary of War may determine, and for preservation of stores; authorized issues of soap, toilet paper, and towels; for the necessary furniture, textbooks, paper, and equipment for the post schools and libraries, and for schools for noncommissioned officers; for the purchase and issue of instruments, office furniture, stationery, and other authorized articles for the use of officers' schools at the several military posts; for purchase of commercial newspapers, market reports, etc.; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men, including recruits; for forage, salt, and vinegar for the horses, mules, oxen, and other draft and riding animals of the Quartermaster Corps at the several posts and stations and with the armies in the field, for the horses of the several regiments of Cavalry and batteries of Artillery and such companies of Infantry and Scouts as may be mounted, and for remounts and for the authorized number of officers' horses, including bedding for the animals; for seeds and implements required for the raising of forage at remount depots and on military reservations in the Hawaiian, Philippine, and Panama Canal Departments, and for labor and expenses incident thereto, including, when specifically authorized by the Secretary of War, the cost of irrigation; for the purchase of implements and hire of labor for harvesting hay on military reservations; for straw for soldiers' bedding, stationery, typewriters and exchange of same, including blank books and blank forms for the Army, certificates for discharged soldiers, and for printing department orders and reports, \$3,904,926: *Provided*, That no appropriation in this act shall be available for the purchase of electric ranges for buildings or quarters supplied with gas for cooking purposes or for buildings or quarters upon reservations to which such gas is supplied.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of inquiring of the gentleman from Mississippi the reason for carrying the language contained in the proviso on page 21, beginning in line 6 and ending in line 10.

Mr. COLLINS. With reference to electric ranges?

Mr. GOSS. Yes.

Mr. COLLINS. The committee was fearful that the practice was prevailing of installing electric ranges in houses belonging to the Government and occupied by Army officers, where gas was already available. Realizing that electricity and electric ranges are very much more costly than gas and gas ranges, the committee decided to incorporate this proviso.

Mr. GOSS. Can the gentleman tell us where this is being done?

Mr. COLLINS. It seems to be a pretty general practice if the Budget recommendations are an index.

Mr. GOSS. Is there any specific place? At what places is this being carried on?

Mr. COLLINS. There are a number of places where it was proposed to install electric ranges rather than gas ranges, and we have every reason to believe that gas is already in use at these particular places or at least some of them.

Mr. JAMES. What particular places?

Mr. COLLINS. The gentleman will find them enumerated on page 477 of the hearings.

Mr. JAMES. Is gas there now?

Mr. COLLINS. I do not know whether gas is at all of such places, but I am confident that gas is installed at a good many of them.

Mr. JAMES. Did they call your attention to any particular case where that is done?

Mr. COLLINS. That is not essential.

Mr. JAMES. Where does the gentleman find that information?

Mr. COLLINS. On page 477 of the hearings. The provision merely provides, if the gentleman has not observed it, that no appropriation in this act shall be available for the purchase of electric ranges for buildings or quarters supplied with gas for cooking purposes or for buildings or quarters on reservations to which such gas is supplied.

Mr. JAMES. I have read the language, but I thought the committee had some particular evil it was trying to remedy at some particular place.

Mr. COLLINS. The object is to prevent the installation of electric ranges at places where gas ranges are now in use or, in the case of original installations, to require the use of gas ranges wherever practicable.

Mr. STAFFORD. Mr. Chairman, I move to strike out the proviso.

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

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 21, beginning in line 6, strike out the proviso ending in line 10.

Mr. STAFFORD. Mr. Chairman, this proviso would forbid the use of hydroelectricity for cooking ranges at Army posts where hydroelectricity is cheaper than fuel oil or gas. If I did not have some personal acquaintance with this proposition in private life, I would not rise and offer this amendment. Up in the northern Wisconsin woods electricity is quite cheap. You can buy it for 3 cents per kilowatt hour. My sister has a cottage on Cranberry Lake, where she had installed an electric range. Prior thereto she had used a gasoline range. I am fully conversant with the operation of that electric range, because I batched there for more than six weeks last fall in an effort to recuperate and get back some of the nervous energy I had expended in the Congress before.

I do not think the gentleman from Mississippi wishes to do violence to the modern method used in the culinary art. It is generally accepted that an electric furnace is far more desirable—where electricity is cheap—than gasoline or kerosene.

Why should we incorporate this restrictive proviso in the bill, which will bar in officers and noncommissioned officers' quarters the use of electric ranges, a small 3-plate range which uses electricity that is cheap and which can be operated more economically and more safely than kerosene or gasoline because gas may not be available?

I hope the gentleman from Mississippi will conclude that this is not real economy, but that it is only restrictive on the use of officers' quarters.

Mr. PARKER of Georgia. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. PARKER of Georgia. I will state to the gentleman that the price of electric current at Fort McPherson is only 2 cents per kilowatt.

Mr. STAFFORD. I am glad to have that contribution. The gentleman from Georgia, who is acquainted with the actual cost of electricity at Fort McPherson, says it only costs 2 cents per kilowatt, while in northern Wisconsin it is 3 cents per kilowatt to my certain knowledge.

Mr. JOHNSON of Washington. At Fort Lewis it is much less than 2 cents.

Mr. STAFFORD. Where there is hydroelectric power the cost is less. Therefore, gentlemen, why should we put in the bill a restrictive provision forbidding the use of modern culinary equipment?

Mr. PARKS. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. PARKS. If the gentleman's amendment prevails, what will it save the taxpayers in dollars and cents?

Mr. STAFFORD. On page 477, through the courtesy of the gentleman from Connecticut you will find a table showing the cost per kilowatt-hours at the various forts. At Fort Barrancas, Fla., the cost is \$0.22. At many posts the rates

are much lower. I suggest this to the gentleman from Arkansas: If he were an Army officer living out in the western country or in the southern country, where hydroelectric rates are low, would he not want his wife to use the most modern means of cooking?

[Here the gavel fell.]

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

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. OLIVER of Alabama. The gentleman suggests that there might be some saving by reason of installing electric ranges. Knowing how well the gentleman usually draws his amendments, I would suggest to him that he draw some proviso like this:

Provided, That if the Secretary of War should find that the installation of electric ranges would save money to the Government, that then he may authorize the installation of electric equipment.

Mr. STAFFORD. I am moving to strike out the proviso which seeks to forbid the use of electricity in connection with cooking at Army posts.

Mr. OLIVER of Alabama. I think the gentleman will agree that, generally speaking, when you are cooking in a large way gas is much cheaper than electricity.

Mr. STAFFORD. There is no question about that at large Army posts, except where hydroelectricity or the white juice is cheaper.

For instance, take the conditions under the example which I cited, and I did not like to refer to a personal experience; but in the case of my sister's cottage in northern Wisconsin we had a 3-plate electric range. Prior to that she had gasoline, because gas was not available. The electric range was much safer, much cleaner, and much more serviceable, and it was just about as cheap as gasoline.

Mr. OLIVER of Alabama. Would not we conserve the idea of economy with the amendment which I have suggested?

Mr. STAFFORD. I will be pleased to have the gentleman prepare such an amendment and offer it when this proviso is stricken out.

Mr. COLLINS. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. COLLINS. What does the gentleman's wife use in his home?

Mr. STAFFORD. I was referring to the fact that this was the situation at my sister's home in northern Wisconsin. I would not charge in this House the gentleman with density of knowledge, so far as my personal relationship is concerned. I have stated my acquaintance with the matter and how it came about that I am acquainted with the operation of an electric range. I stated very frankly that I "batched" there for six weeks and utilized this electric range to my satisfaction.

The gentleman from Georgia [Mr. PARKER] says that electricity is still cheaper in his country. If the gentleman was an Army officer out in the far-western country or down in the southern country where white juice is cheap, he would not want his wife to use gas or gasoline. He would want, I am quite sure, to have the most modern and the cleanest method, and that is the use of white juice.

Mr. PARKS. Let me ask the gentleman this question: If the gentleman's idea prevails, how much money in dollars and cents will it save the Government annually?

Mr. STAFFORD. I think if the Government is going to require the taking out of electric ranges and placing therein gasoline ranges, where gas is not available, or even requiring gas to be used where electricity is just as cheap, it will cost the Government considerably more. Using electricity is not an expensive method, but is a modern method, and is cheaper where we have electricity available, as the gentleman from Georgia suggests is available at Fort McPherson, in his State.

Mr. PARKS. Let me ask the gentleman seriously—

Mr. STAFFORD. I am speaking seriously.

Mr. PARKS. I assume the gentleman is serious, and let me ask how much money will be saved if the gentleman's idea prevails, or would the Government lose money?

Mr. STAFFORD. I do not think we would lose any money, because this would require the changing of electric ranges to gasoline ranges or gas ranges.

Mr. PARKS. Unless the gentleman can tell me that it will save money, why does the gentleman complain?

Mr. STAFFORD. We have here on page 477 of the hearings the rates charged at the various posts. These rates are not high. They are very moderate and very cheap rates. I think it would be a backward step for the American Army officers and the noncommissioned officers to require their wives to use antiquated equipment and not use modern methods.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HILL of Alabama. Instead of striking out the proviso, how about adding at the end of the proviso "unless the Secretary of War shall determine that the use of electric ranges will mean a saving to the Treasury"?

Mr. STAFFORD. That will be entirely acceptable. If that is agreeable to the gentleman, I ask unanimous consent to withdraw the amendment that I offered to strike out the proviso, so that the gentleman from Alabama may offer such an amendment.

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

Mr. GREEN. Mr. Chairman, reserving the right to object, and I shall not object, I was just wondering why it is the Government should furnish ranges and stoves and automobiles and almost everything in the world to Federal employees, including Army and Navy officers? I wonder why that is.

Mr. STAFFORD. It is because, Mr. Chairman, these Army officers and noncommissioned officers who give up their life for the time when they will be called upon to defend the country in case of need should have proper living quarters. They should not be required, as was the case at West Point, which was called to my attention on an inspection there, where officers were obliged to live with their families in an ill-conditioned dormitory. It is proper that we should provide proper housing facilities, and if the gentleman from Florida had any acquaintance with conditions about our forts he would know that we have not gone to extravagance. We provide a limit of appropriation that may be used for the building of an Army officer's home and a noncommissioned officer's home. Go into those homes and you will see they are not extravagantly furnished. The officers provide the furniture, and the gentleman, although he is in the same state of single blessedness at his age which I was once—

Mr. GREEN. That is all right, but why should we furnish automobiles, for instance?

Mr. STAFFORD. The Army officers do not furnish that which is a permanent part of the home—

Mr. GREEN. Why should he be furnished—

Mr. STAFFORD. Mr. Chairman, I decline to yield further.

Mr. GREEN. Then I shall object to the gentleman's request, if he can not yield.

Mr. STAFFORD. The purpose of the Government, as well as owners of apartment buildings, is to furnish the permanent equipment to make the homes serviceable, and that includes either a gas range or an electric range, and they should be allowed to furnish electric ranges where electric juice is cheap. That is what I am objecting to.

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

Mr. GREEN. Reserving the right to object, Mr. Chairman, and I shall not object if the gentleman will just be courteous enough to give an explanation or two, but it seems to me we are going rather far afield to furnish automobiles and furnish gasoline and furnish ranges and furnish transportation and furnish almost everything for Federal employees and Army officers and Navy officers. Why not give them a lump sum and let them buy these things for themselves?

I want them to have everything that is reasonable, but it seems as if the Federal Government is becoming so paternalistic that the citizens of the country instead of supporting themselves look to the Government to support them in all undertakings.

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

There was no objection.

Mr. COLLINS. Mr. Chairman, the committee went into this matter very carefully. The committee had General Bash before it and asked him in what part of the country electricity was cheaper, and in what part of the country gas was cheaper. We found that gas was cheaper in all parts of the country except in an area of the Pacific Northwest. In all the rest of the country gas was cheaper.

Now, when we add to the cost of current the greater initial cost of electric ranges and the larger maintenance cost, we feel quite certain that it would be much more economical to use gas ranges wherever practicable. For that reason the committee decided to put this proviso in the bill.

Mr. WRIGHT. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. WRIGHT. We also found that the cost of the maintenance of the electric ranges was many times the cost of the maintenance of gas ranges.

Mr. COLLINS. That is true.

Mr. JOHNSON of Washington. The hearings show that the cost of electricity is very low in the Northwest, because we have such very cheap power. Electricity is much used there. Would not the gentleman from Mississippi accept the proviso proposed by the gentleman from Alabama [Mr. HILL]?

Mr. COLLINS. No, I could not; because we would have to tear out the gas ranges and the coal stoves, and we do not feel that this is the time to do it.

Mr. JOHNSON of Washington. I think the gentleman is straining at a gnat and not being helpful. We have some places where they use gas plates. Has the gentleman from Mississippi in mind the thought that large electric ranges might be purchased?

Mr. COLLINS. Not necessarily. I have used electricity for cooking, and my bills were outrageous. The cost was just about five times as much as for gas.

Mr. JOHNSON of Washington. We sell electricity out there for as low as one-half cent per kilowatt.

Mr. GASQUE. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. GASQUE. I think there is some misapprehension about this proviso. I do not see anything in the proviso that prohibits anybody using electricity, but it provides that you can not take out a gas range where you have it. If you should take out a gas range and buy an electric range, then you would have to pay \$150 or \$250.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. HILL of Alabama. Suppose you have no gas range or coal stove, and you wanted to put in a new range; under this proviso in the bill, if you found electricity was cheaper, could you put it in?

Mr. COLLINS. In the long run, gas is much cheaper than electricity.

Mr. JOHNSON of Washington. Mr. Chairman, I would like to be recognized for three minutes on this item.

Mr. COLLINS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto be now closed.

Mr. JOHNSON of Washington. Mr. Chairman, pending that I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ten Members present, a quorum. The question is on the motion of the gentleman from Mississippi that debate upon this paragraph and all amendments thereto be now closed.

The motion was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 21, line 10, after the word "supplied," strike out the period, insert a comma and the following: "unless the Secretary of War shall determine that the use of electric ranges shall mean a saving to the Government."

Mr. COLLINS. Mr. Chairman, I make the point of order upon the amendment, that it imposes an additional duty upon the executive branch of the Government.

The CHAIRMAN. The Chair will hear the gentleman upon the point of order.

Mr. COLLINS. Mr. Chairman, I withdraw the point of order.

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

The amendment was rejected.

The Clerk read as follows:

Clothing and equipage: For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, including retired enlisted men when ordered to active duty, for issue and for sale; for payment of commutation of clothing due to warrant officers of the Mine Planter Service and to enlisted men; for altering and fitting clothing and washing and cleaning when necessary; for operation of laundries, including purchase and repair of laundry machinery; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; for equipment and repair of equipment of dry-cleaning plants, salvage and sorting storehouses, hat-repairing shops, shoe-repair shops, clothing-repair shops, and garbage-reduction works; for equipage, including authorized issues of toilet articles, barbers' and tailors' materials, for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling and similar necessities; for a suit of citizen's outer clothing and when necessary an overcoat, the cost of all not to exceed \$30, to be issued to each soldier discharged otherwise than honorably, to each enlisted man convicted by civil court for an offense resulting in confinement in a penitentiary or other civil prison, and to each enlisted man ordered interned by reason of the fact that he is an alien enemy, or, for the same reason, discharged without internment; for indemnity to officers and men of the Army for clothing and bedding, and so forth, destroyed since April 22, 1898, by order of medical officers of the Army for sanitary reasons, \$6,776,519, of which amount not exceeding \$60,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1933.

Mr. McDUFFIE. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee if he will put into the Record the number of clothing factories now maintained and operated by the Army, the number of laundries, salvage and sorting storehouses, repairing shops, and so forth. Before the last war my understanding is that the Government had abandoned the business of making clothing for the Army and the Navy. During the war these factories were reopened, and they are still in operation. I do not know how many there are, but I wish the gentleman would give us the number for the benefit of the Record, and to what extent the War Department is now in the clothing business and other business.

Mr. BYRNS. I think there are four clothing factories in existence now.

Mr. McDUFFIE. It has been stated also that the War Department is maintaining down here at Holabird what some Members call an automobile-manufacturing establishment and what others have seen fit to say is an assembling plant. I think the Record should show to what extent the department has gone along that line, and I would like the gentleman to put that into the Record also.

Mr. LaGUARDIA. I have just sent to the desk an amendment that would limit the amount to be manufactured at these plants to 10 per cent, unless it could be manufactured more cheaply than at outside plants; and I want to say something with reference to the clothing situation.

Mr. COLLINS. Mr. Chairman, I should be glad to insert the information in the Record.

Mr. JOHNSON of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment. Sometimes when

we begin to strain for economy we quibble over a gnatlike item. We have just passed a paragraph with reference to the purchase of electric ranges—prohibiting the purchase—regardless of the fact that in certain parts of the country, notably in the Pacific Northwest, electricity is sold near a large Army division headquarters at the lowest price on the continent. It is but a few years back when at Vancouver Barracks in the State of Washington officers' quarters had in them wood stoves, although gas mains had been thrown all about the military reservation. In other words, because Congress had placed provisions of this kind in the law Vancouver Barracks was 15 years behind the times in the equipment of its officers' quarters. That happened to be in the district I represent, and my attention was called to the fact that they had to cook with wood while practically everybody in the immediate vicinity was cooking with gas. It took a long time to cure that situation. How do these little picayune provisions get into the law? You have an example here in the provision in regard to use of electric ranges. In a year's time it will hardly save enough to wad a shotgun. Then we vote down a further proviso that where electricity is cheaper it may be used.

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

Mr. JOHNSON of Washington. Yes; certainly.

Mr. GREEN. That is just another thing to show that Congress is fiddling while Rome burns. We are just dilly-dallying and voting down economies and preventing economy in government and encouraging paternalism.

Mr. JOHNSON of Washington. I decline to yield further.

Mr. GREEN. I thought the gentleman had concluded.

Mr. JOHNSON of Washington. Officers who are stationed at the various posts have to buy a great many articles themselves. Some equipment is furnished. It has been found economical for the Government to buy and leave permanently at the posts some of the substantial furniture, such as stoves and heavy furniture, and not move them. We make many mistakes when we try to create legislation to fit so many small details. In this last war many officers had to drag their straw for bedding from the supply created by law for horses. It took an act of Congress to change that ludicrous situation.

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

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

The Clerk read as follows:

Amendment by Mr. LaGUARDIA: Page 22, line 20, before the period, insert the following: "Provided, That not to exceed 10 per cent of the total amount that may be expended from appropriations made in this act for and incident to the manufacture and/or production of wearing apparel for enlisted men of the Regular Army shall be expended for the manufacture and/or production of such apparel in Government factories or establishments, except that such limitation may be exceeded to the extent that it may be ascertained, after competitive bidding in accordance with law, that work of such character may be performed at lesser cost in such Government factories or establishments."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. LaGUARDIA. Will the gentleman state his point of order?

Mr. STAFFORD. I make the point of order, Mr. Chairman, that the amendment is legislation on an appropriation bill, in violation of rule 21.

In support of that position, I wish to state to the Chairman of the committee that there are a number of decisions which hold that where an amendment seeks to interfere with the discretion that is lodged in a department head, it is legislation, and under existing law the Secretary of War has that authority. There is express law granting authority for the manufacture of clothing for use of the Army.

The amendment offered by the gentleman from New York seeks to interfere with that law which authorizes the Secretary of War to provide clothing for the Army, in that it requires, under certain conditions, the clothing to be manufactured at private establishments. To that extent it changes existing law.

Mr. McDUFFIE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. McDUFFIE. Wherein does it change existing law?

Mr. STAFFORD. It leaves it to the discretion of some one to say that it may be done by some one else cheaper.

Mr. LaGUARDIA. That is the law now. Under the existing law the Secretary of War can purchase clothing in a private shop or in one of the Government clothing factories. All my amendment does is to regulate the method of expenditures, and provides that when over 10 per cent of the amount appropriated for clothing is to be expended, then the work shall be given out to the cheaper place. In other words, it provides for competitive bidding, under existing law.

Mr. STAFFORD. And to that extent it provides a law that is not on the statute books.

Mr. LaGUARDIA. That is the law to-day.

Mr. STAFFORD. Not as far as clothing is concerned.

Mr. LaGUARDIA. Mr. Chairman, I take sharp issue with the conclusions of law submitted by the gentleman from Wisconsin. The gentleman states that my amendment would change existing law. It does not. Under existing law the Secretary of War can advertise for bids and award the contract to the lowest bidder.

Mr. STAFFORD. Not as far as clothing is concerned, where the Government has established Government-operated factories for the sole purpose of manufacturing clothing that is necessary for the arms of the Government.

Mr. LaGUARDIA. I invite a citation of the law.

Mr. STAFFORD. The burden is upon the gentleman from New York and not upon me. The gentleman is the proponent of the amendment.

The CHAIRMAN. The Chair will ask the gentleman from New York to state what law he refers to.

Mr. LaGUARDIA. The general law for the purchase of material for the United States Army.

The CHAIRMAN. Does the gentleman have the citation in the code?

Mr. LaGUARDIA. I do not have the code before me just now.

The CHAIRMAN (Mr. BROWNING). The Chair is under the impression that this amendment would impose additional duties on the Secretary of War to ascertain this cost, which the Chair does not believe the law now imposes upon him.

Mr. LaGUARDIA. If the Chair will bear with me, everything that we purchase, the food and everything else, is purchased in that manner. Everything that is provided in this bill is purchased by competitive bidding. That is the general law, which the Chair must take judicial notice of.

The CHAIRMAN. Does this provision give the Secretary of War additional discretion?

Mr. LaGUARDIA. Not at all.

The CHAIRMAN. Then what is the purpose of the amendment?

Mr. LaGUARDIA. The purpose of the amendment is to direct the Secretary of War to buy clothing at the cheapest price and give the award to the lowest bidder, whether it is a Government factory or a private factory.

The CHAIRMAN. Then the Chair thinks under that statement that the Secretary of War would be directed to do something which he only has discretion to do now. Therefore the Chair sustains the point of order.

Mr. SABATH. Mr. Chairman, the debate on this proposition brings to my attention the abuses that have been brought to our attention especially in the last few years that the Government is entering into all kinds of business to the detriment of legitimate business in the United States, for example, that the Government manufactures a great deal of clothing—I do not know at what cost, although I have been told many times that it can be purchased at a lower price than it is being manufactured by the Government—to the impairment of American business. But there are many other complaints against the Government entering into various lines of business.

In this bill we appropriate a large sum of money for a laundry. I am told that Government trucks are used for the collection and delivery of laundry to all the officers, not only to those in camps but to those who live away from camps, all at the expense of the Government.

A few days ago the gentleman from Missouri [Mr. SHANNON] introduced Resolution No. 214, in which he called attention to the fact that the Government is destroying the restaurant business throughout the United States by establishing restaurants in all the Government buildings. If that be true, I do not blame the small restaurant owners and proprietors from sending protests and complaints against governmental activities which destroy the legitimate business. Perhaps that is in a measure responsible for the destruction of property and business throughout the United States.

Not only does the gentleman show in his resolution that there is a great deal of opposition and objection on the part of restaurant keepers against the Government establishing restaurants in all governmental buildings, whether they be post-office buildings or Federal reserve buildings, but he also objects and complains bitterly that the Government is going into the printing business, selling envelopes and other printed matter. That protest comes from my own State.

This resolution will give the membership a great deal of splendid information; and personally having been very much impressed with the resolution, with the remarks of its author, and with the appeal of the gentleman from Missouri for the consideration of his resolution, I ask unanimous consent to embody the provisions of the resolution in my remarks.

The CHAIRMAN. Is there objection?

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, is it not rather unusual to bodily incorporate a resolution in remarks made on the floor?

Mr. SABATH. It contains so much information which is valuable and helpful in showing the extent to which the Government is going into business that I believe an exception should be made, especially in view of the deplorable conditions that have been brought about, I will not say by Republican misrule, but by causes which could have been controlled.

Mr. JOHNSON of Washington. The gentleman does not get the point of my question.

Mr. SABATH. I feel that the gentleman from Washington is entitled to have the information contained in the resolution.

Mr. JOHNSON of Washington. Mr. Chairman, in view of the fact the distinguished gentleman from Illinois has stated the entire purport of the resolution in short, concise language which will be printed in large type, I am inclined to object to the reprinting of the same in extenso in small type.

Mr. SABATH. Mr. Chairman, I thank the gentleman from Washington for his kind remarks and the credit he has given me, but I assure the gentleman that I can in no wise explain the resolution as thoroughly as does the language of the resolution itself.

Mr. JOHNSON of Washington. Really, what is to be gained by printing it?

Mr. SABATH. It gives a great deal of information as to activities of the Government in business.

Mr. JOHNSON of Washington. Mr. Chairman, I am very sorry, but I object.

Mr. SABATH. In view of the objection of the gentleman from Washington [Mr. JOHNSON] to embody the resolution, I shall state shortly the underlying reasons for the resolution. The resolution sets forth grievances against the Government for going into business in direct and unfair competition with the citizens during these unprecedented hard times. The gentleman pleads in the interest of depressed business and asserts that the activities of the Government interfere with different lines of business by not only restricting and curtailing their activities but by abolishing them altogether.

In this resolution he sets forth complaints from the Kansas City Chamber of Commerce for the Laundry Owners Association and also numerous complaints that he has received against the establishment of restaurants in the Federal reserve banks in his and other cities and at the same time he shows that the great profits of the Federal reserve banks enable these banks to establish special luxuriously furnished restaurants for the officers. He also sets forth the abuses that are being practiced in this very Capitol among the Government employees in purchasing needs and wants through the Federal agencies at the expense of the Government, thereby depriving the business men of their trade. He asks for an investigation of all of these abuses, and I feel that his request is entitled to serious consideration.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

Army transportation: For transportation of Army supplies; of authorized baggage, including packing and crating; of horse equipment; and of funds for the Army; for the alteration, operation, and repair of boats and other vessels; for wharfage, tolls, and ferrage; for drayage and cartage; for the purchase, manufacture (including both material and labor), maintenance, hire, and repair of pack saddles and harness; for the purchase, hire, operation, maintenance, and repair of wagons, carts, drays, other vehicles, and horse-drawn and motor-propelled passenger-carrying vehicles required for the transportation of troops and supplies and for official military and garrison purposes; for hire of draft and pack animals; for travel allowances to officers of National Guard on discharge from Federal service as prescribed in the act of March 2, 1901 (U. S. C., title 10, sec. 751), and to enlisted men of National Guard on discharge from Federal service, as prescribed in amendatory act of September 22, 1922 (U. S. C., title 10, sec. 752), and to members of the National Guard who have been mustered into Federal service and discharged on account of physical disability; in all, \$9,555,854, of which amount not exceeding \$250,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1933: *Provided*, That no part of this appropriation shall be available for the purchase or exchange of motor-propelled passenger-carrying vehicles other than not exceeding \$80,000 for the purchase or exchange of motor-propelled ambulances and motor cycles, and not exceeding \$150,000 of this appropriation shall be available for the purchase or exchange of motor-propelled trucks, including station-wagon types: *Provided further*, That no appropriation contained in this act shall be available for any expense for or incident to the transportation of privately owned automobiles except on account of the return to the United States of such privately owned automobiles as may be in transit to or from points outside of the continental limits of the United States or have been transported to such outside points at public expense on or by the date of the approval of this act: *Provided further*, That no motor-propelled vehicle procured out of appropriations for the Regular Army that is more than two years old from the date of purchase shall be transferred to the custody and maintenance of any of the civil components of the Regular Army or to any of the activities embraced by Title II of this act: *Provided further*, That during the fiscal year 1933 the cost of transportation from point of origin to the first point of storage or consumption of supplies, equipment, and material in connection with the manufacturing and purchasing activities of the Quartermaster Corps may be charged to the appropriations from which such supplies, equipment, and material are procured.

Mr. GOSS. Mr. Chairman, I make a point of order against the proviso beginning with line 9 on page 25 and extending down to line 15, that it is legislation on an appropriation bill and unauthorized by law; and, further, I would state to the Chair there is no such thing as a civilian component of the Regular Army.

The CHAIRMAN. Can the gentleman from Mississippi cite the Chair any authority of law for this provision?

Mr. COLLINS. Mr. Chairman, the object and purpose of this is to prevent the Regular Army from turning over to civilian components, such as the National Guard and the Organized Reserves, a lot of old, worn-out equipment which costs more to maintain than it is worth, and which in the end seems to be not a real saving to the Government.

Mr. GOSS. Mr. Chairman, I do not understand that the gentleman from Mississippi is addressing his remarks to the point of order, but is making an explanation of this proviso.

The CHAIRMAN. The Chair would like to hear the gentleman from Mississippi on the point of order. The Chair inferred from the remarks of the gentleman from Mississippi that he is making the point it involves a reduction of expenditures.

Mr. COLLINS. That is true, Mr. Chairman. However, I know of no permanent law authorizing the transfer of material such as the proviso in question is directed against.

The CHAIRMAN. In the opinion of the Chair this is clearly legislation, and unless it comes under the provisions of the Holman rule it would not be in order. Therefore, unless some gentleman wishes to be heard to cite something more illuminating with reference to it, the Chair will sustain the point of order made by the gentleman from Connecticut. The Chair sustains the point of order.

Mr. COLLINS. Mr. Chairman, I offer a committee amendment.

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

The Clerk read as follows:

Committee amendment offered by Mr. COLLINS:

Page 25, line 9, after the colon, insert: "*Provided further*, That no appropriation contained in this act shall be available for any expense for or incident to the maintenance, operation, or repair of any motor-propelled vehicle procured out of appropriations for the Regular Army or to any of the activities embraced by Title II of this act that is more than two years old from the date of purchase at the time of such transfer."

Mr. GOSS. Mr. Chairman, I make a point of order against the amendment on the basis of a purported limitation making unlawful that which before was lawful, or making lawful that which before was unlawful.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. COLLINS. Mr. Chairman, this is to put a limitation on the use of money.

The CHAIRMAN (Mr. LANHAM). In the opinion of the Chair the provisions in this amendment are purely a matter of limitation and the Chair overrules the point of order.

Mr. JOHNSON of Washington. Mr. Chairman, I rise in opposition to the amendment.

In spite of the fine reading of our reading clerk, Mr. Chaffee, who must hold the record for fast reading, I was able to discover only four "provided further" on these two pages, and the decision of the Chair has just disclosed the fact that one of these "provided further" was an attempt at legislation on an appropriation bill.

I have noticed in previous Congresses, just as it has occurred here to-day, that these chairmen of the subcommittees of the great Appropriations Committee attempt to carry legislation on an appropriation bill which they know is neither in accord with the spirit or intent of the whole Budget system.

When they are stopped with a point of order against that legislation they almost invariably have in their hands, typewritten and ready for presentation, a revision and reduction of the very thing that is attempted, so that when a point of order is made against the "provided further," and so forth, they can then offer a straight-out reduction which will stand up under the Holman and other rules.

I have contended for a good many years past that if the Appropriations Committee was not watched all the time the temptation would be to exceed their authority in each and every appropriation bill. They have done it in past Congresses and are trying to do it in this Congress.

Mr. BYRNS. Will the gentleman yield?

Mr. JOHNSON of Washington. I would be glad to yield, but the gentleman can get all the time he desires. This is a quiet afternoon, and by agreement it seems that we are to progress with the bill this day only to a certain point.

I contend that one of the best things the House of Representatives can do is to watch the Appropriations Committee. For the last 10 or 12 years or for a longer period we have been acquiring the habit of rushing through these appropriation bills as if they were the only things that had to be accomplished and must be done before the night of the day on which they are introduced, starting sometimes even before the bill itself has been printed. I am inclined to think that some of the troubles in connection with the present large deficit may be due to the fact that the membership of the House of Representatives has accepted a sort

of "go-along" attitude in step with the 35 members of the Appropriations Committee. In other Congresses the members of this great committee have acted rather in unison, and have tried to avoid friction on the floor. They have trimmed a few seeds here and there, under the Budget estimates, but it seems that all hands—Budget, committee, and Members on both sides—have just breezed along—always upward—until suddenly we find that the system of income-tax collection is the most uncertain form of raising revenue ever devised, so that when individual incomes disappear, payments into the Treasury disappear, and we come up against a great Budget deficit.

With this particular bill the committee has trimmed and cut here and there, squeezed in legislation, and added more "provided further," than you should find in any appropriation bill unless a special rule is provided to take care of the legislative features.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word. I do not just understand the grudge the gentleman from Washington has against the Appropriations Committee or this particular bill.

This is an economy proposition, I will say to my friend from Washington.

This proposal is made simply for the purpose of preventing the War Department from transferring to the National Guard and to the military parks and other adjuncts of the War Department which come under its jurisdiction old, worn-out automobiles. When they are transferred they cost more money to maintain than they are worth. This amendment is offered to the bill in order to save money for the Government. These old worn-out automobiles ought to be sold, if they have any value at all, and the money turned into the Treasury. If they have no value, we certainly ought not to transfer them to the National Guard or to the military parks throughout the country and then have the expense of maintaining them.

Now, so far as legislation on appropriation bills is concerned, I want to make this statement to the gentleman, and I appeal to the members of the committee who understand what is in these bills for verification of what I say. The appropriation bills for several years under my predecessors, Hon. WILL R. WOOD, of Indiana, and Hon. MARTIN B. MADDEN, of Illinois, have been cleaner of legislation than ever before in the history of the Congress, and I refer to the bills to prove this fact.

The Committee on Appropriations avoids putting legislation upon appropriation bills, and when these matters come up in committee they are called to the attention of the legislative committees, as the chairman of those committees can testify. The committee avoids putting legislation on an appropriation bill whenever it is possible; but when it appears in the course of the hearings that there is a little matter of saving that can be made for the Government by putting a provision on the appropriation bill, and it is a matter that would not be considered of sufficient importance to form the subject of an independent legislative bill, we bring it in here, and I am sorry to find the gentleman from Washington criticizing the committee for having done so.

Mr. JAMES. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. JAMES. Does not the gentleman from Tennessee think that this reduction of 2,000 officers was clearly legislation, which should have been passed on by the House Military Affairs Committee?

Mr. BYRNS. It was not so held, I will say to the gentleman.

Mr. JAMES. That does not make a bit of difference; it was legislation, nevertheless.

Mr. BYRNS. It was not so held; and I will say to the gentleman that that amendment was introduced by the chairman of the Committee on Military Affairs and was approved by him and by the ranking minority member of that committee.

Mr. JAMES. Not the provision with respect to the reduction of 2,000 officers.

Mr. BYRNS. Yes; it was. That was the amendment which the committee adopted. It came from the chairman of the

Military Affairs Committee, I will say to my good friend from Michigan.

Mr. JAMES. It is a matter that was never considered by the House Military Affairs Committee, and no one was authorized, as the gentleman from Alabama [Mr. HILL] will state, to offer any such amendment.

Mr. McDUFFIE. The gentleman from Alabama himself urged the adoption of the amendment.

Mr. JAMES. As an individual; yes.

Mr. BYRNS. I understand that, and the chairman and the ranking member of that committee approved it here, and not only approved it, but it was an amendment which was prepared and introduced by the chairman of that committee and the gentleman from Alabama.

Mr. JAMES. Still, it was legislation.

Mr. BYRNS. No; it was held in order by the presiding officer.

Mr. JAMES. When Mr. Madden was chairman of the Appropriations Committee there was a provision restricting the number of enlisted men to 118,750, and, at my request, when I called his attention to the fact it was legislation, it was stricken from the bill. Now, the authorized strength of the Army is 280,750, but the committee appropriates the money for 118,750, although the authorized strength is 280,750.

Mr. BYRNS. I am not disputing that fact, and the gentleman could have offered an amendment increasing it if the gentleman had desired to do so.

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

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the proviso beginning in line 15, on page 25.

Mr. COLLINS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I offer an amendment to strike out the proviso in line 15, on page 20, and extending to the end of line 21.

The CHAIRMAN. An amendment is pending, the Chair will say to the gentleman from Washington, which must be disposed of before further amendments are in order.

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

Mr. Chairman, for nearly 12 years the Republican majority in this House have gone wild on expenditures. They have expended money right and left, and I do not blame the country for demanding now that we stop the reckless expenditure of money that has been practiced by this House under the control of the Republican Party. I notice, however, that it is almost absolutely impossible to stop the promiscuous expenditures, because every time a measure is brought on the floor by the committee to reduce some of these extraordinary expenditures, we see gentlemen on the Republican side rise and oppose the committee with all the determination at their command.

We saw it yesterday on the very proposition to which the gentleman from Michigan [Mr. JAMES] alluded. When the chairman of the committee [Mr. COLLINS] tried his utmost to reduce expenditures, I observed that nearly all Members on the Republican side of the aisle voted against that amendment that will save nearly \$300,000,000.

Notwithstanding that, we read in the Republican press every day of demands that are made on us to balance the Budget. It is clear to anyone that they are trying to hold the slim Democratic majority of this House responsible for this task, and are asking them to bring about the impossible.

Is it not time that you gentlemen on that side assist us in bringing about economies and in trying to balance the Budget?

You can not go home and tell your constituents that you are going to practice economy and then on the floor of the House, at every chance you get, vote against any measure making for economy.

I think it is manifestly unfair to the country to resort to this double-dealing. It is manifestly unfair to criticize the chairman of the Committee on Appropriations, because he

has earnestly tried to bring about economies and reduce Government expenditures.

The gentlemen from Washington [Mr. JOHNSON] a few moments ago complained that Government incomes have been reduced; and that is true, because business has been ruined. But neither he nor any other Member offers any plan by which the revenue of the Government could be increased, and most of you have voted against the revenue bill we passed a few weeks ago. I realize that it is much easier to vote against all tax or revenue bills and for all appropriations, and thereby please all of those who object not only to increases in taxes but to paying any taxes, and to vote for all appropriations asked by the departments and bureaus and officials.

And that is just what you Republicans have been doing the last 12 years. Yes; for 12 years you have preached and promised economy and practiced criminal extravagance, so that to-day, due to your reckless legislation last year, we are confronted with a deficit of \$2,500,000,000. It is even hard for the majority of the Members to realize what a tremendous sum of money this shortage, which you Republicans caused, is. And, so as to bring it home as plainly and as forcibly as I can, I want you and the country to realize that it is two and one-half times as much as it cost the Government to operate 40 years ago, when Mr. Thomas Reed was the Speaker, and when the appropriation reached \$1,000,000,000.

Please understand that appropriation was for running the Government for two years, and the deficit or the shortage for this fiscal year alone is \$2,500,000,000, or five times as much as the entire cost of Government for one year. I am trying to bring home to you and to the country what you are guilty of. It is amazing that, notwithstanding these facts, you still persist, yes, that you Republicans have the temerity to herald from the White House and through the press a demand that the Budget be balanced and expenditures be reduced; this was stated only yesterday by the gentleman from Indiana [Mr. WOOD] speaking for the President, and within five minutes after he had delivered the President's economy speech, all but 23—I repeat, 23—of you voted against the main reduction in the bill. Oh, how long do you believe you can fool the country and the people at home?

Can any one of you or can any paper inform me or the country how the Budget can be balanced if we do not reduce expenditures and raise the income of the Government? I say to you Republicans, who are responsible for this great deficit, that you can not escape; you can not unload on the Democratic majority the entire load; some of you should—yes; must—help eliminate every useless department or bureau, most of the commissions, and every useless employee, and stop giving out fat and juicy contracts to your favorite contractors, manufacturers, and supply agents. I realize that it will be hard to reduce the Army appropriation bill in face of militaristic propaganda disseminated by the Army and Navy League and its many generals and stimulated by the national-defense slogan; but, gentlemen, our duty is plain; we must do this no matter how unpleasant it may be.

Now as to the increase in our income, in addition to the revenue bill, which we have passed and which is now being revised in the Senate. We can raise from \$300,000,000 to \$400,000,000 if we will pass the beer bill. Some of you gentlemen may not know that I have spoken at length for the purpose of preventing an adjournment in order to secure the last necessary signature to the discharge petition. The jubilant outcry on the part of the few gentlemen was due to the fact that the gentleman from West Virginia [Mr. BACHMANN] and the gentleman from California [Mr. LEA] have attached their signatures to the petition on the Speaker's table giving us the required number to force a vote on the bill H. R. 10017, known as the beer bill.

This will give every Member a chance to go on record for this country-wide demand to amend the crime-breeding Volstead law and, at the same time, will bring in a revenue or an income that the people are willing to pay. I am pleased that all of you will have the opportunity to vote on

this question and I hope that you will vote in favor of the resolution and thereby comply with the wishes and demands of the people in your districts and in the country at large.

Please take notice that all of the wise Senators and Members understand and recognize this country-wide demand, as was demonstrated not only in Pennsylvania and Ohio but in nearly every State where the question was raised. I realize that many of you did not wish to sign, believing that you would be able to straddle the question. Fortunately, however, the matter will come to a vote. You must vote, and I hope that you will cast your vote for the resolution and thereby assure yourself of reelection. [Applause.]

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

The question was taken, and the amendment was agreed to.

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

The Clerk read as follows:

Strike out the proviso extending from line 20, page 24, to and including line 1, page 25, and substitute therefor the following:

"None of the funds appropriated in this act, unless expressly made available for the purpose, shall be used for the purchase or exchange of motor-propelled freight or passenger carrying vehicles, except those that are purchased solely for experimental purposes, in excess of \$100,000 for passenger-carrying vehicles, and in excess of \$500,000 for the purchase of freight-carrying vehicles."

The CHAIRMAN. The Chair will state to the gentleman from Ohio that one minute remains under the motion to close debate, and the Chair will recognize the gentleman from Ohio.

Mr. WHITE. Mr. Chairman, my purpose is to call the attention of the House to the statement of the gentleman from Tennessee, that these old cars are not only expensive but exceedingly dangerous to transportation on the highway. This is only half the amount asked for by the Budget for trucks, and approximately 20 per cent of the amount asked for by the Budget for passenger-carrying cars. New cars would be an economy, I am sure.

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

The amendment was rejected.

The Clerk read as follows:

HORSES, DRAFT AND PACK ANIMALS

For the purchase of draft and pack animals and horses within limits as to age, sex, and size to be prescribed by the Secretary of War for remounts for officers entitled to public mounts, for the United States Military Academy, and for such organizations and members of the military service as may be required to be mounted, and for all expenses incident to such purchases (including \$120,000 for encouragement of the breeding of riding horses suitable for the Army, in cooperation with the Bureau of Animal Industry, Department of Agriculture, including the purchase of animals for breeding purposes and their maintenance), \$202,500.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 26, line 8, strike out "\$202,500" and insert "\$203,500."

Mr. JOHNSON of Washington. Mr. Chairman, this amendment is intended to be pro forma. It pays to take a little time to read these appropriation bills by paragraphs. I beg to say to the gentleman from Tennessee [Mr. BYRNS] that I did not mean to be discourteous in declining to yield for a moment. I thought my time had just about expired. Inquiries are often offered to divert one's thought, though I know the gentleman from Tennessee never does such a thing intentionally. I fully appreciate the difficult position that he holds as chairman of a most important committee. Further, I do not like to touch the members of the Committee on Appropriations on the quick, and we must remember that they have hard jobs, and that the membership changes in each Congress. During several preceding Congresses I have made it a point of asking each subcommittee chairman whether he had any new legislation in his bill, and each and every one of them, when asked that question on the floor, has said positively no. Mr. Cramton, formerly a Member of the House, said he had none, absolutely none. None whatever. Then he modified his statement to hardly

any. I asked the gentleman from Mississippi [Mr. COLLINS] if he had any legislation in this bill, as the RECORD will show, and he answered with a mild but decisive no, when every Member who is following the proceedings knew that while Mr. COLLINS might have had it in his mind that he did not, it had provisions which in fact enacted new legislation. He was in hopes that he could get through favorable decisions under the Holman rule; but if not, he was and is ready with amendments to take the place of any that are declared to be not in order. I have gone along with the economy program. I know that we will have to go farther, but it will never do for the House of Representatives to let the situation get away from itself to the point where the Members think that whatever is written in an appropriation bill is correct from start to finish; and if it takes me a little time this quiet Saturday afternoon, when the attendance here is light, even if we are reaching the point in the bill where we want to rise, I am going to take sufficient time to state the situation. I can be lectured by all gentlemen who please to do so.

When the time comes when the gentleman from Tennessee [Mr. BYRNS], as chairman, has some real economies that are not tied and cross-tied with some of his own pet ideas that he is trying to put over without consideration by the committee, I am going to go along with him. I think I will have accomplished something if I have impressed the membership that when they are handed on short notice an appropriation bill together with the hearings, which in this case cost some \$15,000 alone to print, although it was not given to us in time to read before the bill was taken up, when they see a lot of "provided furthers," they will do well to take a second look in order to ascertain what legislation is slipped in.

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

Mr. JOHNSON of Washington. Yes; with pleasure.

Mr. McDUFFIE. The gentleman speaks of lecturing. All of this trouble came from a lecture that the gentleman delivered to this committee. The gentleman is the first offender when it comes to lecturing this committee.

Mr. JOHNSON of Washington. I can stand lecturing.

Mr. McDUFFIE. The gentleman deserves a little lecturing himself.

Mr. JOHNSON of Washington. And I want to say to the distinguished gentleman from Alabama that he showed within the last 8 or 10 days that he is the grand past master of lecturing, with all of its degrees—A. B., M. A., LL. D., and all the rest of them—and even on the radio he lectured Congress and the whole people of the United States. [Laughter.]

Mr. McDUFFIE. I am sorry that it has no effect upon the gentleman from Washington. [Laughter.]

Mr. JOHNSON of Washington. No; because, as intimated, I have done some lecturing to-day myself, and besides I like to look into things.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the pro forma amendment. I shall not detain the committee except to call the attention of the gentleman from Washington to the fact that every appropriation bill that is reported to the House carries in the report a statement showing just what legislation is proposed in the way of limitations or otherwise on any particular appropriation bill.

Mr. JOHNSON of Washington. Does the gentleman think that the carrying in a report, printed at the last minute, of proposed legislative changes in an appropriation bill complies completely with the intent and purposes of the provisions under which the Budget was set up and under which Congress was then guaranteeing that the rights of the several committees which have been appropriating committees but would thereafter be legislative committees, would be guaranteed?

Mr. BYRNS. The gentleman can have no quarrel with me about the matter of carrying legislation on appropriation bills. I have had similar opinion during all these past years. I do not believe legislation ought to be carried on an appropriation bill except where it is plainly necessary in order to save money carried in the bill, and then only when

it is impossible to secure the necessary legislation to save it. That was the reason for the rule that was adopted at the instance of the gentleman from Iowa [Mr. RAMSEYER], which sets forth that whenever there is any change in existing law in an appropriation it should be clearly shown by printing the present law and also the contemplated change. This in itself was a recognition upon the part of the House that there are some cases and some circumstances where there should be legislation carried on appropriation bills. What I rose to call to the attention of my friend from Washington was that if he has not a report of the committee, I will be glad to furnish him the one I have. From that he will find that since May 5, nine days ago, there has been here in the House a report from the Committee on Appropriations showing every line of proposed legislation in this bill.

So when the gentleman undertakes to say that the Committee on Appropriations is seeking to put something over without the House knowing just what is being done, I think the gentleman is doing the committee a serious injustice.

Mr. JOHNSON of Washington. Will the gentleman yield to me?

Mr. BYRNS. I yield.

Mr. JOHNSON of Washington. We are singing a duet. I have argued for a long time that in order to keep up with conditions in the Federal Government the Appropriations Committee was required to make some small amount of legislation; but I believe that there should be special rules granted to cover all serious legislative proposals on appropriations.

Mr. BYRNS. Then there is not so much difference between the gentleman and me.

Mr. JOHNSON of Washington. Not much; but I further contend that a committee of 35, after it has been given so much power and authority, should not be overbold in the use of it. It has led to inattention on the part of other Members. We have proof of that. I am inclined to disagree with the gentleman to the effect that this report has been available since May 5. It was referred to the Committee of the Whole and ordered printed; but if I remember correctly, it was hard to find that report, and I know we could not find a printed bill at the time debate began on the bill.

Mr. BYRNS. Other Members found it.

Mr. JOHNSON of Washington. Oh, they say they did.

Mr. BYRNS. The gentleman will remember that this bill was taken up under unusual circumstances. When it was reported it was not expected that it would be taken up until the next day, but the business of the House was concluded earlier than expected, I think it was Calendar Wednesday, and then it was thought in the interest of expediting business that we should proceed with general debate for the balance of the afternoon. But it was not originally expected to be taken up, as far as the committee was concerned, until the next day; and the report and the bill were available the next morning and have been available since May 6.

Mr. JOHNSON of Washington. Now we have come out of the same end of the funnel. We have agreed that the bill was not ready.

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

All time has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. JOHNSON].

The amendment was rejected.

The Clerk read as follows:

MILITARY POSTS

For construction and installation at military posts, including the United States Military Academy, of buildings, utilities, and appurtenances thereto, including interior facilities, necessary service connections to water, sewer, gas, and electric mains, and similar improvements, all within the authorized limits of cost of such buildings, as authorized by the acts approved June 18, 1930 (46 Stat. 781), and July 3, 1930 (46 Stat. 1014), without reference to sections 1136 and 3734, Revised Statutes (U. S. C., title 10, sec. 1339; title 40, secs. 259, 267), including also the engagement, by contract or otherwise, without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensa-

tion as the Secretary of War may determine, of the services of architects, or firms, or corporations thereof, and other technical and professional personnel as may be necessary, \$2,250,000, which shall be available immediately for the payment of obligations incurred under the contract authorization for these purposes carried in the War Department appropriation act for the fiscal year 1932.

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

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Page 27, line 4, strike out the period and add the following: "Provided, That the designation of Fort D. A. Russell as a permanent post by general order, War Department, December 11, 1929, shall be continued to and including the 1st day of July, 1933."

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill. This makes no retrenchment. In fact, it will increase the appropriation, and it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. THOMASON. Yes. I take sharp issue with the gentleman from Connecticut in saying that it means no retrenchment or economy. I contend the amendment is germane.

Mr. GOSS. Does the gentleman not admit that it is legislation on an appropriation bill?

Mr. THOMASON. It is legislation in the sense that other amendments to this bill were construed under the Holman rule to be legislation; but may I explain this in order that the gentleman may understand why I say it does look toward retrenchment and economy?

The situation is that here is a permanent military post, so designated by the War Department official order of December 11, 1929, designating it as a permanent post. More than \$1,000,000 is invested there now. They own 476 acres of land. They have 180 permanent structures, with every kind of modern convenience for an up-to-date military post.

Now, I am a friend of the War Department, and I am a friend to those in control of the department, but nevertheless the department arbitrarily says, "We are going to abandon that post, whether or no."

In addition to that, the 2 Senators from Texas, 18 Congressmen, including the Speaker of the House of Representatives, the State legislature, many civic bodies, and communities, protested, and here is a letter which I hold in my hand—

Mr. GOSS. Mr. Chairman, the gentleman is not discussing the point of order.

Mr. THOMASON. I am coming to the reason for the amendment.

The CHAIRMAN. The gentleman will confine his remarks to the point of order.

Mr. THOMASON. The amendment seeks to prevent the abandonment of this post at a cost of a million dollars during this fiscal year. It is a matter of both economy and protection. All through this bill there are items for the transportation of soldiers, and I hold in my hand a letter from General Moseley, Deputy Chief of Staff, written last week to the Speaker of the House of Representatives, in which he said that on the 1st day of next January they are going to move those soldiers to Camp Knox, Ky.

It strikes me that Congress ought to have something to say about that when the taxpayers are the ones paying for it. For the time being I will lay aside the question of the protection of my people along that far-flung Mexican border, but will say that the War Department is not dealing in good faith with those people. Fort Russell is a permanent post, and the record so shows. They spent more than a million dollars there, and now, without consulting Congress and without good reason, the department, through General Moseley, writes to the Speaker of this House and says, "On the 1st day of January we are going to abandon that post and ship those soldiers to Camp Knox, Ky.," which is nothing more than an old cantonment, with a lot of temporary buildings. That is where your money goes.

When that is done you will be asked to appropriate a million dollars to improve Camp Knox.

I say the amendment is germane, Mr. Chairman, because it looks to the saving of untold thousands of dollars in the transportation of 600 soldiers and their horses and equipment, as well as the abandonment of more than a million dollars' worth of property along that Mexican border; and, if soldiers are needed anywhere, it is there.

Mr. STAFFORD. Will the gentleman reserve his point of order to allow the gentleman from Texas to make his speech?

Mr. GOSS. I will reserve the point of order for a few moments, Mr. Chairman.

Mr. THOMASON. I do not want to trespass upon the time of the House, but you should know the facts, because I hold here the original order issued by the War Department, General Order No. 20, of December 11, 1929; and may I say by way of preface that when the World War came on they established just a camp down there and called it Camp Marfa. Later, when they had the Mexican raids, the Brite ranch raid and other raids in which American citizens were killed, the War Department in its wisdom issued an order making it a permanent post and changing the name from Camp Marfa to Fort D. A. Russell, because in the meantime Senator Warren had died and they named the old fort in Wyoming after him and named the fort down there Fort D. A. Russell and designated it as a permanent post.

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

Mr. THOMASON. I yield.

Mr. CHIPERFIELD. Is it not true—at least it is my recollection from an inspection—that this is a splendidly equipped post in a very strong strategic position, and one that should commend itself as a post of great usefulness from a military standpoint?

Mr. THOMASON. I thank the gentleman for his statement. This camp is in what is known as the Big Bend country of Texas. It is 75 miles from there to the Mexican border. It is more than 200 miles to the first Army post west of there, at El Paso. It is nearly 500 miles to San Antonio, yet the War Department arbitrarily orders its abandonment; and, although the Legislature of Texas, the entire Texas delegation in Congress, and every civic organization of any importance in the State has petitioned the War Department not to do this for two reasons—first, because it is needed protection to the people along that border, and, second, because its abandonment means the expenditure of thousands of dollars of money. I am for economy and I am for national defense; but I say this is neither.

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

Mr. THOMASON. I yield.

Mr. JAMES. Where does the War Department intend to move the troops?

Mr. THOMASON. Here is a letter from General Moseley, which says that on the 1st day of January next, in spite of the protests made by several thousand Texans, the troops will be moved to Camp Knox, Ky., which is an old cantonment composed of a lot of temporary buildings.

I make this prediction: If that is done, they will be back here asking for another million to build up Camp Knox. They want to abandon Fort Russell, located at a place where it is needed, and build up an old cantonment.

The place we most need troops in these days is along the Mexican border. If there is any place where an active military establishment is needed in peace time, it is along the Texas border; yet they propose to literally abandon Fort Russell and make it a junk pile.

When the War Department issued orders making it a permanent post, the citizens of the little city of Marfa, having a population of four or five thousand, taxed themselves to the utmost to pave streets, install sewer lines, put in water lines and other public works; and now the War Department, without consulting Congress, proposes abandonment. There are a number of small posts in the interior

that ought to be abandoned, and the Congressmen from those districts are not objecting. I do not believe that this body approves any such policy.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HILL of Alabama. If there is one place in this country where we need a strong post, it is on the Mexican border.

Mr. THOMASON. Mr. Chairman, I thank my friend the gentleman from Alabama for that statement, and say if in times of peace there is any place where soldiers are needed it is along the Mexican border.

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

Mr. GOSS. Mr. Chairman, I must insist on my point of order.

Mr. THOMASON. Mr. Chairman, I yield to the gentleman from Nevada.

Mr. ARENTZ. Mr. Chairman—

Mr. COLLINS. Mr. Chairman, I demand the regular order.

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

Mr. GOSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. How much time has the gentleman?

The CHAIRMAN. The gentleman from Texas has five minutes. The gentleman from Connecticut reserved his point of order.

Mr. ARENTZ. Mr. Chairman, if the gentleman from Texas will offer an amendment to this bill taking 25 per cent off the appropriations for carrying troops to the Hawaiian Islands I will back him, and I know there are many others who will back him.

Mr. THOMASON. I will say this to my good friend from Nevada, that I am going to work for economy consistent with adequate national defense.

Mr. GOSS. Mr. Chairman, I make the point of order the gentleman is not addressing his remarks to the point of order.

Mr. THOMASON. I think, Mr. Chairman, I am talking about economy as well as the protection of American citizens. I am naturally a partisan in this matter because they are taking adequate protection from the people I have the honor to represent, as well as proposing to waste a lot of money. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Permit the Chair to state that the gentleman from Texas did not have to confine his remarks to the point of order, because the gentleman from Connecticut had reserved a point of order and the gentleman from Texas was privileged to proceed for five minutes. Does the gentleman from Connecticut now insist on his point of order?

Mr. GOSS. I do.

The CHAIRMAN (Mr. COOPER of Tennessee). The amendment offered by the gentleman from Texas clearly proposes a provision of substantive law directing that Fort D. A. Russell shall be continued for a definite period of time. The Chair is constrained to hold that is legislation offered to an appropriation bill, and therefore the point of order is sustained.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I do this to direct a question to the chairman of the subcommittee concerning this whole paragraph on military posts. I have just been going through the hearings and I find there are nearly 225 pages which deal in great detail with the building program that is under way on this general housing proposition. The question I wish to direct to the chairman is this: By reason of this great amount of material the average Member of the House can not get much direct information as to whether it has been gone into carefully to see if any further reductions can be made. Now, will the gentleman please answer that question in a general way?

Mr. COLLINS. Congress has heretofore authorized certain construction and the amount carried in this bill is the amount that is needed virtually to complete that program.

Mr. KETCHAM. I am prompted to ask the question because yesterday we took certain action with reference to about 2,000 officers. What effect, if any, will that have on this housing program?

Mr. COLLINS. The effect of that will be simply this: There is an anticipated program involving over \$97,000,000; a future authorization program involving over \$97,000,000. That will be offered to the Congress in increments from time to time. Much of that unauthorized program will be unnecessary if we reduce the officer personnel. Unless the action of yesterday be sustained the Congress is going to be called upon in the immediate future to appropriate something like \$19,000,000 for the purpose of housing the proportionate number of 2,000 officers, for whom it will be necessary to provide housing accommodations.

Mr. KETCHAM. The particular thing I had in mind was, in view of the situation we are asked to meet, whether the \$2,250,000 could be reduced in any degree?

Mr. COLLINS. That is for work in progress and under contract.

Mr. KETCHAM. And can not be decreased without great harm?

Mr. COLLINS. No.

Mr. HILL of Alabama. In other words, the contract for this work was authorized in the last appropriation bill?

Mr. COLLINS. That is right.

Mr. HILL of Alabama. We are just carrying out the obligation which we undertook in the last appropriation bill.

Mr. COLLINS. That was provided for in the last appropriation bill.

The pro forma amendment was withdrawn.

Mr. FISH. Mr. Chairman, I move to strike out the last two words. I would like to ask the chairman of the subcommittee if there are any funds provided in this section to be used at the Military Academy at West Point to finish the buildings in process of construction?

Mr. COLLINS. None. The gentleman will find a statement on page 220 of the hearings showing where this money will be expended.

Mr. FISH. No money is included in this paragraph for construction purposes at West Point.

Mr. COLLINS. The gentleman is correct.

Mr. FISH. In the balance of my time, Mr. Chairman, I would like to take the opportunity, if it is permissible, to include in the RECORD a letter written many years ago regarding the services of the Engineer Corps of the United States Army which applies with equal force to-day. Not so many days ago the Congress passed legislation creating a Public Works Administration and provided that officers of the Engineer Corps of the Army should be used on Federal public works as far as possible. There was a good deal of controversy at that time not only as to the merits of the proposition but as to the advisability of using so extensively the services of the Engineer Corps. I have just come across a letter written over 75 years ago to my grandfather, who was then in the Senate, by one of the most eminent citizens of New York State, who gives in detail the advantages of using Engineer officers on public works and protesting any attempts to displace them for political purposes. We are confronted with the same issue to-day. In view of the fact that these Engineer officers have been rendering important services to the country for over a century, both in peace and war, and are doing so at this very moment, I would like to have the Clerk, in my time, read the letter which I am sending to the desk. I believe in giving credit where credit is due. The record of the Engineer Corps speaks for itself, and the letter only adds further commendation and practical reasons for the employment of Engineer officers on public works.

The CHAIRMAN. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

New York, January 6, 1854.

HON. HAMILTON FISH,
United States Senate.

DEAR SENATOR: We are informed that a movement is on foot in Congress to displace the officers of the Army who are in charge

of public works, and to substitute civilians. Regarding such a result as a great public calamity, we venture to solicit your exertions to defeat any such scheme, and for the following reasons:

1. Because the officers of the Engineer Corps are the most competent men in the country to take charge of the public works, having received an education which expressly fits them for such employment—so much so that it is a well-known fact that their services are eagerly sought for in all difficult civil works.

2. Because it is the most economical system of management for the Government, who is thus enabled to give employment in time of peace to a body of men upon whom in time of war the efficiency of all military operations must depend.

3. Because the works themselves are better and more cheaply built when designed and constructed by scientific men, acting upon a system of scientific principles, and whose tenure of office does not depend upon every political breath that blows. Civilians would come in and go out with every change in the administration, and each new officer would bring a new plan, and the cost of changes and alterations would be greater than the necessary cost of construction on any one system.

(4) If the works are intrusted to civilians appointed by political influence and for their political services, the same system of corruption which has tainted our municipal corporations would soon be inaugurated under the General Government, and the honesty and vigilance of the most active and incorruptible Secretary of the Treasury would be utterly inadequate to withstand the universal tide of extravagance and plunder.

(5) We have had considerable experience in the way of business with the Government. We have invariably found the officers of the Army intelligent, industrious, persevering, economical, and with an eye single to the interests of the Government. The tone of honor which pervades them as a body is an effectual barrier against fraud or corruption.

Let the list of defaulters answer, and that list is small compared with the petty brands which never come to light.

We feel sure that in any measure having reference to this matter we will find your vote, as we have always found it, on the side of justice, economy, and public virtue.

We have the honor to be, with great respect,
Your friends and servants,

PETER COOPER.
COOPER & HEWITT.

The pro forma amendment was withdrawn.

The Clerk read as follows:

BARRACKS AND QUARTERS AND OTHER BUILDINGS AND UTILITIES

For all expenses incident to the construction, installation, operation, and maintenance of buildings, utilities, appurtenances, and accessories necessary for the shelter, protection, and accommodation of the Army and its personnel and property, where not specifically provided for in other appropriations, including personal services, purchase and repair of furniture for quarters for officers, warrant officers, and noncommissioned officers, and officers' messes and wall lockers and refrigerators for Government-owned buildings as may be approved by the Secretary of War, care and improvement of grounds, flooring, and framing for tents, rental of buildings, including not to exceed \$900 in the District of Columbia, provided space is not available in Government-owned buildings, and grounds for military purposes and lodgings for recruits and applicants for enlistments, water supply, sewer and fire-alarm systems, fire apparatus, roads, walks, wharves, drainage, dredging channels, purchase of water, disposal of sewage, shooting galleries, ranges for small-arms target practice, field, mobile, and railway artillery practice, including flour for paste for marking targets, such ranges and galleries to be open as far as practicable to the National Guard and organized rifle clubs under regulations to be prescribed by the Secretary of War, for furnishing heat and light for the authorized allowance of quarters for officers, enlisted men, and warrant officers, including retired enlisted men when ordered to active duty, contract surgeons when stationed at and occupying public quarters at military posts, officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902 (U. S. C., title 10, sec. 1346), and buildings for a similar purpose on military reservations authorized by War Department regulations; for sale of fuel to officers; fuel and engine supplies required in the operation of modern batteries at established posts, \$13,595,017, of which \$2,500,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1933: *Provided*, That not more than \$16,000 of the appropriations contained in this act shall be available for rent of offices outside the District of Columbia in connection with work incident to the assurance of adequate provision for the mobilization of matériel and industrial organizations essential to war-time needs: *Provided further*, That this appropriation shall be available for the rental of offices, garages, and stables for military attachés: *Provided further*, That no part of the funds herein appropriated shall be available for construction of a permanent nature of an additional building or an extension or addition to an existing building, the cost of which in any case exceeds \$20,000: *Provided further*, That the monthly rental rate to be paid out of this appropriation for stabling any animal shall not exceed \$15: *Provided further*, That no property shall be leased by the Secretary of War under authority of the act of July 28, 1892 (U. S. C., title 40, sec. 303), as amended, for a consideration involving an expenditure for repairs, alterations, or improvements in excess of 15 per cent of the total annual rental for such property.

Mr. GOSS. Mr. Chairman, I make a point of order against the language on page 29, lines 9 to 14, inclusive, that it is legislation on an appropriation bill and also proposes legislation regarding revenues and not expenditures.

Mr. COLLINS. Mr. Chairman, will the gentleman reserve the point of order?

Mr. GOSS. Yes; I reserve it.

Mr. COLLINS. Mr. Chairman, this proposition was called to the committee's attention by the General Accounting Office in a memorandum dated January 19, 1932. Unless this provision be adopted, the Congress will continue to have no control over the character of repairs, improvements, and additions that may be made to Government property. We felt that under such circumstances the provision ought to be carried. It is a matter relatively so trifling that I should think the Committee on Military Affairs would not wish to devote its time to. I have talked with several members of the Military Affairs Committee about it, and they think it is a very wise limitation and one that ought to be included in this bill.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Connecticut yield?

Mr. GOSS. Yes; I yield.

Mr. STAFFORD. Will the gentleman kindly inform us as to the basis for the limitation of 15 per cent of the rental? Suppose the rental of a piece of property was \$500, all the department could use for repairs on that property would be \$75.

Mr. COLLINS. We use the rate carried in the Treasury Department bill.

Mr. STAFFORD. It seems to be a rather small sum when perhaps the additions might require an expenditure of \$200, yet they would have to come to Congress for authorization to put the property in rentable condition. I am directing my inquiry largely to the ratable amount you fix as the bar above which the Secretary of War may not expend money for repairs on the property.

Mr. COLLINS. The Treasury Department bill carries a somewhat similar provision and provides a limitation of 15 per cent of the annual rental, and we are just following the Treasury Department provision.

Mr. STAFFORD. There might be one rule properly applicable to one department where the rentals may be very large and the same rule would work an injustice as to another department where the rentals were much smaller.

Mr. COLLINS. We say 15 per cent, because, as I already have stated, that rate has had the approval of the Congress in a similar case.

Mr. GOSS. But there is a difference in this connection with respect to the War Department. These funds would go into the miscellaneous receipts of the Treasury Department under this provision, whereas if the proviso were left out, all these funds would be available for the use of the War Department under "funds unappropriated."

Mr. COLLINS. I think the gentleman misconceives the purpose of this provision. The purpose is to prohibit the War Department from leasing buildings for a consideration that the lessees shall keep the buildings in repair. That is the sole purpose of it, and we think it is a very salutary provision.

Mr. STAFFORD. If the gentleman will permit, the condition set out in the query which I propounded would be met by the fact that the lease could provide that the lessee should keep the premises in repair rather than the Government.

Mr. COLLINS. Yes.

Mr. GOSS. On the other hand, if this provision be adopted, these funds would go into miscellaneous receipts of the Treasury, whereas if the proviso were not in the bill, they would be retained for the use of the Army or the War Department. Is not that true?

Mr. COLLINS. I do not think so.

Mr. GOSS. Certainly, under this provision they would go into miscellaneous receipts of the Treasury.

Mr. STAFFORD. There is nothing in the language of the proviso that changes the direction of the rentals.

Mr. GOSS. That is provided for in the law. This proviso changes the act of July 23, 1892.

Mr. STAFFORD. If the gentleman will permit, all this provision seeks to do is to forbid the department from exceeding the amount of 15 per cent of the rentals in the way of repairs; and I think, after the explanation made by the gentleman from Mississippi, it is a commendable provision.

Mr. COLLINS. That is all it does.

Mr. STAFFORD. And I hope the gentleman from Connecticut will not insist upon his point of order.

Mr. GOSS. It is an arbitrary limitation of 15 per cent.

Mr. STAFFORD. As the gentleman well knows, we often lease property and put the burden of repairs upon the lessee.

Mr. GOSS. This may affect those \$50,000,000 docks of the Army in New York City, and the gentleman well knows that those piers are very expensive and there are some buildings on the piers, as the gentleman knows.

Mr. STAFFORD. Yes.

Mr. GOSS. And the way they have leased some of the buildings in the past, if they should go ahead and lease these piers in the same way, with this 15 per cent limitation, which is arbitrary, on a \$50,000,000 proposition, it would not seem to me to be a wise proposal.

Mr. STAFFORD. That 15 per cent would give the War Department a leeway of \$7,500,000 for repairs on a \$50,000,000 valuation. I hope the gentleman will withdraw his point of order because I can see that this is a protective provision for the best interests of the Government.

Mr. GOSS. I do not look at it in that way. It seems to me it throws the money back into miscellaneous receipts of the Treasury and does not make the money available for the War Department.

Mr. STAFFORD. I think the gentleman is entirely in error on that proposition.

Mr. GOSS. Where does it say otherwise?

Mr. STAFFORD. There is nothing in the proviso that changes the disposition of the rentals. It just seeks to put a limitation of 15 per cent on the amount that may be paid for repairs.

Mr. HILL of Alabama. Referring to the act of 1892—

Mr. GOSS. As I understand the law, as construed by the Comptroller General, all cash receipts from the rental of Government-owned structures must be deposited to the credit of miscellaneous receipts.

Expenditures necessary for the maintenance and repair of the leased property, even necessitated solely by the existence of the lease, must thus be borne by appropriations for the support of the Army. Under the law as thus construed the only course which the Army can follow in justice to its own activities is to require that the lessee as a part of his rental obligation bear the cost of the maintenance and repair of the property leased. Any arbitrary limitation, such as the 15 per cent proposed, can not be intelligently applied to specific cases which may arise in the future. Each case must be determined on its merits, and the administrative authorities should not be thus hampered in the exercise of a wise discretion.

Mr. STAFFORD. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. STAFFORD. The War Department and the Navy Department are seeking in premeditated fashion to relieve themselves from the scrutiny of the Comptroller General. The Comptroller General is the agent of Congress to protect the interests of the Government. I am not surprised that the War and Navy Departments are trying to get from under the protecting wing of the Comptroller General at the expense of the Treasury and the taxpayers.

Mr. GOSS. Can the gentleman give any reason why it should be 15 per cent instead of 10 per cent or 5 per cent?

Mr. STAFFORD. The gentleman from Mississippi has explained the division of expenses, and it is true that the amount that would be needed for repairs will be taken from the Army fund.

Mr. COLLINS. Mr. Chairman, I concede the point of order, and I ask unanimous consent to put in the memorandum from the comptroller.

The CHAIRMAN. The Chair sustains the point of order; and without objection, the request of the gentleman from Mississippi is granted.

The memorandum follows:

MEMORANDUM

JANUARY 19, 1932.

The leasing of public buildings to private parties at times is now in consideration that the private parties expend the value of the rental to make repairs, improvements, or additions to said public buildings, and this procedure has been supported by an opinion of the Attorney General of June 12, 1930.

The Congress clearly loses its control over the character of the repairs, improvements, and additions that may be so made, the practice referred to enabling the administrative departments to obtain such work upon the structures without limitation of the amount expended thereon and without the prior approval and consideration of the Congress as appears to have been intended by the provisions of section 3733 of the Revised Statutes of the United States, and it likewise conflicts with the provisions of sections 3617 and 3618 of the Revised Statutes that the gross amount of all moneys received from whatever source for the use of the United States shall be paid into the Treasury without deduction.

There appears some authority for the practice in so far as the War Department is concerned, by reason of the provisions of the act of July 23, 1892 (27 Stat. 321), which provides:

"That authority be, and is hereby, given to the Secretary of War, when in his discretion it will be for the public good, to lease, for a period not exceeding five years and revocable at any time, such property of the United States under his control as may not for the time be required for public use and for the leasing of which there is no authority under existing law, and such leases shall be reported annually to Congress: *Provided*, That nothing in this act contained shall be held to apply to mineral or phosphate lands."

There appears nothing in this enactment expressly authorizing or permitting the leasing of property of the United States to be otherwise than for a money consideration, particularly taken in consideration with the provisions of the Revised Statutes cited. So also the Supreme Court of the United States determined in the case of *Pan American Co. v. United States* (257 U. S. 456, 510), where a former Secretary of the Navy attempted to trade crude oil for tank structures, etc., to be erected in Hawaii, that there was no authority for such trade and that sections 3617 and 3618 of the Revised Statutes required the crude oil to be sold and the proceeds deposited in the Treasury.

It is reported that there are many such leases and thus comparatively large sums of money may be expended in the form of rentals for repairs, etc., of public buildings, over which Congress has no control as to the character or extent of the repairs.

An extension of this practice appears to have been involved in bill S. 4103, Seventy-first Congress, second session. (See also H. Rept. No. 1772 on S. 4103.)

There appears no question that proper administration of the properties of the United States would require that the rentals be in the form of cash and be deposited in the Treasury for appropriation by Congress on estimates showing the necessity, character, and extent of the repairs, etc., proposed to be made and as contemplated by the provisions of section 3733, Revised Statutes.

At the least, there should be a control by the Congress over the amount permitted to be expended on such repairs similar to the control Congress has exercised in connection with the leasing by the Treasury Department of buildings on sites not immediately required for Government uses—such as provided for in the appropriation act for the Treasury Department for repairs of public buildings—that the expenditures on this account for the fiscal year shall not "exceed 15 per cent of the annual rentals of such buildings" (fiscal year 1932, act of February 23, 1931, 46 Stat. 1231), and to obtain such control by the Congress and a limitation or restriction upon expending the rentals for repairs, etc., legislative enactment in the form of a provision to some pending bill should be as follows:

Hereafter no property shall be leased by the Secretary of War under authority of the act of July 23, 1892 (27 Stat. 321), for a consideration involving an expenditure for repairs, alterations, or improvements in excess of 15 per cent of the total annual rental for such property.

The Clerk read as follows:

For rakes, shovels, and brooms; repairs to roadway, pavements, macadam, and asphalt block; repairs to street crossings; repairs to street drains, and labor for cleaning roads, \$8,469; for two-thirds of said sum, to be supplied by the United States, \$5,646.

Mr. COLLINS. Mr. Chairman, I move to amend in line 15, page 29, by striking out the paragraph.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. COLLINS: Page 29, beginning at line 15, strike out the paragraph ending in line 22.

The amendment was agreed to.

The Clerk read as follows:

That in the expenditure of appropriations in this act the Secretary of War shall, unless in his discretion the interest of the Gov-

ernment will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I notice in this paragraph and the one preceding there is a difference in the amount of contribution. In the first paragraph it is one-third, and in the one under consideration two-thirds. I notice further that the gentleman has gone into detail as to what these appropriations may be used for. It refers to brooms and shovels, and so forth. Will the gentleman satisfy my curiosity by stating why that difference in the contribution?

Mr. COLLINS. That is all in accordance with the contract between the War Department and private users. We carry the amount that has been agreed to. The language has been carried in its present form for a number of years.

Mr. STAFFORD. If it is the same contract, and in one instance it is one-third and the other instance two-thirds—

Mr. COLLINS. The gentleman is asking me the same question that I raised in the committee. They advised me that the division of the cost is entirely fair.

Mr. STAFFORD. Mr. Chairman, with that illuminating statement by the gentleman from Mississippi, I withdraw my pro forma amendment.

The Clerk read as follows:

For creating, maintaining, and operating at established flying schools and balloon schools courses of instruction for officers, students, and enlisted men, including cost of equipment and supplies necessary for instruction, purchase of tools, equipment, materials, machines, textbooks, books of reference, scientific and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and operation of airships, war balloons, and other aerial machines, including instruments, materials, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith and the establishment of landing and take-off runways; for purchase of supplies for securing, developing, printing, and reproducing photographs in connection with aerial photography; improvement, equipment, maintenance, and operation of plants for testing and experimental work, and procuring and introducing water, electric light and power, gas, and sewerage, including maintenance, operation, and repair of such utilities at such plants; for the procurement of helium gas; salaries and wages of civilian employees as may be necessary; transportation of materials in connection with consolidation of Air Corps activities; experimental investigation and purchase and development of new types of aircraft accessories thereto, and aviation engines, including plans, drawings, and specifications thereof, and the purchase of letters patent, applications for letters patent, licenses under letters patent and applications for letters patent; for the purchase, manufacture, and construction of airships, balloons, and other aerial machines, including instruments, gas plants, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith; for the marking of military airways where the purchase of land is not involved; for the purchase, manufacture, and issue of special clothing, wearing apparel, and similar equipment for aviation purposes; for all necessary expenses connected with the sale or disposal of surplus or obsolete aeronautical equipment, and the rental of buildings, and other facilities for the handling or storage of such equipment; for the services of not more than four consulting engineers at experimental stations of the Air Corps as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed \$50 a day for not exceeding 50 days each and necessary traveling expenses; purchase of special apparatus and appliances, repairs and replacements of same used in connection with special scientific medical research in the Air Corps; for maintenance and operation of such Air Corps printing plants outside of the District of Columbia as may be authorized in accordance with law; for publications, station libraries, special furniture, supplies and equipment for offices, shops, and laboratories; for special services, including the salvaging of wrecked aircraft, \$25,307,816: *Provided*, That not to exceed \$3,593,314 from this appropriation may be expended for pay of civilian employees other than those employed in experimental and research work; not exceeding \$9,000 may be expended for the procurement of helium from the Bureau of Mines, of which sum such amounts as may be required may be transferred in advance to that bureau; not exceeding \$2,824,397 may be expended for experimental and research work with airplanes or lighter-than-air craft and their equipment, including the pay of necessary civilian employees; not exceeding \$100 may be expended for the production of lighter-than-air equipment; not less than \$11,525,728 shall be expended for the production or purchase of new airplanes and their equipment, spare parts, and accessories, of which \$9,017,152 shall be

available exclusively for combat airplanes, their equipment, spare parts, and accessories; not less than \$5,924,010 shall be expended, other than for pay of civilian employees, for aviation fuel and oil and for the repair and maintenance of airplanes and their equipment, spare parts, and accessories; and not more than \$6,000 may be expended for settlement of claims (not exceeding \$250 each) for damages to persons and private property resulting from the operation of aircraft at home and abroad when each claim is substantiated by a survey report of a board of officers appointed by the commanding officer of the nearest aviation post and approved by the Chief of Air Corps and the Secretary of War: *Provided further*, That the sum of \$193,872 of the appropriation for Air Corps, Army, fiscal year 1929, and the sum of \$158,455 of the appropriation for Air Corps, Army, fiscal year 1930, shall remain available until June 30, 1933, for the payment of obligations incurred under contracts executed prior to July 1, 1929, and July 1, 1930, respectively: *Provided further*, That none of the money appropriated in this act shall be used for the purchase of any airplane ordered after the approval of this act which is equipped or propelled by a Liberty motor or by any motor or airplane engine purchased or constructed prior to July 1, 1920.

Mr. COLLINS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 34, line 20, after the word "aircraft" insert a comma.

The amendment was agreed to.

Mr. COLLINS. Mr. Chairman, I have two other amendments which I offer, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendments. The Clerk read as follows:

Committee amendment offered by Mr. COLLINS: Page 36, line 1, strike out "\$3,593,314" and insert "\$3,728,401," and in line 7, strike out "\$2,824,397" and insert "\$2,813,077."

Mr. COLLINS. Mr. Chairman, in pooling all travel items into one appropriation, we made the deduction from the Air Corps appropriation entirely from one subhead. The Chief of the Air Corps says the deduction should have been distributed. These two amendments are necessary to comply with his wishes. The total appropriation remains the same.

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

Mr. COLLINS. Yes.

Mr. STAFFORD. I understood that the gentleman's first amendment increased the appropriation about \$130,000.

Mr. COLLINS. Yes; because we took it all off at that particular place, but the total amount transferred to the pooled item for travel will remain the same as originally proposed.

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

Mr. COLLINS. Yes.

Mr. McDUFFIE. I notice on page 36, line 3, the language, referring to the appropriation, that not to exceed \$3,593,314 of the appropriation may be expended for pay of civilian employees other than those employed in experimental and research work. The gentleman knows that at Langley Field the Government is appropriating more than a million dollars for experimental and research work in construction of aircraft. I am wondering what relation this appropriation has to that, if any, or whether the amount carried here for that work is in addition to the million dollars or more the Government is expending for this Bureau of Aeronautics, which is a national research institution, and yet one of the separate bureaus of the Government.

Mr. COLLINS. A part of this money is expended for similar purposes.

Mr. McDUFFIE. How much do they expend down there? The Budget carries more than a million for that separate bureau, but I understand some money is expended by the manufacturers of aircraft. Nevertheless the Government is expending more than a million dollars.

Mr. COLLINS. The Army and the Navy both formerly allotted funds for experimentation by that activity. I understand that now, however, they give no financial aid.

Mr. McDUFFIE. But besides appropriating a million dollars plus for that separate bureau, the National Aeronautics Bureau, or whatever the name is, we are carrying an appropriation in the Army appropriation bill and in the Navy appropriation bill.

Mr. COLLINS. That is correct.

Mr. McDUFFIE. Can the gentleman give me the total amount that Congress is expending for experimental research work at Langley Field?

Mr. COLLINS. No; I have not the figures at hand.

Mr. McDUFFIE. The reason I interrupted the gentleman—and I do not want to take up the time of the committee unnecessarily—is that the question came up in our Committee on Economy as to whether or not we would discontinue the appropriation for this bureau, which has its set-up at Langley Field. The suggestion came to us that we were appropriating only a million plus in the Independent Offices bill, and now we find that in addition to that sum, the Army bill carries a similar appropriation for such work, and evidently a goodly sum, and the Navy does likewise. If the Navy and the Army both are expending money and the Government also appropriating for this bureau, it seems to me we are carrying too much money for that institution at Langley Field. Apparently we are expending \$6,000,000 for experimentation in aircraft construction which is a very large sum.

Mr. COLLINS. My information is that this activity at Langley Field is doing some very excellent work and both the Army and the Navy lean rather heavily upon it.

Mr. McDUFFIE. And it is leaning rather heavily upon the Treasury.

Mr. COLLINS. We have been very liberal in providing for experimental and research work in aeronautical development.

Mr. McDUFFIE. I am wondering if the manufacturers of these planes for the Army and the Navy could not do a little supporting themselves rather than put the whole burden on the Treasury. They sell the planes. It is true that tests are made down there, but we do not need this much money to make tests.

Mr. COLLINS. We passed a law back in 1926 that very largely is responsible for placing most of the burden upon the Government.

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

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

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

Mr. COLLINS. Yes.

Mr. STAFFORD. One of the reasons for my favoring the merger of the Army and the Navy Departments was, as I stated on the floor, because there could be savings to a considerable extent in the air force.

Mr. COLLINS. Including experimentation?

Mr. STAFFORD. In all experimentation work. The Navy maintains a very large plant at South Philadelphia near League Island Navy Yard, and the Army maintains a very large experiment station at McCook Field at Dayton, Ohio.

The distinguished chairman of the Economy Committee points out the experimentation at Langley Field. The Marine Corps experimentation at Quantico and other instances might be stated. I would like to inquire whether the gentleman has any information as to just the amount of money that is being used by the War Department for these respective experimentations, where a saving could be had if there was consolidation.

Mr. COLLINS. I could not give the gentleman offhand the total amount carried in this bill for experimentation of various kinds. I will say that the only experimentation item eliminated by the committee had to do with experimentation on certain types of automobiles that we felt the trade could do better than the War Department.

Mr. STAFFORD. There is no question about that.

Mr. COLLINS. That is the only item of experimentation that was eliminated.

Mr. STAFFORD. Everyone knows that the automotive industry in Detroit has the most perfect plants for experimentation.

Mr. COLLINS. We carried all the other items of experimentation, and they run into very large sums.

Mr. STAFFORD. I would like to give one other reason why I advocated a merger of the departments, because I believed a saving could be made in the amount of \$100,000. What is the cost of the maintenance of the proving ground at Aberdeen? That is a large plant which was acquired during the war, many thousands of acres, to test our cannons, where they had a range of more than 30 miles.

Shortly afterwards, when the Navy Department found that the War Department had acquired this modern proving ground, they thought they must have a similar proving ground, and they secured an extensive tract of land on the Potomac for the same purpose, when the Army proving ground at Aberdeen could have been utilized, without any conflict of service at all—another instance justifying the superb recommendation of the distinguished chairman of the Committee on Appropriations. Has the gentleman any information about that?

Mr. COLLINS. It would be difficult to assemble information as to the total expenditure at the Army proving ground. We have no report that we can turn to, that would show the combined expenditures, like, for example, the annual report of the Paymaster General of the Navy.

Mr. STAFFORD. The gentleman's statement would imply that the Army has ancient and obsolete accounting methods, whereas the Navy has up-to-date accounting methods.

Mr. COLLINS. Well, I would not say that.

Mr. STAFFORD. But if direct inquiry were made of the responsible person in the War Department, that information could be obtained without question?

Mr. COLLINS. I should think so.

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

Mr. JAMES. Mr. Chairman, I rise in opposition to the amendment. I would like to call the attention of the chairman of the subcommittee to line 17, page 34. Last year the language carried was "and payment of their travel and necessary expenses as authorized by existing law."

Where is that found regarding the Air Corps this year?

Mr. COLLINS. The language is in the pooled appropriation for travel, or at least the money is there.

Mr. JAMES. What page?

Mr. COLLINS. We have passed that, I will say to the gentleman. The language to which the gentleman is referring will be found on page 14. We have passed the item.

Mr. JAMES. That is the reason it was left out regarding the Signal Corps and other branches also?

Mr. COLLINS. Yes. It is all in that one paragraph.

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

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I move to strike out the last word, to ask the gentleman in charge of the bill about one moss-covered item that appears on page 37, the last proviso. I remember the old controversy years ago, in regard to the Liberty motor, and I suppose that having been put into the bill at that time it is still necessary and will continue to the end of the chapter.

Mr. COLLINS. It was put in by the gentleman from New York [Mr. LA GUARDIA].

Mr. TILSON. And it is still necessary, is it, and if so, how long is it expected that it must be carried?

Mr. COLLINS. There are certain of those airplane engines still on hand.

Mr. TILSON. They must be in the junk shop.

Mr. COLLINS. No. On page 1002 of the hearings we find the total on hand, all types, 6,289. We had an opportunity to sell them to Soviet Russia, or a large part of them, and there was such a hue and cry raised against it that the Government would not sell them, with the result that we have them on hand now, practically of no value, instead of Soviet Russia.

Mr. GOSS. Will the gentleman yield?

Mr. TILSON. I yield.

Mr. GOSS. Why do we use those old motors in the Christie tanks?

Mr. TILSON. I suppose they are not so dangerous if they are used in a tank on the ground.

Mr. COLLINS. It is an excellent motor, I understand, but, of course, does not compare with aviation motors of recent design. It undoubtedly has been found to be adaptable for use in tanks.

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

Mr. HARDY. Mr. Chairman, I move to strike out the last line.

I have made some remarks on one or two occasions about the cost of printing. These are times when we ought to know something about the cost of things that we purchase before we purchase them.

I think it might interest this committee to know what it has cost to produce the hearings we have had on the War Department appropriation bill. I doubt whether there are three Members of the House of Representatives or men around the Capitol who know anything about what that book cost after it was produced or before, so I have asked the Public Printer to give me an estimate of what he has charged Congress for this particular book.

There are 1,522 pages in the books. They cost \$15,976. That does not include the cost for the reporting, and about \$1 a page should be added, as the reporting of the hearings cost from a dollar to a dollar and a half a page, so that these hearings which I hold in my hand cost \$17,500 plus.

Mr. McDUFFIE. Will the gentleman yield?

Mr. HARDY. I yield.

Mr. McDUFFIE. That applies to practically every committee in the House.

Mr. HARDY. Yes.

Mr. McDUFFIE. The cost of printing and binding, it seems to me, ought to have the attention of this House.

There is a legislative committee which has spent quite as much or more, at least as much as the sum mentioned by the gentleman from Colorado, already on hearings that have been held during this session, one committee. It seems to me there ought to be somebody who would supervise, we will say, that is a better word, or restrict the publication of hearings such as those.

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

Mr. HARDY. I yield.

Mr. SNELL. How many copies of this hearing were printed, altogether?

Mr. McDUFFIE. I can not tell the gentleman.

Mr. HARDY. I can tell the gentleman. Seven hundred copies were printed.

Mr. McDUFFIE. Seven hundred copies. It seems to me that is just twice as many as we need. At the end of each year the Public Printer has to throw away or sell for junk a quarter of a million dollars' worth of material like this.

Mr. BARBOUR. No; he does not sell material like this. The supply of Appropriation Committee hearings is exhausted each year.

Mr. Chairman, will the gentleman from Colorado yield to me for a minute?

Mr. HARDY. I yield.

Mr. BARBOUR. The activities of the War Department cover a very broad field; and if you go into them in any detail or with any care and have printed hearings, it is bound to take up quite a number of printed pages. While these hearings might be reduced in size, I do not think the gentleman will say, if he will look them over, there has been any very great extravagance, if there has been any, in the printed hearings.

Mr. BYRNS. Mr. Chairman, I wonder what the House would say if the subcommittee which spent weeks and months investigating the various phases of this subject had failed to print their hearings for the information of the House?

Mr. BARBOUR. Time and again the chairman of the subcommittee is asked questions by the Members who want

information, and he furnishes it out of the hearings. That is the official information.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. HILL of Alabama. Has not the complaint been rather that hearings have not been available to Members in sufficient time, that they have not been published quickly enough?

Mr. BARBOUR. I do not know about that.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield further?

Mr. HARDY. I yield.

Mr. HASTINGS. After the book is in type the additional number of copies do not cost very much.

Mr. HARDY. No; it is the number of pages that cost.

Mr. HASTINGS. So, to cut the number down from 700 to 350 would not result in much saving.

Mr. HARDY. No; not very much. The point I am directing attention to is what it costs to do things. I am not finding any fault with any particular pages in the hearing, although I would not be surprised if we could get out a very complete set of hearings with a less number of pages than are contained in this. I want to make note of the fact that it costs \$10 a page for the printing of these hearings, and, as the gentleman from Alabama, the chairman of the Economy Committee says, the legislative committees produce as many volumes as the Subcommittees on Appropriations. It costs so much a page, and the men who have charge of handling these hearings ought to consider a little whether it is going to be worth \$10 a page before they let a lot of stuff go into a hearing.

Mr. McDUFFIE. That is it exactly, and that is what I tried to say. I hope it will not be taken that I made this suggestion to the committee from any superiority of knowledge or judgment about what the committee should do. It was merely a suggestion on my part, and I hope the committee do not think I am in here to tell them how to run their own business. They ought to know it better than I do.

[Here the gavel fell.]

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

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY. Mr. Chairman, I have sat on committees and have noticed page after page of figures put in that I am quite sure very few people, if any, ever take the trouble to scan. A set of tables and figures costs \$21 a page, and when it is stretched out in long strings like this it may cost \$50 or \$60 a sheet.

Mr. GLOVER. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. GLOVER. I heartily agree with the gentleman. I do not think there is a greater abuse being carried on in this House than that which is carried on in that way. Very recently a matter came up before a committee of which I am a member, and was referred to me. I reported that to carry out the purposes of the bill would cost \$30,000 or \$50,000, and that after we got it it would be worth but very little. My suggestion is that this House ought to exercise some control over this, and it can do it. We should have a rule requiring that hearings may be held but not printed unless this House authorizes the printing of them. When you leave it to every committee, and everyone conducting hearings, you will have a cost of hundreds of thousands of dollars merely for printing.

Mr. SNELL. How much does the gentleman think it would cost to have the House take the time to authorize those things?

Mr. GLOVER. We could have a rule providing that the House should authorize the printing of hearings before any money was spent on printing. The House should have a rule requiring such authorization, and it can not be done in any other way.

Mr. SNELL. You would have to have an authorization from the committee itself, and that would take more time than it would to print the hearings.

Mr. GLOVER. Does the gentleman say this House is helpless and could maintain no control over a proposition of this kind?

Mr. HARDY. The chairman of committees could save a great deal of money if they would use a little bit of thought about what the cost will be.

Mr. GLOVER. I am suggesting a way whereby you can control that.

Mr. HARDY. Until recently they had no idea what it was costing, and I am trying to show how large the cost is.

Mr. BLANTON. Will the gentleman yield?

Mr. HARDY. Yes.

Mr. BLANTON. Unless the membership has access to the evidence that comes before our committees, so it can pass upon legislation based upon hearings, you would have legislation by committees instead of legislation by the Congress. I agree with my friend that this ought to be curtailed, and it is within the province, within the jurisdiction, and within the power of committee chairmen and chairmen of subcommittees to control it. I think they are doing their best now to control it. But we do not ever want to get to the point where we have to depend upon committees for information. Every Member of the House ought to have access to every hearing on every bill.

Mr. HARDY. Surely, within reasonable bounds. I might say that the revenue bill recently brought in here, the hearings cost \$11,558. The hearings on the tariff bill which the Senate and the House held a year or so ago, together with the bills that were printed, cost \$430,000. It might interest you to know about the cost of printing the bills which are introduced by Members. As you know, many times bills are introduced out of courtesy. A little 2-page bill—which the introducer knows will never get anywhere except back to his constituents—costs \$11.50 to print, and a 50-page bill about \$259, more than \$5 a page. I am not finding fault with any individual chairman. I am merely suggesting that those who have charge of this matter weigh what it will cost for printing before they order it done. If they would stop to give a little thought to it, a great deal of money could be saved. Last year the printed hearings for the Senate cost \$287,674.97, for the House, \$316,979.08, a total of \$604,654.05.

Mr. BLANTON. Will the gentleman yield further?

Mr. HARDY. Yes.

Mr. BLANTON. The gentleman is a member of the Appropriations Committee. He knows that his committee, under the guidance of our good friend from Tennessee [JOE BYRNS] has already cut appropriation bills \$161,000,000, and we are still cutting. Unless you have hearings to back up everything that that committee does and enable you to give the membership a good reason for doing it, you will find the membership coming in here and tearing the bill all to pieces and all of the savings will be cast to the winds. If the gentleman from Tennessee, with the help of my friend and other members of his committee, can save this Government \$161,000,000 on the supply bills, what is a little \$10,000 printing bill compared with that?

[Here the gavel fell.]

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

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY. What the gentleman from Texas says is only partially true. A great deal of the time of committees, both legislative and appropriation, is taken up in listening to people who want money appropriated and a great many of the pages of the hearings are taken up by arguments as to why more money should be appropriated.

Mr. BLANTON. My idea is to cut them right off at the cutting-off place.

[Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, in these particular hearings the only matter in them about which I was in doubt as to printing pertain to the housing of the Army. We

had authorized appropriations from time to time in the past involving a total expenditure of \$72,127,789 for the housing of the United States Army. This year's bill carries practically the last appropriation necessary to finish that program as authorized to date. The committee felt, even though it was entirely statistical and its cost would be heavier than the cost of ordinary reading matter, that Members of the House and the general public ought to have the information as to how and where the \$72,000,000 plus had been expended.

This policy would seem to be necessary if the Congress is to function properly. I will be candid and say I do not know of any place where the hearings on this bill could have been shortened in the development of the facts upon which the committee acted and upon which the House very largely must be guided. If the Congress does not care to have available to it the facts upon which the committee acts, then we should not publish the hearings. My own judgment is that the Members of this House ought to have all the facts before them in order that they properly may perform their duties upon the floor of this House as they are expected to by the people of this country. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last two lines.

Discussions of the kind we have had in the last few moments are all very interesting. They show a determination and an anxiety on the part of the membership of the House to respond to the country-wide demand for retrenchment of expenditures, but these little parings and cuts of appropriations of the character we have been discussing in the last few moments will not satisfy the people. The people want a permanent reduction in the expenditures of the Federal Government which can only be secured, in my opinion, by the elimination of many of the activities in which the Federal Government is now engaged.

We give \$250,000,000 a year to the States in direct appropriations of money to help them in activities which they are very loath to conduct without the assistance of the Federal Government. We give a further \$15,000,000 per annum for cooperation with the States in activities that the States ought to perform. We have an enormous Department of Agriculture which does not perform any work for any territory within the exclusive jurisdiction of the United States, but which is giving assistance to the States and Territories and possessions in work which those States and Territories and possessions should conduct themselves.

I made a detailed statement on this subject in the House on March 15 last.

We are conducting numerous enterprises through bureaus and commissions as well as Cabinet departments which are not governmental or Federal in character. They are not within the purposes for which the Federal Government was established. They are not within the purposes enumerated in the Federal Constitution for the operation of the Federal Government.

The appropriation bill now before us represents a genuine Federal enterprise. National defense is one of the things directly committed to the Congress, and there are some others; but I rise to say that we will not satisfy the great demand out among the people to-day for retrenchment by small cuts and little parings here and there. We are not going to accomplish what the people want until we take hold of the entire structure of the National Government, the entire operations of the Federal administration and begin to find the things that are not properly within the scope of the Federal Government, and begin to divorce the Federal Government from those operations and from those activities.

Of course, it looks as if this cost of printing is enormous. I do not know just how much we could save. I do know that the people in the country are sending requests to us constantly for documents and for other printed material. They want to know, and have a right to know, something about the activities of the Government and the purposes and manner in which their tax payments are expended. I have risen largely to express my own personal view that if we want to satisfy the demand in the country to-day, which is

coming to us at our desks every day in hundreds and thousands of letters and telegrams, we are not going to accomplish it by a reduction of a few million dollars here and there. The people want reduction by wholesale and we can not get this except by changing the entire structure of Federal operations, and limiting those operations to the things which, distinctly and directly, are connected with the Federal Government under the Constitution of the United States. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think we have all been interested in the endeavor here to-day to disseminate some knowledge among the people of what it costs the Government to have these hearings printed. A subject somewhat more germane to the War Department appropriation bill, however, are certain activities of the Seventy-first Congress which, in some particulars, are somewhat amusing to me in the face of the fact that we have been laboring here for the last four or five months trying to balance the Budget.

I quite agree with the gentleman from Colorado [Mr. HARDY] that much money could be saved in the printing of hearings, but I wonder have we taken into consideration that in the face of the fact that money has already been appropriated and spent on certain public works in certain Army posts, no moneys are now available for completing those projects.

I have in mind particularly the post in my district, Selfridge Field, where there is a piece of hard-surface road. Within the last year aprons and certain runways have been completed, ditches dug, sewers installed, grading has been done, and shoulders constructed, so that at the present time the old roadway is about 6 inches below the shoulders of the road. It is a constant menace to traffic, and it will only cost about \$25,000 to resurface the road and put it in good condition, and thereby save thousands of dollars which have been so far invested in building this road. Much of this work will have to be done over if the resurfacing is not done this summer.

In the face of that situation, we have no money available to complete it. I am told that an amendment to this bill providing funds for this project will not be in order. I read in the press of last evening that the Government, in the face of our activity to balance the Budget, is handing out directly to the State of Maryland—and I like Maryland, but I think I owe a duty to my country to maintain an adequate national defense—I find that the Federal Government is donating to the State of Maryland \$130,000 for the improvement of the Maryland valleys adjacent to the District line.

I ask you whether it is common sense to spend large sums of money for beautifying the city of Washington and the State of Maryland in preference to protecting our investment in Selfridge Field, which is a part of our national defense? It is somewhat ridiculous to talk about retrenchment, to talk about economy, to talk about balancing the Budget, in the face of the fact that this Government is making donations to projects which, you will admit, are not worthy of Federal aid at this particular time.

I believe we have changed our policy since the Seventy-first Congress. At that time you gentlemen who were here spent many million dollars for public works, based on the theory that that money would aid employment. You went to extremes in maintaining that policy which was presumed to be the result of sound reasoning, but at this session of Congress you have changed that policy and have gone to the other extreme of economy and retrenchment in governmental activities to the extent that your "economy complex" may result in irreparable injury to the Nation.

If we can afford to spend millions of dollars in beautifying the District of Columbia and adjacent territory, it seems to me that it is sound business to invest at least a like amount in maintaining our national defense units in proportion to our needs. It is just a question whether we will substitute airplanes and equipment necessary to an adequate air force for a few more flowers and shrubs in Rock Creek Park.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For manufacture, procurement, storage and issue, including research, planning, design, development, inspection, test, alteration, maintenance, repair, and handling of ordnance material together with the machinery, supplies, and services necessary thereto; for supplies and services in connection with the general work of the Ordnance Department, comprising police and office duties, rents, tolls, fuel, light, water, advertising, stationery, typewriting and computing machines, including their exchange, and furniture, tools, and instruments of service; to provide for training and other incidental expenses of the ordnance service; for instruction purposes, other than tuition; for maintenance, repair, and operation of motor-propelled and horse-drawn freight and passenger-carrying vehicles; for ammunition for military salutes at Government establishments, and institutions to which the issues of arms for salutes are authorized; for services, material, tools, and appliances for operation of the testing machines and chemical laboratory in connection therewith; for publications for libraries of the Ordnance Department, including the Ordnance office, including subscriptions to periodicals; for services of not more than four consulting engineers as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed \$50 per day for not exceeding 50 days each, \$9,805,734: *Provided*, That \$200,000 of this appropriation shall be available exclusively for the purchase of five convertible armored tanks.

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

The Clerk read as follows:

Page 43, line 9, strike out all after the figures "\$9,805,734," down to and including the word "tanks" in line 11.

Mr. ALLEN. Mr. Chairman, this proviso would require the expenditure of \$200,000 of this appropriation exclusively for the purchase of five convertible armored tanks. The War Department has not at this time concluded the tests of tanks of this description. It is doubtful as to whether the appropriation should be spent for tanks of this design. Furthermore, it requires the purchase of a private manufacturer, whereas such tanks, or those of another type more suitable for the service, could be more economically manufactured at the Government arsenal.

Major General Hof, Chief of Ordnance, furnished the following information:

The three Christie tanks have been at Fort Benning, Ga., prior to May 4, 1932, an average of 69 days each, during which time they have been out of service under repair an average of 21 days each.

The repair on these tanks during the period has cost an average of \$340.61 for new parts, and, in addition, an average of 387 man-hours of skilled repairmen.

They were, on May 7, all unserviceable for want of further repairs, the estimated cost of which is still undetermined.

I hope the chairman of the committee, Mr. COLLINS, will agree with me in this amendment and not insist on purchasing \$200,000 worth of tanks of a type that is not approved by the Ordnance Department. There is nothing in the hearings that indicates that anyone connected with the War Department is in favor of this particular make of tank. We have arsenals in this country to manufacture these armored tanks. They are making experiments, and there is no good reason that I can see why there should be included in this bill an item of \$200,000 to hand over to a company, without having before us evidence that that type of armored tank is superior to any that can be manufactured.

Mr. BARBOUR. The Chief of Staff says in the hearings that this tank the gentleman is referring to is the finest thing of its kind in the world.

Mr. ALLEN. Where did he say that?

Mr. BARBOUR. He made that statement before the committee.

Mr. ALLEN. Let me read from page 619 of the hearings what General Hof said.

Mr. BARBOUR. I am talking about the Chief of Staff.

Mr. ALLEN. I read from the hearings:

Mr. COLLINS. General, in that list I notice there is an item of \$200,000 for tanks. Will that be for the Christie tank?

General Hof. It will be for whatever tank the War Department decides is the proper thing to spend it for, of that type. We had been thinking of manufacturing them in the arsenal rather than buying them from Christie.

Mr. COLLINS. That will be left up to the War Department?

General Hof. Yes, sir. We have a car that we have made, which has gone to the proving ground this week.

That is all that I am asking for in this amendment.

Mr. STAFFORD. General Hof is the Chief of Ordnance?

Mr. ALLEN. Yes. This Government has its own arsenals, and they can make these tanks in the arsenals. It does not look right in these times to include in this bill an item of \$200,000 to hand over to a manufacturer, with evidence before us that the type of tank is not satisfactory to the War Department.

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

Mr. ALLEN. Yes.

Mr. JACOBSEN. I think the arsenals should be used for this work. Hundreds of millions of dollars are invested in this equipment and buildings, but that is the smallest part of it. In every one of the arsenals men are employed who are looking for work. Just now we are taking up in the different departments provision for relief work and it is proposed to spend \$500,000,000 for relief. Why not start in with these men and take care of their own families? These men that live and work in the arsenals are men of our own families.

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

Mr. CLAGUE. Mr. Chairman, I have an amendment which I send to the Clerk's desk, a perfecting amendment, which I ask to be read at this time, so that this can all be discussed at the same time.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment offered by Mr. CLAGUE: Page 43, line 11, strike out the words "purchase of five convertible armored tanks" and insert in lieu thereof "procurement of five armored tanks."

Mr. CLAGUE. Mr. Chairman, this spring seven armored tanks were purchased. These tanks have not as yet been given a thorough test. The Chief of Ordnance, General Hof, writes me, and in fact has told me, that during the past two weeks a test was made at Fort Benning, and three of those tanks have not been found satisfactory. His statement to me is, as follows:

Last week I was present at maneuvers at Fort Benning, where three of these tanks are located. All three were disabled before the two days' test was concluded, one before the test began, and one on each of the two succeeding days. The medium tank constructed for Ordnance Department operated without mishap and with distinction over the same terrain.

I have personally been greatly taken up with the Christie tanks. I have favored them. We have now, purchased by the department, seven of these tanks. They have not as yet been given a thorough test by the department. I realize that some of the Army officers have been very much opposed to the Christie tanks. I think undue opposition by them has been manifested. In order to be perfectly fair, to get an unbiased opinion, I called up General Fuqua, Chief of Infantry, who has charge at Fort Benning, and he tells me the tanks have not as yet been given a thorough test. He further stated that it would take at least two or three months, possibly until late this fall, before the tanks could be given a thorough test, and in his opinion it is unwise to have this provision as it is in the bill.

In other words, he thought it would be better, and he suggested that the bill be amended to provide that the \$200,000 could be used to "procure five armored tanks," and then the War Department would procure either by purchase or manufacture the best available tanks.

Mr. STAFFORD. Will the gentleman yield?

Mr. CLAGUE. I yield.

Mr. STAFFORD. I understood from the letter of General Hof and his personal statement to the gentleman that the Government-manufactured tank had proven satisfactory, whereas the Christie tanks had fallen down, each and every one?

Mr. CLAGUE. No.

Mr. STAFFORD. What was the reference to the Government-constructed tank?

Mr. CLAGUE. He states, "The medium tank constructed by the Ordnance Department operated without mishap and with distinction over the same terrain."

Mr. STAFFORD. Whereas the Christie tanks failed in the same test, each and every one?

Mr. CLAGUE. Well, he does not put it that way.

Mr. STAFFORD. Well, the facts are that they did.

Mr. BARBOUR. Oh, no; they did not.

Mr. STAFFORD. Well, what did the letter state?

Mr. BARBOUR. It says they passed all tests.

Mr. CLAGUE. I will read this letter again. The letter is written to me and is dated May 11, and reads as follows:

The Army appropriation bill, page 43, lines 10 and 11, provides that \$200,000 of the appropriation shall be available exclusively for the purchase of convertible armored tanks. This is intended to require the purchase from Mr. Christie of tanks of his design and construction.

Seven such tanks were procured from Mr. Christie this spring and are now undergoing service test.

Last week I was present at maneuvers at Fort Benning, where three of these tanks are located. All three were disabled before the 2-day test was concluded; 1 before the test began and 1 on each of the 2 succeeding days.

Mr. STAFFORD. Do you want any more than that?

Mr. CLAGUE (continuing reading):

The medium tank constructed by the Ordnance Department operated without mishap and with distinction over the same terrain.

The proviso of lines 10 and 11 should be eliminated and the War Department will then be authorized to procure by manufacture or purchase such tanks as it deems most acceptable.

As I stated, I called up General Fuqua, and he said that the Christie tanks have not yet been given a thorough test.

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

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

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CLAGUE. He feels that he does not know as yet whether the faults that were found were simply minor faults that could be easily corrected, or whether the tanks were actually defective, and he felt that owing to the fact that we have seven of those tanks it would be unwise to purchase any more at this time.

Mr. STAFFORD. Will the gentleman yield?

Mr. CLAGUE. I yield.

Mr. STAFFORD. As to this Government-constructed tank, how does that type compare, in a general way, with the Christie type?

Mr. CLAGUE. It is a different type of tank. As I stated a moment ago, personally I have strongly favored the Christie tank, if they could do the work. We have seven of them; they have not as yet been thoroughly tested, and I do not think it would be wise to spend \$200,000 more until we can give those tanks a further test.

Mr. STAFFORD. Is this the tank that went across the Hudson River some years ago?

Mr. CLAGUE. I do not know.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. CLAGUE. I yield.

Mr. LaGUARDIA. The purpose of the amendment offered by the gentleman is simply to try out the seven; and if they are all right, next year we can buy more. Meantime not buy any. Is that it?

Mr. CLAGUE. Yes.

Mr. BARBOUR. And meantime Christie will be out of business.

Mr. CLAGUE. I am leaving it to the War Department.

Mr. GOSS. Will the gentleman yield?

Mr. CLAGUE. I yield.

Mr. GOSS. In the gentleman's amendment, he has stricken out that language "convertible," has he not?

Mr. CLAGUE. Yes.

Mr. GOSS. And the only convertible tank made is the Christie tank. Is that not true?

Mr. CLAGUE. That I do not know.

Mr. GOSS. The only convertible tank made is the one made by Christie.

Mr. BARBOUR. That is the only one I know of.

Mr. GOSS. So that the gentleman's amendment would allow the War Department to procure five armored tanks?

Mr. CLAGUE. Yes, sir.

Mr. GOSS. And not force them to purchase five convertible armored tanks?

Mr. CLAGUE. That is correct.

Mr. GOSS. So that during the period between now and the time the next appropriation bill is considered, they could not purchase any convertible tanks. I understand from the hearings on pages 619, 630, and 666, which I have before me, that the Ordnance Department has approved four of these tanks at Aberdeen and sent them on to Benning to the Infantry. Now, those have been secured on the pronounced O. K. from the ordnance standpoint at Aberdeen, but they have broken down in the practical running of them in Infantry work. I would state further, as I understand it, that they already have paid out of Government funds some \$82,000 for the plans and drawings of these tanks which we own. Is that correct?

Mr. ALLEN. That is correct.

Mr. GOSS. So that if the Ordnance Department or the War Department decided they wanted to make some that were not convertible or were convertible, or whatever they wanted, then this appropriation would be available for the best thought in the War Department?

Mr. CLAGUE. The War Department could make their armored tanks or convertible tanks, whichever they saw fit.

Mr. DALLINGER. Will the gentleman yield?

Mr. CLAGUE. I yield.

Mr. DALLINGER. If the gentleman's amendment prevails and the Government finds it to the best interest to have tanks made in the arsenals, they can do so?

Mr. CLAGUE. They can make convertibles if they wish to after a thorough test and they are found satisfactory.

Mr. DALLINGER. That is, under the gentleman's amendment?

Mr. CLAGUE. Yes. Under my amendment.

Mr. COLLINS. Mr. Chairman, I believe it is the duty of the members of this committee to give the House all the facts in their possession so that the House may know exactly the basis for the committee's action.

In the first place this language merely provides that \$200,000 of this appropriation shall be available exclusively for the purchase of five convertible armored tanks. It does not preclude the use of other moneys for the manufacture of tanks, although we assume that the department will abide by the project estimates.

The Ordnance Department has a tank more or less copied from the Christie tank. Christie has invented a tank that the Infantry branch of the Army says is perfect. The Ordnance branch does not seem to like the tank. The Tank Corps of the Infantry is using this tank and is delighted with it. We find the Ordnance branch opposed to it. We had extensive hearings on the question last year. Some of the best tank men of the country came forward and told us it was a perfect tank and the greatest invention of its kind in existence. This year our hearings were not as complete as they were last year, but we did inquire about the tanks. Mr. Wright asked General Fuqua:

What is your estimate of that tank? What do you think about it?

General Fuqua, Chief of Infantry, replied:

My estimate is that it is the best tank produced to-day. It is the best in the world to-day.

Mr. GOSS. Will the gentleman be fair?

Mr. COLLINS. I am fair. I am always fair, I will say to the gentleman from Connecticut. I have read him the exact language.

Mr. GOSS. Continue where it says, "However, it is shown."

Mr. COLLINS. I will ask the gentleman to read it in his own time and not mine. I have read the House the exact language. It is to be found at page 666 of the hearings exactly as I read.

Mr. GOSS. Part of it.

Mr. COLLINS. Furthermore, Mr. Wright said:

There is no other tank comparable to that tank in point of speed, is there?

General Fuqua. No, sir; not that I know of.

The testimony is that it makes 60 to 70 miles an hour on ordinary roads and from 35 to 40 miles per hour through woods and on its tracks.

Now, I do not know whether it is a good tank or a bad tank. I know the infantry says it is an excellent tank and the best in the world. I am willing to accept the kind of tank the using branch thinks is best. It seems to me the people who are going to use it in event of war ought to be the ones to decide what sort of instrument they should have. That is what actuated me and what actuated the other members of the committee in proposing this language.

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

Mr. COLLINS. I yield.

Mr. WRIGHT. Is it not true that in the hearings last year the Chief of the Tank Corps and the boys who actually use the tanks came before our committee and said this is the kind they want? In other words, they let us know that if they were going to be killed, they thought they should have something to say about selecting the instrumentality that killed them.

[Here the gavel fell.]

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

The CHAIRMAN. Is there objection?

There was no objection.

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

Mr. COLLINS. I yield.

Mr. CLAGUE. The chairman mentioned General Fuqua. Before consenting to offer this amendment, I talked personally with General Fuqua over the phone regarding it. He stated to me to-day he thought it would be unwise to have this provision in the bill; that these tanks had not worked out satisfactorily up to this time. He said he did not know but what they could be made satisfactory, but he could not say as to that.

Mr. COLLINS. I talked to General Fuqua myself to-day.

Mr. CLAGUE. General Fuqua recommended an amendment along the lines I have suggested.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I offer an amendment to strike out the proviso from line 9 down to and including line 11.

The CHAIRMAN. That amendment is pending.

Mr. GOSS. I do not understand so. The gentleman did not strike out the \$200,000 in his amendment.

The CHAIRMAN. The gentleman from Illinois has an amendment pending to the same effect.

Mr. GOSS. Then, Mr. Chairman, I ask recognition.

Mr. Chairman, when I interrupted the gentleman from Mississippi [Mr. COLLINS] a few minutes ago—

Mr. COLLINS. Mr. Chairman, I do not want to take the gentleman off his feet; but if the gentleman will permit, I move that all debate on this paragraph and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. GOSS. Mr. Chairman, when I interrupted the gentleman from Mississippi [Mr. COLLINS] in his reading of the information from General Fuqua I desired to call attention to the following language which he neglected to read:

However, it has shown indications of overheating, which trouble has now been corrected.

I am reading from page 666 of the hearings.

It seems that the radiator and the cooling apparatus were not sufficient to take care of the heat of the engine, caused by the increased power and speed. Now a larger radiator has been built, and the water flowing through it has been doubled—

And so on. That was some of his complaint. On page 630 of the hearings you will find that General Hof had this to say:

Well, we had some little trouble in getting those. I am hopeful. I have a little history of that situation here. Four tanks have been delivered under dates of October 9, October 10, December 8, and December 18, and we have accepted two of them,

and we have paid 75 per cent on four of them. The drawings have all been delivered, and the spare parts have not yet been delivered. The balance of the 25 per cent, which is due on the two tanks accepted, can not be paid until the spare parts are all delivered and accepted. Acceptance tests of two other tanks are now under way at Aberdeen.

Then, further, on page 631, the gentleman from Minnesota [Mr. CLAGUE] asked General Hof in reference to these repairs which were necessary to the wheels during the test, and General Hof said:

Oh, it had to be sent back to the factory to replace the wheel, unless you have a spare wheel.

They had to send the whole tank back to the factory.

It is a hard-rubber-tired wheel. It has got to be re-tired.

I submit to the committee that inasmuch as we are restricting all appropriations for tanks this year to the extent of \$200,000 and we are requiring that these be purchased from one manufacturer, we might as well name that manufacturer in the bill, and that manufacturer is Mr. Christie.

I have nothing against the Christie tank, but I say let us pause, look around, and see where this is leading us. We certainly used tanks before we bought these Christie tanks. All I am saying is why not have this money available for the purchase of armored tanks, and if these Christie tanks make good during their trial, as far as I am concerned, let us have them. We want the best, and that is all we are after.

Mr. GILBERT. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. GILBERT. The adoption of the amendment does not prevent the purchase of the Christie tank?

Mr. GOSS. Oh, yes. If the amendment is adopted it strikes out the word "convertible" and that will allow other tanks to be used until and unless we found the Christie to be the best available.

Mr. GILBERT. As I understood the gentleman from Illinois, they could use Christie tanks. Is that correct?

Mr. GOSS. Yes, they could; but it does not absolutely say to the War Department that they must buy the Christie tanks until they have had further experimentation.

Mr. GILBERT. Why should this Congress, with its limited knowledge, preclude that?

Mr. GOSS. I do not know, but the bill does preclude it, and that is why we have offered an amendment to try to straighten it out. I hope the committee will adopt the amendment. I can not understand why the gentleman from Mississippi should object to the amendment.

Mr. ALLGOOD. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. ALLGOOD. Is there anything in the hearings to show that tanks are available which will not overheat when running at 60 or 70 miles an hour?

Mr. GOSS. No.

Mr. ALLGOOD. Are there any other tanks available to the department?

Mr. GOSS. Other tanks are available to the War Department. There are many other brands of tanks that have been used successfully.

Mr. TABER. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. TABER. The War Department now has a tank of its own which is working well.

Mr. GOSS. I understand so.

[Here the gavel fell.]

Mr. LA GUARDIA. Mr. Chairman, this provision in the bill contains a principle that is more far-reaching and more important than the tanks themselves. When it comes to ordnance and implements of war I believe Congress has adopted the policy that they should be manufactured in Government arsenals. The purpose is emphasized in what the gentleman from California, unwittingly, perhaps—

Mr. BARBOUR. No.

Mr. LA GUARDIA. Stated when he said that if we do not appropriate, then Christie will be out of business. That is the viciousness of the private manufacture of implements of war. In other words, appropriations must be made and

public funds spent to keep manufacturers in business. That is why, as I understand it, Congress has adopted the policy that implements of war, cannon, tanks, and machine guns should be manufactured in Government arsenals, in keeping with the desire of the American people to take the profits out of war. When it comes to clothing, food, and commercial commodities, then I am strong for going into the market and buying them at competitive bidding. There is a sharp line of demarcation between munitions and armaments on one side and clothing, materials, and food on the other.

Under the Clague amendment you are not precluded from buying these tanks if they turn out to be all right; but when you take a complicated machine like a tank or an airplane that is new, it takes a long time to get what we call the "bugs" out of them. Why should we, during the period we are experimenting with the seven tanks we now have and getting the bugs out of them, encourage or direct by the wording of the provision now in the bill the buying of five more. It seems to me this would be most improvident and unwise.

Under the Clague amendment the Tank Corps can either buy five more or if they feel the Christie tank is all right they may buy that tank, but I say if the Christie tank or any other tank is successful—and, mark you, a tank can be used only for military purposes—if it is successful, then the Government ought to buy the patent, make the necessary arrangements and build them in the arsenals in order not to be placed in a position where we have to appropriate money or look for a war in order to keep a factory going.

Mr. GOSS. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. GOSS. Does the gentleman know that we have bought these plans and the right to make the Christie tanks in our arsenals at a cost of some \$82,000?

Mr. LA GUARDIA. We have that right now?

Mr. GOSS. Yes.

Mr. LA GUARDIA. Then the point is even stronger.

Mr. BARBOUR. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. BARBOUR. My understanding is they have not purchased the plans. Mr. Christie says they have not, although someone connected with the War Department says they have.

Mr. TABER. General Hof, the Chief of Ordnance, told me they had.

Mr. GOSS. That is where I got my information.

Mr. LA GUARDIA. As I understand, under the law we could do that upon payment of a reasonable amount.

Mr. STAFFORD. In time of war?

Mr. LA GUARDIA. In time of war; yes. In the meantime arrangements can be made to meet the situation; but the point now before the House is more important, as I have said, than the matter of the tanks. The Clague amendment will carry out the policy we have adopted since the war, while accepting the provision in the bill will change that policy and reestablish a policy which I believe has been a curse to peace in many countries, and that is to keep factories going for the purpose of manufacturing implements of war and in order to do this to look for a war in order to bring business to such factories.

I am going to support the Clague amendment.

Mr. BARBOUR. Mr. Chairman, it is difficult to give the House a picture of this situation in five minutes. Briefly, this is the history of it:

Two years ago General Williams, then Chief of Ordnance, came before our subcommittee and asked us to provide a certain amount of money for the purchase of Christie tanks. General Williams said that he believed we should purchase four or five of these tanks in order to give them a proper service test. He said it was the most promising thing in the way of a tank he had ever seen. We provided the money in the bill to buy several of these tanks, and they bought one. Instead of buying four or five, as General Williams recommended, the War Department purchased one. Then the next year we put \$200,000 in the bill again for the

purchase of Christie tanks. Everybody connected with the Tank Corps said it was the most marvelous thing that had ever been developed. When they only bought one the first year, when we had provided money for five or six, Mr. Christie had to have funds; and he sold two chassis for this marvelous tank to Soviet Russia, because our War Department would not buy them when the money had been furnished by the Congress. The next year we put that \$200,000 item in again, and then we were told that they were only going to buy one.

Now, right or wrong—and I think it is wrong—a certain amount of feeling has grown up in the War Department about this matter. The Chief of Ordnance, for whom I have the highest regard, in all of his testimony before our committee has shown himself as not favorable to the Christie tank.

We brought into our hearings last year from Fort Meade the men who operate these tanks, the men who commanded our Tank Corps and operated tanks in the World War, and the men who are working on mechanization; and every one of these men testified before our committee that this tank is so far superior to everything else in the tank line that there is absolutely no comparison.

General MacArthur, Chief of Staff, when he was before our committee this year, was asked at page 12 of the hearings:

MR. BARBOUR. You just mentioned tanks, General. What have you to say about the Christie tanks?

General MacArthur. The Christie tank finally passed all the tests and we have ordered seven. My opinion is that that is the best tank that has ever been developed.

And later on he said:

It is the best tank yet developed, in my opinion.

What I fear now is this. If we change this language the Christie tanks will not be purchased but something else will be secured. He is the inventor of this tank. He has produced something that no other country in the world has been able in any way to approach. It is a marvelous thing, according to what the officers of our Tank Corps tell us, and for one I want to act upon the recommendations of the men who operate these tanks instead of the Ordnance Bureau here in Washington.

Now, one may be right and the other wrong; I do not know; but as between the two, I believe the weight of the testimony is with the men in the Tank Corps who have to operate them. This is why I want to see this money spent for the Christie tank, which the Chief of Staff and other experts say is the best thing in the tank line that has been developed anywhere in the world.

I do not care what language you use so long as we secure this tank, which, according to experts, is the best of its kind that has been developed anywhere.

If you leave it to the Ordnance Department, you may not get the Christie tanks. Mr. Christie owns a small factory up in New Jersey. It is no great industrial concern; he is an inventor and has a small plant there. He is entitled to some consideration for this remarkable invention that he wants this country to have. He had to sell two tanks to the Soviet Russian Government, simply because the War Department would not spend for these tanks the money that Congress appropriated.

MR. ALLEN. Now, the gentleman has presented the Christie side of it.

MR. BARBOUR. I have shown, too, that some in the War Department are not favorable to the Christie tanks, but the men who are best qualified—the men of the Tank Corps—want the Christie tanks.

[Here the gavel fell.]

MR. ALLEN. Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the amendment of the gentleman from Illinois will be withdrawn.

There was no objection.

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

The question was taken; and on a division (demanded by Mr. COLLINS) there were 22 ayes and 33 noes.

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So the amendment was rejected.

MR. DALLINGER. Mr. Chairman, I renew the amendment that was offered by the gentleman from Illinois [Mr. ALLEN].

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment proposed by Mr. DALLINGER: Page 43, line 9, strike out all after the figures "\$9,805,724," down to and including the word "tanks," in line 11.

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

The question was taken; and on a division (demanded by Mr. DALLINGER) there were 15 ayes and 23 noes.

So the amendment was rejected.

MR. SABATH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 43, strike out all after the word "than," in line 6, and down to and including the word "each," on line 9.

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

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For operating, repair, and preservation of Rock Island bridges and viaduct and maintenance and repair of the arsenal street connecting the bridges, \$47,000.

MR. SABATH. Mr. Chairman, I move to strike out the last word. The amendment that I just offered proposed to strike out of the appropriation for four consulting engineers which the Secretary of War is given the right to employ at \$50 a day. I should like to know from the chairman of the committee why it is necessary to engage outside engineers at the rate of \$50 per day, when we spend millions and millions of dollars to educate engineers in our Military and Naval Academies and have them by the hundreds in the department? Does this mean that the engineers that we have educated are useless or incapable of performing their duties or of advising the department on these important works? I see that the chairman does not see fit to answer, and I presume he can not answer. I know it would be very hard for him to make an explanation.

MR. COLLINS. I have a very good explanation. I do not think the money has been used in recent years. This is language that has been carried in the bill from year to year.

MR. SABATH. Should it not be stricken out? I can not understand why we should appropriate that amount of money, especially in view of the fact that the country demands that we balance the Budget and that we do something to alleviate the pathetic conditions among the people. This afternoon I received a letter from the county commissioner of Cook County, Ill., who has charge of public welfare, stating that it is absolutely necessary that some relief be forthcoming in the near future or otherwise 100,000 families in the Chicago area will be deprived of the aid which has been given to them by Cook County.

The county has already appropriated \$20,000,000, but unfortunately it was obliged to issue bonds, many of which can not be sold due to existing conditions. What is true of Cook County and of Chicago is true in every section of our country. Gentlemen, it appears to me that you do not care or you are totally oblivious to the needs of the people or you do not know what is transpiring in this country. I say in all seriousness that we should give heed and consideration to these conditions and we should not squander money under the pretense of national defense and fail to recognize the needs of millions of unemployed and starving people.

I ask unanimous consent to insert this letter, which is not a political letter, and at the same time to insert a letter that I wrote to the members of the Committee on Banking and Currency, asking their consideration of a proposition to aid the States and the municipalities, so that they could proceed to feed their hungry and starving people. I made every effort to secure a hearing from that committee but was unsuccessful. I got in touch with the members of the com-

mittee and secured their consent that a hearing might be given me. In desperation I wrote to all of the Members on the 22d of February. I received an answer from only five members of the committee. In the press yesterday it was reported that the President was coming out with a great plan to relieve the States and municipalities. Without any attempt at self-eulogy, it is obvious that he is again stealing my thunder, as he has done on several occasions before, particularly in regard to the Reconstruction Finance Corporation and the Federal reserve amendment.

Here I have been advocating the proposition for three months or more and have not received any consideration whatever. O tempora! O mores! pro pudor!

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD and to print the two letters referred to by him. Is there objection?

There was no objection.

The letters are as follows:

MAY 12, 1932.

Congressman A. J. SABATH,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: As chairman of the bureau of public welfare committee of the county board, I have a certain responsibility for the relief work of Cook County.

At present the financing is derived from a \$20,000,000 bond issue authorized by the State legislature. Twelve million five hundred thousand dollars of this money was raised through tax-anticipation warrants sold to the citizens. This \$12,500,000 is exhausted. There remains to be sold \$6,000,000 additional tax-anticipation warrants. It is very problematical whether the citizens of Chicago will buy these warrants. If these warrants are bought, therefore, \$18,500,000 total will be realized from the bond issue. The fund will be exhausted by July 15, at which time the relief work of Cook County, supporting more than 100,000 families, totaling approximately 500,000 people, will stop.

The discontinuing of relief in Cook County is unthinkable. As I see it, Federal relief will be urgently needed both for the purchasing of the tax-anticipation warrants at the present time and for the financing of the program after July 15.

Will you not give consideration to the Federal relief bills now pending in Congress and endeavor to secure aid for Illinois?

Very truly yours,

AMELIA SEARS,
County Commissioner.

FEBRUARY 22, 1932.

DEAR COLLEAGUE: Having advocated early in 1930 the finance corporation plan and the enlargement of the power of the Federal Reserve Board, you will concede that I was not far afield in advancing remedies for the present economic crisis. I was, however, hopeful that either or both of these bills, now enacted into law, would make possible relief to some of our municipalities.

In the Reconstruction Finance Corporation we made it possible to extend relief to railroads, banks, and others. I assure you it will be much more beneficial to accord some relief to the municipalities, as any loans made to them will be repaid, so there will be no danger of the Government losing any money. By extending the relief I recommend it will be possible for many of these large cities to go on, otherwise there is a danger that they will be compelled to close their schools, discharge policemen and firemen, and restrict most of their activities. You can readily surmise what an effect it will have. By extending to them the privileges accorded to the railroads we will not only enable them to go on but make it possible for them to proceed with delayed and needed improvements, which will result in the reemployment of thousands of men now out of work and in distress.

We must not take for granted all that Secretary Mills and a few of the large bankers say. We must consider the existing conditions. Large financiers are fearful of inflation, which they believe will affect their securities and investments. If ever there was a need for inflation, this is the time. But why call it inflation? Do not the financial interests advance billions of dollars to foreign nations? Did not the call loans for speculative purposes in 1929 reach the fabulous total of \$8,500,000,000, which to-day have been reduced to about \$500,000,000?

Therefore, there is no danger of inflation if, in addition to the Reconstruction Finance Corporation act, we make possible, or under this act permit, loans to municipalities to the amount of \$200,000,000. Remember the old adage, "A stitch in time saves nine."

Conditions in the large cities are alarming and, I repeat, something must be done or no one can foretell what may transpire. Please do not feel, therefore, that I am asking too much if I ask that a few mayors—for example, Mayor Walker, of New York; Mayor Cermak, of Chicago; Mayor Curley, of Boston; and Mayor Murphy, of Detroit—be given the opportunity to present their causes to your committee. They represent over 12,000,000 American people and cities that pay into the United States Treasury more than 70 per cent of our revenue. Therefore, I feel we can not in all justice ignore hearing them.

I have taken up this matter with the chairman, who has requested me to take up this question with you also and secure your consent for such hearings, which, I assure you, will not take up more than two and a half days. I did wish to see you personally, but due to illness in my family was obliged to leave. I will appreciate an early and favorable reply to my request.

Sincerely yours,

A. J. SABATH.

The Clerk read down to and including line 15, page 47.

Mr. COLLINS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. RAINY having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, 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. 11897 and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CONNERY, indefinitely, on account of illness in his family.

CONSENT DAY

Mr. WRIGHT. Mr. Speaker, is it in order to dispense with consent day on Monday next in order to go on with the consideration of the Army appropriation bill?

The SPEAKER pro tempore. It can be dispensed with by unanimous consent.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that consent day be dispensed with on Monday next, and that it follow the disposition of this bill.

Mr. LA GUARDIA. Mr. Speaker, I object, because we never have yet dispensed with it.

CHILDREN FIRST

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered over the radio by Hon. William E. McEwen, of the Department of Conservation Commission of the State of Minnesota.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Hon. William E. McEwen, delivered over the radio on May 12, 1932, on the subject Children First.

Mr. McEwen is chairman of the Department of Conservation Commission of the State of Minnesota. He is publisher of the Labor World, of Duluth, Minn., and was labor commissioner of the State under Gov. John A. Johnson. The address is as follows:

I come to you to-day to plead for the right of every child in America—the child of the poor and the child of the rich—to that security and protection which can only be given to him with a decent family income.

We are passing through a tragic era. It is a time that tests the mettle in human souls. Hunger and want abound everywhere. Millions of willing workers are idle and they know not where to turn to seek food, clothing, and shelter for themselves and their children. Millions of farmers can not find purchasers of their products at decent prices. Their farms are heavily mortgaged and thousands of them are being foreclosed. Business men are burdened under heavy loads of debt and expense, from which they can not escape unless they quit entirely and find refuge in bankruptcy courts. Bankers are taking heavy losses. Many of them, unable to weather the storm, go down in ruin. Capitalists and investors are losing interest and dividends on their investments. Doctors, dentists, and lawyers may have plenty to do, but their patients and clients can not pay for the services they receive.

This is a trying time. Heavy are our cares, disturbing are our troubles, and burdensome our obligations. These personal worries lead and tempt us to center too much thought upon ourselves, and while struggling for our own security we unconsciously lose our social complex.

This is evident when we note the present hysterical demand for eliminating or curtailing certain important school activities and subjects, and reducing the salaries of teachers and other public employees, just to save ourselves a few dollars in taxes without regard to their effect on education, on family life, and on living standards.

The boys and girls of this depression are to be the men and women upon whom the Nation must rely in the next generation to direct her course from the backwash of these troubled times. Here we have the obligation of training and equipping the citi-

zens of to-morrow to lead our country and its institutions over the treacherous shoals of political and economic disorder.

Shall we remain so blinded to our own temporary individual misfortunes that we fail to see and recognize the importance of preparing the children of this depression for the responsibility that will be theirs to take leadership and give direction to the destiny of the civilization, and all that goes with it, good and bad, that we shall pass on to them? This must not happen.

And yet this will happen unless a new social consciousness is aroused within us. The men and women who think only in terms of money, and tax saving and wage slashing, must not be permitted to have all their own way at the expense of the innocent boys and girls of this depression. If they do have their way now the Nation some day will be required to pay for it in one way or another, in illiteracy, poverty, disease, and crime.

The home is the first unit of society. It is the basic institution of our social order. It is the foundation on which the whole structure of society rests. From it radiates the spiritual and moral values that go to make up the human worth of our Nation. That which weakens the home saps at the vital force of society as a whole. The Nation's strength rests entirely on the security of the home.

The home is sustained by the income of the family's breadwinner. In a social order where justice prevails the income earned by the father will be sufficient to enable him to support his family in keeping with what we have come to call the American standard. What is that standard? It is this:

The home is comfortable, clean, sanitary, and wholesome. The food is nutritious, strength-building, health-giving, relishable, and quite diversified. The clothing is neat, appropriate for the varying weather, and sufficient to give decent style and comfort. The furnishings are such as to make the home more inviting to the children than anywhere else. In it will be found music, here and there works of art, a good library, wholesome magazines and other good reading matter, a radio set, and electric appliances to make home keeping and home making easier for the mother.

This is the kind of home every American father aspires to have and support. It can only be had by honest and willing workingmen when they receive good wages. They can not maintain such a home on low wages. When this home is kept up by good wages it means the family must buy more goods and more food than when wages are low. If all men and women who work for wages had been paid sufficient to support such an American home, in all probability we would not have the business depression from which we to-day suffer.

Now, what happens when wages are reduced and the income of the father is not sufficient to maintain accustomed standards in the home? When there are several children in the family, the oldest of them are forced to leave school and go to work to earn money to help make up for the loss the father has suffered through reduced wages. In a great many cases even the mother has been forced to leave home during the day and seek work in the homes of well-to-do people, to earn money in order that the family standard shall not be lowered.

Following the World War, when prices kept soaring and wages, which were supposed to have been high, were reduced, there was an unprecedented increase in the employment of children in the factories and shops of most every State in the Union. The fathers, with their lower incomes, were unable to maintain for their families their accustomed standard of living, and were compelled against their will, but by sheer necessity, to take their children out of school and find jobs for them, or have them seek jobs for themselves.

Students of crime and family life generally agree that the alarming increase in crime among the youth of America during the past 12-year period is directly traceable to the lowering of home and living standards caused by the decline of family income. Since the depression there has been a still more marked increase in crime among the youth. This presents a serious situation that is a challenge to every man and woman concerned in the welfare and security of our Nation.

To save themselves a few immediate dollars in taxes there are well-meaning but short-sighted people who would add to the present critical youth peril by eliminating or curtailing school activities that have served in the past to give direction to the young lives of boys and girls at their play. They would do away with all recreational activities now carried on by the schools and drive boys and girls from well-directed playgrounds to the public streets and out-of-the-way places. They would have the old boy gang resurrected, with the gang leader and the evils that come in the wake of such untrained leadership, luring the boys to ways that are wayward. They would do this to save a few paltry tax dollars. They must not have their way.

It is time to invoke during this depression the unwritten law of the sea. In the face of danger and disaster on a sinking ship no man is permitted to save himself at the expense of the life of a child. Children come first on sinking ships. Children should come first in the consideration of every free government worthy of the name. The race can save itself—can lift itself higher—only as children are lifted up. In this critical period of depression, with its extreme want on one side and its extreme fortunes on the other, its innocent child victims have already suffered enough in their homes without being called on to have all their future blighted through the mad desire of selfish and visionless men and groups to be relieved of paying a few measly tax dollars into the school funds because of their temporary embarrassment.

This assault on the public schools and on the incomes of the masses of the people is a double blow to the children. To the

men and women of to-day the problems of life are perplexing. What shall they be for the children when they grow up—for your children and mine? Fathers now out of employment are unable to provide for their families sufficient food to keep their young bodies strong and immune from the attacks of disease. It takes income to do this. The fathers are without incomes. When in America there is cultivated and developed the right sort of social consciousness, the relation between wages and child health, education and child welfare will be better understood.

And because we do not fully recognize this relationship many of us still cling to the old concept that the income of the wage earners should be based on the cost of food and other necessities of life. Recent reductions in prices have prompted many employers to reduce wages. They are now asking our local, school, county, State, and National governments to reduce the wages and salaries of their employees, which will give low-wage employers an additional excuse to still further reduce wages of their own employees.

All this is unsocial and uneconomic, and falls most heavily on the children. It means that they must give up many things their parents had planned for their cultural development. Young girls must go without their music. Many of them must find jobs clerking in stores for meager wages. Boys are required to give up many of their youth activities, which served so admirably in the development and building of character. What a price the wage cutters are exacting from the children!

With the improvement of machinery and the simplification of work processes low-wage employers have always sought to draw children from the home and school to their factories. They have wanted cheap labor without regard to its social costs. It was because of this practice that State legislatures have enacted laws making it unlawful to employ boys and girls under 16 years of age. These laws they have tried to weaken in their avid desire to exploit childhood for gain. In many of the Southern States the child labor laws are not applicable to children over 12 years of age.

Better than a child labor law is a decent income for fathers. No real parent will take his child from school, rob him of the opportunity to be trained and equipped for a useful and profitable life, and force him to early gainful labor, unless he is compelled by his own inability to earn sufficient money to support his family.

Back of every social and economic problem with which we are called on to deal is the question of low wages and low incomes, which first affects and weakens the home, then strikes at the school, and in rapid order hits business through a decline in buying power, starts an underconsumption of the products of farm and factory, curtails transportation, brings a decline in bank deposits, and finally is felt by the Government through the business depression and unemployment it causes. In simple language this is the sad story of to-day.

How the bankers who are leading the crusade against wages and salaries, and their supporters spread everywhere throughout the land, expect to pull our country out of the present depression surpasses understanding. Even if every industry began operating to-morrow morning with 100 per cent production there still would remain from two to three million unemployed workers in the land, with their children under the same handicaps as are all the other children whose fathers are now idle.

We are concerned about these children. America has an interest in them. How they are treated to-day, how they may be trained, their home environment, their attitude toward life and their country—all will have a tremendous influence on the national character 10 and 20 years hence.

Will these children, when they reach their majority, become loyal and patriotic citizens? Will they hold respect for our free government and its institutions? Will they revere the Constitution and uphold the majesty of the law? To what extent and in what degree will they contribute to the high citizenship expected of them? Will they have the capacity to act intelligently as voters? How will they be equipped to face the struggle of life and assist in solving the problems of government and the people?

Consider seriously these questions in the light of our present experiences, with crime highly organized, inviting new recruits to the underworld with its alluring promise of easy but hazardous gain, and with racketeering almost as general as legitimate business, the outlaws and racketeers holding human life as cheaply as fodder in a cornfield, and we may have a picture of our country 10 years hence. Good friends, can you not see that this wage, home, and child problem overshadows all other domestic and world problems? War debts may remain unpaid. The damage that made them necessary has been done. The soldiers may go without their bonus, except the sick and the maimed and the halt. The National Budget may go unbalanced, yet the Nation will still survive. But we can not return to the pathway of progress, happiness, and enduring prosperity unless and until the great millions of wealth-producing men and women are again steadily employed, earning American wages, supporting American homes, upholding American standards, and sending their children to school to become fitted for private and public duty. This is fundamental.

Raise the wage standards of the fathers and out the children will come from the factories and mills, from the shops and stores, and back they will go to the schoolrooms and the playgrounds, back to the sunshine and care-free happiness of childhood, of which countless millions have been robbed through man's greed and avarice. Mrs. Browning, in her immortal poem, gives us the picture of the children at work and sings a prayer

for the day that will make childhood free. Let me conclude by reading from it a verse or two:

"Do ye hear the children weeping, O my brothers,
Ere the sorrow comes with years?
They are leaning their young heads against their mothers,
And that can not stop their tears.—
The young lambs are bleating in the meadows,
The young birds are chirping in the nest,
The young fawns are playing with the shadows,
The young flowers are blowing toward the west—
But the young, young children, O my brothers,
They are weeping bitterly!
They are weeping in the playtime of the others,
In the country of the free.

"They look up with their pale and sunken faces,
And their look is dread to see;
For they mind you of their angels in high places,
With eyes turned on Deity.
'How long,' they say, 'how long, O cruel Nation,
Will you stand, to move the world on a child's heart,
Stifle down with a muffled heel its palpitation,
And tread onward to your throne amid the mart?
Our blood splashes upward, O gold heaper,
And your purple shows your path.'
But the child's sob in the silence curses deeper
Than the strong man in his wrath!"

EXTENSION OF REMARKS—ANALYSIS OF IMPORTANT MATTERS BEFORE CONGRESS

Mr. PEAVEY. Mr. Speaker, that the people of my district in northern Wisconsin may have direct information about the important matters acted upon by this Congress, I have prepared the following brief summary or analysis of each question in the order of its consideration in the House.

HOOVER MORATORIUM

The nations of Europe have given their solemn word to repay their war loans. Neither President Hoover nor any other international spokesman should be permitted to encourage these governments to repudiate their obligations. The debts are the assets of the people of this country. They are all we have to show for the \$29,000,000,000 we sunk in 1917-18 making the world safe for democracy.

I am opposed to going to war to collect this money, but no self-respecting nation will force us to such an extremity. Let those nations meet their debts and pay them as fast as they are able. That is what our American farmers and other citizens are compelled to do. Many of our citizens have lost their farms, homes, and business because they were unable to get extensions of time on their debts. There should be no further moratoriums and no cancellations of foreign debts. It is for these foreign nations to decide if they want to assume the odium of repudiation.

Now we are frankly told by Germany that she will never pay another cent of war reparations, and England has left out of her budget for this year any item for payment of her American debt. Doubtless France, Belgium, and Italy will follow the same course.

These countries were ready last December to pay their interest of \$252,000,000. They had the gold in New York to do it, when President Hoover by conference and by telegram tied Congress' hands and big heartedly told our foreign debtors to keep their money.

The generosity of President Hoover will undoubtedly cost the Nation just that amount—\$252,000,000. Of course, the international-controlled newspapers and New York banking houses approved the President's action, because it meant that this \$252,000,000 due the Treasury of the United States could then be used by these foreign nations to pay on their private loans to New York bankers.

Mr. Speaker, our Government was exceedingly generous with the foreign nations when Congress approved settlements of these debts in the amount of \$11,522,354,000, giving them 62 years in which to pay the principal, at interest rates as low as 1 per cent in the case of Italy and in no instance over 3.7 per cent, which was made in the English settlement.

Based on the 4¼ per cent rate our own country is paying on the national debts incurred to secure the money advanced these foreign countries, it means that Congress compromised and settled these obligations at 26 per cent of the total amount due from Italy and graduated each settlement up to 65 per cent with England.

When these foreign-debt settlement bills were before the House January 16 to June 2, 1926, I voted "nay" on every one of them.

I said then and I still maintain these bills were unfair and unjust; that Congress had no right to increase the burdens of the American people that the nations of Europe might improve their economic structure and build up their military and naval forces.

I am still of that opinion and will continue to oppose any further moratoriums or cancellations of foreign debts.

THE RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation may have helped the big banks and railroads over a critical time, but it has done little or nothing for the country as a whole. The handful of seed loans peddled out to the farmers in an attempt to give the law an appearance of being a relief measure has proven to be a mere political gesture. "Hell and Maria" Dawes is here in Washington dishing out millions to the railroads and big banks with little or no publicity while the few thousand dollars being loaned to the farmers, with county and district committees to recommend, is being advertised to the heavens. All to the end that some poor farmer coerced by economic conditions is driven a little further into debt. I am opposed to relief based on more loans. I am opposed to people being coerced into debt through governmental agencies. This depression can not be solved by slashing wages of the workers or coaxing the farmers to borrow more money. Government relief to be worthy of the name must come in some form that will enable the workers to find a job and give the farmer an increase of prices for farm products that will enable him to live and pay some of the debts he now owes.

THE REVENUE BILL

Mr. Speaker, I well realize that it is of little effect for me to now point out to the Members of the House and the people of my district in northern Wisconsin that had the House leaders and majority of the Members voted as I did against the passage of the three Mellon tax bills in 1924, 1926, and 1928, reducing individual and corporation income taxes and surtaxes, we would not have our present two and one-half billion dollar deficit or our present difficulty in balancing the National Budget. These taxes during that era were not burdensome. If they had been allowed to stand, the public debt would have been reduced to around \$10,000,000,000, instead of nearly \$20,000,000,000 we owe to-day. If those taxes had been allowed to stand, the National Budget would balance itself.

Had the Mellon tax-reduction bills been killed, there would be no occasion to-day for discharging needed Government employees and cutting and slashing the wages of those who remain in the service. The soldiers' service certificates could easily have been paid in cash if the Mellon tax reductions had been defeated.

Every citizen knows that persons with common sense or corporations with sound judgment pay off all their debts as far as their incomes will permit. The Government, under the Mellon financial theories, did just the opposite. It lowered its tax rate and revenue therefrom at the same time it increased its expenses.

Relieving industry and wealth from their fair share of the burden of taxes under the Mellon bills was one of the prime causes of the era of inflation and exploitation of 1925 to 1929. Industry without taxes capitalized itself on a 6 per cent profit basis and sold its shares to the public to gamble on the market. The banks were drawn in. The people of every village and city in the Nation participated. It culminated in the market's explosion of 1929 and 1930 and the hard times and depression of to-day. It was greed and avariciousness gone mad. Now we are all paying the penalty for the economic crimes of a few national political and financial highbinders.

BEER TAX

Passage of the Beck-Linthicum resolution calling a constitutional convention to amend the eighteenth amendment would have met with popular approval in nearly every State of the Union. Led by the administration leaders in the

House it was defeated by a vote of 227 to 187. The Republican leaders led in the defeat of the amendment to the tax bill providing for modification of the Volstead Act so as to permit the legal manufacture of 2.75 beer on which it was proposed to put a tax of 3 cents per pint, which would have produced over \$500,000,000 in revenue annually.

Congress refused to legalize beer in order to levy a tax that would bring \$500,000,000 a year, and yet there is a provision in the present revenue bill taxing wort, which is used in making home brew or illegal beer, at 5 cents per gallon; and the Treasury says this item will bring in \$46,000,000 annually. What a spectacle of national hypocrisy! To tax illegal beer for revenue purposes. Prohibitionist Members supported this provision, but it looks like legal nullification to me.

PHILIPPINE INDEPENDENCE

I supported the bill granting the Philippine Islands their independence because I believe the Government should redeem its promises made to the Philippine people by Admiral Dewey in 1898 when the Filipinos joined the American forces in Manila and with American guns and ammunition furnished by this Government helped drive the Spanish soldiers from the islands. It is against the fundamental principles upon which this Government was founded for one people to control another without their consent. To retain these islands against the wishes of the citizens of them who have proven themselves capable of self-government is a demoralizing influence on our own people.

Every day we retain the Philippine Islands just brings us that much nearer the time we are going to be called upon to defend them.

Philippine independence and the Goldsborough bill were the two major accomplishments of this Congress for agriculture. For years past the farmers through their national organizations have advocated Philippine independence.

To my mind, Philippine independence making it possible by tariff and other restrictions to bar or reduce importations of cheap vegetable oils used in the manufacture of oleomargarine is a long step forward in the protection of the American dairy farmer. It will help him solve his problem more than any single act of Congress. The Philippine representatives in Congress assure me they are glad and willing that this should be done. They say American financiers and American capital are solely responsible for the sale and manufacture of oleomargarine; that the Philippine people benefit little or none by this unfair and deceptive competition against American dairymen.

ECONOMY BILL

The big corporations of America have amassed huge cash surpluses and reserves, thereby insuring their officers' and directors' salaries of from \$15,000 to \$75,000 annually for years to come. Then by circular letter and propaganda spread from coast to coast they ask their stockholders to write their Congressmen to slash Government wages and salaries. The average wage paid all Government employees, including the Chief Executive and Members of Congress, is only \$1,441 yearly.

These great industrial and political bosses would like to slash everybody's income but their own. They would like to reduce the income of Members of Congress to where ordinary citizens could not run for Congress.

This is a vital issue for the people of Wisconsin and the Nation. It goes right to the heart of our form of government. If independent and liberal-minded citizens are to be elected to represent the people in Congress they must be paid sufficient salary to enable them not only to live at home and in Washington but enough to cover all the other expenses that go with the office and enable them to save enough to pay their own campaign expenses every two years. Industrial and political bosses are ever willing to put up campaign and other expenses for candidates who will be amenable to them if elected.

People who believe in honest administration of the American idea of representative government can little afford to endanger the cornerstone of our whole system by forcing candidates for Congress to accept organization and financial support from the political bosses.

The combined salaries of the Members of the House and Senate including secretaries and clerks is less than \$8,000,000 a year. This is less than one-fifth of 1 per cent of the National Budget. No farmer, workingman, or small business man in my district would pay one cent less in direct taxes were these salaries reduced by half. Nor would they pay one cent more were the salaries doubled. Few business men and no farmers or workingmen pay Federal income taxes, and the indirect taxes they pay in the form of tariff and excise fees will not be reduced.

It is well for Congress to economize in Government expenses. Every needless employee and governmental activity should be dispensed with, but this should be done in a sound businesslike way. In no case should it be done at the behest of selfish and greedy corporations who are themselves direct beneficiaries of the Government's favor.

Congressman SWING, of California, inserted in the RECORD last week identical letters as to the facts stated and the plea made for Government wage slashing by four great industrial corporations of America, all of them calling on their stockholders to write their Congressmen to reduce Government expenses by cutting Government wages. These four concerns alone circularized nearly the entire United States. They were the Standard Oil Co. of California, the E. I. du Pont Co. of Delaware, and the Commercial Investment Trust Co. of New York, and the Armour Co. of Chicago.

Scarcely a one of these concerns has reduced the price of the products it sells. Why should the Government by example help them reduce the wages paid their workers?

There are several corporations in this country that would gladly pay the entire eight million the Government pays in salaries to the Members of Congress and their secretaries would the law and the public permit it. Remember the philosophy of the great Samaritan:

No man can serve two masters; for either he will hate the one and love the other, or else he will hold to the one and despise the other.

Sixty to seventy per cent of the present Members of Congress are lawyers. Most of them find it necessary to augment their incomes by attending as much as possible to their private law practice. Many enlarge their incomes by lectures and speeches on the public platform.

If the voters of America want these representatives to remain their public servants they should pay them sufficient salary to enable them and their families to live and pay their own expenses.

No man can serve two masters.

WAR PREPAREDNESS AND NATIONAL DEFENSE

The hypocrisy of political leaders, both Republican and Democratic, as to actual economy was exposed when all voted against consolidation of the Army and Navy Department, estimated to save \$100,000,000. They fought tooth and nail for every provision cutting wages and salaries, but not a cent did they want cut from the war activities of the Government.

Appropriations for support of the Army and Navy for this year are between seven and eight hundred million dollars, but economy leaders in Congress, backed by the President, are opposing any cuts for these two departments.

War preparedness and national defense seems more important to the Democratic and Republican leaders in the House than actual economy. Here was a chance to save a hundred million dollars without injuring the Government or the people, and the House leaders, aided by the President and the Republican side, turned it down cold.

Who are we afraid of that we must spend \$700,000,000 in times of peace on national defense?

The whole world is economically and financially busted. Why not cut two or three hundred million of the 1933 appropriation for war preparedness and give the overburdened American taxpayer a chance to draw a free breath.

We still teach the words of the great Emancipator—

Love thy neighbor as thyself.

But the administration and political leaders here in Washington seem to think we should have a knife in one hand

and a sawed-off shotgun in the other whenever we say "hello" to our foreign neighbors.

THE LAST OF THE ESCH-CUMMINS ACT

The House now has before it a bill to repeal the recapture clause of the Esch-Cummins railroad law. People of northern Wisconsin will well remember when this law went into effect in 1920. It raised all freight and passenger rates 35 per cent. This was in addition to the rate increases made during the World War. Most of northern Wisconsin products are of a low value, heavy weight class and these high rates have forced Wisconsin shippers to patronize trucks or quit shipping. Most of them have quit.

The recapture clause was the only provision in the Esch-Cummins Act designed in the public interest. It provides that one-half of the railroads' net earnings over 6 per cent should go to the Government to be used in financing the operation of the weaker roads. There is now due the Government under this clause \$361,000,000, of which \$13,000,000 has been paid. The present bill would cancel this Government obligation against the railroads if the bill passes, and it is expected it will. It is equivalent to the Government making the railroads an outright donation of \$248,000,000. It is a vicious bill but the railroads and their financial owners in New York appear to have a sufficient number of friends in Congress to pass it.

Wisconsin Members as well as other Representatives of the Northwest States are opposed to it. The bill comes before the House accompanied by another provision giving the Interstate Commerce Commission authority to pass on all questions pertaining to railroad mergers. This second provision is a sop to sugar coat the first provision repealing the recapture clause.

It is like a bad Indian gift. They gave this to the public to sweeten the Esch-Cummins Act of 1920 and now in 1932 they take it away.

FARM LEGISLATION

The Federal Reserve Board under President Coolidge deflated agriculture in 1921 by calling in farm credits. From that day to this under Presidents Coolidge and Hoover the Government has through supervision and direction forced the national banks of the country to invest their depositors' money in industrial stocks and bonds as well as billions of dollars in dubious foreign securities.

To-day most of the national banks are loaded up with industrial stocks and bonds and European and South American bonds. Individual investors from Maine to California have in this manner been coerced by the Government at Washington to put their savings and investments into far-away industrial, commercial, and public-utility enterprises, many of them fictitious, and all of them watered to the hilt. All of these stocks and bonds were sold through New York banks and brokers who collected fat commissions on the sales. The Nation paid a ransom of \$66,000,000,000 to the greedy, unscrupulous sharks of Wall Street.

Agriculture and the normal business of the Nation are at a standstill as a consequence. Then came 1929-30, and the bubble burst. Doctors, lawyers, and business men in the country, cities, and towns were fleeced of their wealth, and savings of a lifetime were swept away into the coffers of some New York broker.

It is not strange that the people did not see and suspect this colossal deception and financial fraud. It not only had the political backing of the National Government, but the open indorsement of national political leaders. The program was fostered and sold to the people through their own civic and commercial groups and organizations, like the National Chamber of Commerce.

Thus was agriculture deflated and the sound economic structure of every community destroyed.

When the Federal Reserve Board deflated the farmer in 1921 they destroyed the farm mortgage which for a hundred years had furnished the basis of security for every community in America. Doctors, lawyers, and business men no longer loan their savings or profits to their farmer patrons, but are compelled through Federal political control and supervision exercised over national banks to invest in that class of securities recommended by the big banks in New

York and Chicago. The Federal Government required each local bank to carry as collateral and bank paper, bonds, preferred and common stock, sold by New York banks and trust companies.

Thus have the funds of every community been diverted to industry and the industrial East. Now, industry is dead, because the people's money is gone.

To-day a farm mortgage is no longer an asset but a liability. Thus has the whole country been deflated by greedy and unscrupulous financial and political leaders.

The people in 1921 had no way of knowing what was behind the deflation order of that year, but the leaders in this country knew. This deflation of the American farmer will go down in history as the economic crime of 1921.

A way must be found to rehabilitate and restore confidence of the people in their respective communities. First-mortgage loans on farms and city homes should again become the safest and best security in America. The local bank should again have in its vaults not pretty certificates of stocks and bonds in some far-away enterprise in another State or foreign nation but first mortgages and notes on the farms and homes in their communities. Bank loans on stocks and bonds should again be confined to local business enterprises. When this is brought about then will civic confidence and pride be restored to every American city and town. There can be no stable or lasting prosperity until the major portion of the wealth created in each community remains to bless the people who produce it.

VETERANS' ADJUSTED COMPENSATION

The plan for immediate payment of the balance due on the soldiers' adjusted-compensation certificates has been defeated for this session. The President, at the behest of organized wealth and industry, notified congressional leaders, both Republican and Democratic, that he would veto the bill if passed. Democratic leaders in the House seeking to gain the good will and favor of the great financial leaders of the country for the coming national campaign, sent the Patman bill to the Ways and Means Committee, where the leaders delayed consideration and prolonged the hearings until the soldiers' friends in Congress were prevented from getting the matter before the House for a vote. Petition to discharge the committee can not be used to bring the bill before the House, because the leaders in the House and Senate have agreed to adjournment on June 10, and the first day the committee could be discharged and the bill brought up under the rules of the House would be June 13.

This will be a bitter disappointment to millions of veterans and their dependents. They will find it hard to understand why Congress did nothing about cashing their certificates to relieve their distress in the hour of need. National leaders in both the Republican and Democratic Parties must carry the full responsibility for refusing to pay the World War veterans the value of their certificates at this time.

MESSAGE FROM THE PRESIDENT

The President lectured Congress last week in a special message for its failure to cut governmental expenses. Before going into the merits of the lecture itself it is interesting to note a presidential edict of two weeks ago in which he stated no cuts in appropriations for the War and Navy Departments or military activities in general would be countenanced by him. Nor did he mention any reduction in the annual payment of \$50,000,000 to private shipowners and operators in the form of ship subsidies.

The President in his appeal insisted that Congress reduce governmental expenditures \$700,000,000. It is interesting to consider in this connection the congressional program of economy as compared with the President's plea. The House and Senate have already cut the presidential recommendations made through the Bureau of the Budget \$50,000,000 in those departmental bills already acted upon by both bodies. The House has reduced appropriations by \$99,000,000 below the presidential recommendations on measures now pending in the Senate, and the Senate is planning another reduction of 10 per cent flat on all other appropriations below the amount recommended by the President. This would afford a saving of \$285,000,000.

The economy bill which passed the House last week includes an 11 per cent reduction in the salaries of the Members of Congress, which amounts to \$1,100 annually for each Member, plus a 25 per cent reduction in mileage allowances, and an 11 per cent reduction of salaries of the employees of Congress drawing more than \$2,500 per year, making a saving of \$30,000,000 more. Thus we have a total saving of \$464,000,000 for the House and Senate, and other savings are in the process of being made. The President claims to have already pared the Budget Bureau recommendations to Congress on appropriations \$369,000,000. If he is correct in this claim, then the House and Senate have reduced governmental expenses for the year 1933 by \$833,000,000, which is \$133,000,000 more than the President asked that they be reduced in his message.

In the light of these figures the President's claim of national saving and general economy in Government should not impress the people of America, as history shows us in this as in nearly every other crisis Congress has been faithful to the public interest.

ST. LAWRENCE WATERWAY STILL A PROMISE

People of northern Wisconsin in 1928 voted for Herbert Hoover for President because they were assured by the press and the campaign speakers that his election would insure the immediate building of the St. Lawrence waterway. That was four years ago and not a single thing has been done since then toward consummation of this vital project.

The people of Wisconsin will, I hope, understand that the matter is entirely in the hands of the President and his State Department to negotiate a treaty with Canada.

Reams and reams of publicity have been emanating from Washington to the effect that a treaty was just around the corner. It must still be there for not one word on the subject has passed from the President to Congress since his election four years ago.

Like the platform pledge to put agriculture on a parity with industry, it is still to be redeemed.

American voters living on the farms and in the Great Lakes States will be asked to declare a moratorium on campaign promises in November, 1932.

With all the words we have in the English language it is strange that those who control our national conventions can not find some that mean what they say.

CHEAP GOVERNMENT EXPLOSIVES

My bill, H. R. 10889, providing for the transfer of powder and other explosive materials from the War Department to the Department of Agriculture for use in land clearing has been supplemented by the introduction of H. R. 12047. The new bill was introduced in order that the changes recommended by the committee might be incorporated in the bill which was favorably reported by the Johnson subcommittee to the whole Committee on Military Affairs.

Members of the whole committee have assured me that the report of the subcommittee will be accepted and the bill will be favorably reported to the House before the close of the present session.

At a hearing held on the bill April 30, nine Members of the House appeared with me in support of the bill. We were ably assisted by officers of the National Grange, Farmers' Union, National Dairy Union, and the American Farm Bureau Federation.

The bill provides for the same distribution of these Government explosives as was made from 1920 to 1926. The Government recartridges and prepares the powder ready for stump blasting and distributes it through the State agricultural colleges, who in turn send it out through the county agents.

Friends of the bill hope to get it through Congress early enough next session to make the explosives available to the farmers for land clearing next spring.

EXTENSION OF REMARKS—DISTRICT OFFICE SERVICE OF THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Mr. BRIGGS. Mr. Speaker, the United States produces more than it consumes, and foreign markets are essential to absorbing our surplus products.

Whenever, through artificial barriers or otherwise, we experience a loss or contraction of markets at home or abroad the effect is felt severely by both agriculture and industry.

The recent tremendous decline in our foreign trade has contributed materially to existing conditions, and it is vital to the welfare of our people that every effort be made to revive our trade and regain lost markets.

The Bureau of Foreign and Domestic Commerce has done excellent work in the face of tremendous difficulties, in stemming the decline of our trade, and in helping to find markets for a great deal of our products which would otherwise have been without purchasers.

It has made its service valuable to both agriculture and industry, and, through district offices, has established contacts and rendered services of a most conspicuous character.

Just how valuable such service through district offices has been during the last fiscal year is reflected in a statement recently set forth in a letter to me from the director of the bureau, reading as follows:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, January 9, 1932.

Hon. CLAY STONE BRIGGS,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Knowing your interest in the Galveston district office of this bureau, it is gratifying to be able to call to your attention, for your criticism or suggestion, the definite services that this office has been able to extend.

During the past fiscal year, 13 firms out of approximately 35 currently contacted reported a total of new business and savings of \$965,706 made possible to them entirely through our assistance and cooperation. This figure, representing an average of \$74,285.07 per firm reporting, becomes significant when compared with the annual cost of maintenance (\$8,000) of our Galveston branch.

This ample return on money expended was nation-wide. At the present time we are currently serving about 25,000 firms. Of these, 2,087 reported new business possible by our activities, at \$57,554,812.51—a rather large total in a year that was particularly trying to industry.

This return on \$5,086,660 invested, the appropriation for this bureau, approximately a return of \$11 to \$1 of expenditure, takes no account of the many intangible services we render, nor of our domestic commerce activities directed toward the reduction of distribution costs. Services of this nature have increased 70 per cent during the past fiscal year, and the combined receipt of requests for information, both foreign and domestic, have reached 12,600 a day.

Recently our manager in Galveston reported the inauguration of an intensive campaign to bring to the attention of the business concerns in his area the benefits of practical application of domestic research previously completed. The preparedness of our Texas office to aid in foreign-trade problems is already well known, and in confirmation we have on file flattering letters from some of the largest organizations in the State.

I am calling these details to your attention in my desire to bring to interested Members of your body a more familiar and intimate glance into our functions. The figures presented above, the only profit-and-loss statement possible of preparation, are forwarded with the belief that in these times of guarded expenditures and expansions in all lines of economic activity, the financial returns or records of a Government bureau may be, perhaps, as interesting and illuminating as those of any individual concern.

Very truly yours,

FREDERICK M. FEIKER, Director.

It is evident that the district-office service of the Commerce Department should not be impaired, and that adequate provision should be made for its continuation when it is making such a wonderful return to the people.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 382. Joint resolution making an additional appropriation for printing and binding for Congress for the fiscal year 1932.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p. m.) the House adjourned until Monday, May 16, 1932, at 12 o'clock noon.

MOTION TO DISCHARGE A COMMITTEE FROM THE CONSIDERATION OF
A BILL
(No. 8)

HOUSE OF REPRESENTATIVES,
April 12, 1932.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of Rule XXVII, I, JOHN J. O'CONNOR, move to discharge the Committee on Ways and Means from the consideration of the bill (H. R. 10017) entitled "A bill to provide additional revenue, and for other purposes," which was referred to said committee March 2, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

- | | |
|-----------------------------|--------------------------|
| 1. John J. O'Connor. | 74. T. R. Amlie. |
| 2. William E. Hull. | 75. J. J. Connolly. |
| 3. J. Charles Linthicum. | 76. R. L. Bacon. |
| 4. Benjamin M. Golder. | 77. Anthony J. Griffin. |
| 5. William H. Stafford. | 78. C. A. Kading. |
| 6. Byron B. Harlan. | 79. F. H. LaGuardia. |
| 7. Patrick J. Boland. | 80. C. F. Curry. |
| 8. Stephen A. Rudd. | 81. M. J. Kennedy. |
| 9. B. M. Jacobsen. | 82. O. L. Auf der Heide. |
| 10. Harry C. Ransley. | 83. R. A. Horr. |
| 11. James M. Beck. | 84. William P. Cole. |
| 12. Gerald J. Boileau. | 85. S. W. Gambrell. |
| 13. James M. Fitzpatrick. | 86. P. J. Carley. |
| 14. William N. Rogers. | 87. Samuel Dickstein. |
| 15. Loring M. Black. | 88. John W. Boehne. |
| 16. George W. Lindsay. | 89. J. A. Gavan. |
| 17. E. W. Goss. | 90. Fred A. Britten. |
| 18. Emanuel Celler. | 91. J. B. Hollister. |
| 19. Andrew L. Somers. | 92. A. P. Andrew. |
| 20. J. O. Fernandez. | 93. V. L. Palmisano. |
| 21. John J. Douglass. | 94. E. L. Stokes. |
| 22. Paul H. Maloney. | 95. Harold Knutson. |
| 23. P. H. Stewart. | 96. Sol Bloom. |
| 24. W. G. Andrews. | 97. P. J. Sullivan. |
| 25. M. L. Sweeney. | 98. J. L. Whitley. |
| 26. John J. Boylan. | 99. S. B. Pettengill. |
| 27. C. H. Martin. | 100. J. T. Igou. |
| 28. Frederick R. Lehlbach. | 101. L. W. Schuetz. |
| 29. John C. Schafer. | 102. H. P. Beam. |
| 30. William H. Sutphin. | 103. F. A. Hartley, jr. |
| 31. M. J. Hart. | 104. E. A. Kelly. |
| 32. William L. Tierney. | 105. F. P. Kahn. |
| 33. W. J. Granfield. | 106. David Lewis. |
| 34. W. F. Brunner. | 107. S. H. Person. |
| 35. George N. Seger. | 108. C. J. McLeod. |
| 36. T. H. Cullen. | 109. E. F. Erk. |
| 37. William A. Pittenger. | 110. W. H. Dieterich. |
| 38. J. W. McCormack. | 111. Malcolm Baldrige. |
| 39. James Wolfenden. | 112. L. C. Dyer. |
| 40. George P. Darow. | 113. C. C. Bolton. |
| 41. N. Lichtenwalner. | 114. H. W. Watson. |
| 42. Mary T. Norton. | 115. W. M. White. |
| 43. W. I. Sirovich. | 116. Ruth Pratt. |
| 44. Clark Burdick. | 117. Isaac Bacharach. |
| 45. H. F. Niedringhaus. | 118. T. S. McMillan. |
| 46. M. K. Reilly. | 119. Parker Corning. |
| 47. J. M. Evans. | 120. A. J. Sabath. |
| 48. F. B. Condon. | 121. Oscar De Priest. |
| 49. A. S. Prall. | 122. Carl R. Chindblom. |
| 50. J. J. Delaney. | 123. Hamilton Fish, jr. |
| 51. J. J. Cochran. | 124. Numa Montet. |
| 52. A. P. Lamneck. | 125. Robert Cresser. |
| 53. W. L. Fiesinger. | 126. J. B. Shannon. |
| 54. A. J. May. | 127. C. D. Sullivan. |
| 55. James M. Mead. | 128. S. H. Kunz. |
| 56. George J. Schneider. | 129. J. E. Major. |
| 57. Frank Oliver. | 130. H. A. Estep. |
| 58. Charles A. Karch. | 131. G. F. Brumm. |
| 59. Peter A. Cavicchia. | 132. C. M. Turpin. |
| 60. Charles D. Millard. | 133. P. G. Holmes. |
| 61. Edmund F. Cooke. | 134. Edgar Howard. |
| 62. William E. Hess. | 135. C. L. Gifford. |
| 63. H. L. Englebright. | 136. J. W. Martin. |
| 64. C. E. Hancock. | 137. F. H. Foss. |
| 65. Augustine Lonergan. | 138. W. H. Larrabee. |
| 66. R. J. Welch. | 139. R. B. Wigglesworth. |
| 67. Guy E. Campbell. | 140. R. M. Kleberg. |
| 68. William P. Connery, jr. | 141. J. J. Mansfield. |
| 69. Melvin J. Maas. | 142. Brent Spence. |
| 70. Robert H. Clancy. | 143. P. J. Kvale. |
| 71. H. H. Peavey. | 144. C. F. Lea. |
| 72. G. R. Withrow. | 145. C. G. Bachmann. |
| 73. George H. Tinkham. | |

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, May 14, 1932.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, May 16, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON WAYS AND MEANS

(10 a. m.)

Hearings—Depreciated currency bills.

EXECUTIVE COMMUNICATIONS, ETC.

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

562. A letter from the Secretary of War, transmitting a report dated May 12, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Wolf and Nonconnah Rivers, Tenn.; to the Committee on Rivers and Harbors.

563. A letter from the acting chairman of the United States Tariff Commission, transmitting a revised report on wood pulp and pulpwood showing the production during the three years 1929, 1930, and 1931; to the Committee on Ways and Means.

564. A communication from the President of the United States, transmitting a report from the General Accounting Office in compliance with section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266) (H. Doc. No. 326); to the Committee on Appropriations and ordered to be printed.

565. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1932 for the Department of Labor (H. Doc. No. 327); to the Committee on Appropriations and ordered to be printed.

566. A communication from the President of the United States, transmitting a report pursuant to the provision of section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), schedules covering certain claims allowed by the General Accounting Office (H. Doc. No. 328); to the Committee on Appropriations and ordered to be printed.

567. A communication from the President of the United States, transmitting an estimate of appropriations submitted by the Navy Department to pay claims under the provisions of the act of December 28, 1922 (U. S. C., title 34, sec. 599) (H. Doc. No. 329); to the Committee on Appropriations and ordered to be printed.

568. A communication from the President of the United States, transmitting a list of judgments by the Attorney General in compliance with the provisions contained in the act of September 30, 1890 (U. S. C., title 31, sec. 226) (H. Doc. No. 330); to the Committee on Appropriations and ordered to be printed.

569. A communication from the President of the United States, transmitting records of judgments rendered against the Government by the United States district courts, as submitted by the Attorney General (H. Doc. No. 331); to the Committee on Appropriations and ordered to be printed.

570. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments to pay claims under the provisions of the act of December 28, 1922 (U. S. C., title 31, sec. 215) (H. Doc. No. 332); to the Committee on Appropriations and ordered to be printed.

571. A communication from the President of the United States, transmitting for the consideration of Congress estimates of appropriations submitted by the Commissioners of the District of Columbia to pay claims and causes of action which have been settled by them under the provisions of the act approved February 11, 1929 (45 Stat. 1160), as amended by the act of June 5, 1930 (46 Stat. 500), amounting to \$162,169.43 (H. Doc. No. 333); to the Committee on Appropriations and ordered to be printed.

572. A communication from the President of the United States, transmitting for the consideration of Congress supplemental estimates of appropriations for the Department of Agriculture for the fiscal year 1932, amounting to \$9,216.25 (H. Doc. No. 334); to the Committee on Appropriations and ordered to be printed.

573. A communication from the President of the United States, transmitting for the consideration of Congress, and without revision, a supplemental estimate of appropriation pertaining to the Legislative Establishment, Office of Architect of the Capitol, for the fiscal year 1933, in the sum of

\$12,000 (H. Doc. No. 335); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. CRISP: Committee on Ways and Means. House Resolution 213. A resolution requesting the Secretary of the Treasury to furnish certain information pertaining to the investigation conducted by him relating to the importation of ammonium sulphate. (Rept. No. 1304.) Ordered to be printed.

Mr. BANKHEAD: Committee on Rules. House Resolution 215. A resolution for the consideration of H. R. 4743, a bill to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended; without amendment (Rept. No. 1305). Referred to the House Calendar.

Mr. SHALLENBERGER: Committee on Interstate and Foreign Commerce. House Resolution 10084. A bill authorizing the city of Omaha, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., and to acquire, maintain, and operate the existing toll bridge across the Missouri River, between the cities of Omaha, Nebr., and Council Bluffs, Iowa; with amendment (Rept. No. 1306). Referred to the House Calendar.

Mr. HAUGEN: Committee on Agriculture. H. R. 5642. A bill to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge; without amendment (Rept. No. 1307). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 8681. A bill to develop American air-transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship; with amendment (Rept. No. 1308). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 10708. A bill to authorize the Secretary of Agriculture to sell the Morton Nursery, in the county of Cherry, State of Nebraska; without amendment (Rept. No. 1309). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. S. 1768. An act to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va.; without amendment (Rept. No. 1310). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. S. 3911. An act to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place, NW.; without amendment (Rept. No. 1311). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. S. 3929. An act to authorize the Commissioners of the District of Columbia to close certain alleys and to set aside land owned by the District of Columbia for alley purposes; without amendment (Rept. No. 1312). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. S. 4106. An act to provide for the closing of certain streets and alleys in the District of Columbia, and for other purposes; without amendment (Rept. No. 1313). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. S. 4123. An act to amend the District of Columbia traffic acts, as amended; without amendment (Rept. No. 1314). Referred to the Committee of the Whole House on the state of the Union.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. A report pursuant to House Resolution 72, a resolution to investigate the cause and effect of the present depressed value of silver (Rept. No. 1320). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. PITTENGER: Committee on Claims. H. R. 1169. A bill for the relief of the Monumental Stevedore Co.; with amendment (Rept. No. 1315). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11150. A bill for the relief of G. C. Vandover; with amendment (Rept. No. 1316). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2991. An act for the relief of B. J. Sample; without amendment (Rept. No. 1317). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 2088. A bill for the relief of John J. Foley; with amendment (Rept. No. 1318). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 2157. A bill for the relief of Arthur I. Neville; with amendment (Rept. No. 1319). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 11928) for the relief of Carl F. Meinecke, and the same was referred to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CELLER: A bill (H. R. 12074) to impose an excise or license tax on retail merchants in the District of Columbia, as the words "retail merchants" are used in this act; to provide for the collection of such tax, the distribution and use of the revenue derived therefrom, the administration of said law, and a penalty; to the Committee on the District of Columbia.

By Mr. NELSON of Missouri: A bill (H. R. 12075) to prohibit further appropriations for the Federal Farm Board, to prevent further attempts at stabilization of farm commodity prices, to fix a time for the repeal of the agricultural marketing act, and for other purposes; to the Committee on Agriculture.

By Mr. McKEOWN: A bill (H. R. 12076) 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. MEAD: A bill (H. R. 12077) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 12078) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: Resolution (H. Res. 223) to appoint a committee to ascertain or recommend the price of commodities; to the Committee on Rules.

By Mr. CROSSER: Resolution (H. Res. 224) for the consideration of H. R. 8681, a bill to develop American air-transport services overseas, to encourage the construction in the United States by American capital of American air-

ships for the use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship; to the Committee on Rules.

By Mr. MAY: Resolution (H. Res. 225) making request to the interdepartmental committee of the Department of the Treasury and Post Office Department to carry into effect the public building appropriation act of May 25, 1926, and acts amendatory thereto, relative to the construction of public buildings outside of the District of Columbia, and making appropriations therefor, and to further carry into effect the will of the Congress as in said acts provided, and to relieve unemployment, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. CROSSER: Joint resolution (H. J. Res. 384) proposing to amend the Constitution of the United States to authorize the Congress to reduce the daily period of time for which contracts of employment may be lawfully made; to the Committee on the Judiciary.

By Mr. SOMERS of New York: Joint resolution (H. J. Res. 385) authorizing the calling of an international monetary conference, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DOUGLASS of Massachusetts: Joint resolution (H. J. Res. 386) to provide for a reward of \$100,000 for information leading to the arrest and conviction of the person or persons guilty of the kidnaping or causing the death of Charles Augustus Lindbergh, jr.; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRAND of Georgia: A bill (H. R. 12079) granting a pension to Albert A. Burton; to the Committee on Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 12080) granting an increase of pension to Kate J. Lafferty; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 12081) granting an increase of pension to Molton P. Clark; to the Committee on Invalid Pensions.

By Mr. CONNOLLY: A bill (H. R. 12082) granting an increase of pension to Emma C. Bragg; to the Committee on Pensions.

Also, a bill (H. R. 12083) for the relief of George Harman; to the Committee on Naval Affairs.

By Mr. DOUGLAS of Arizona: A bill (H. R. 12084) for the relief of W. I. Johnson; to the Committee on the Public Lands.

By Mr. GUYER: A bill (H. R. 12085) for the relief of Isham Franklin; to the Committee on Military Affairs.

By Mr. HART: A bill (H. R. 12086) granting an increase of pension to Hattie A. Talcott; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 12087) for the relief of George Curtis Wilcoxson; to the Committee on Naval Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 12088) for the relief of Manuel Ferreira; to the Committee on Claims.

By Mr. REED of New York: A bill (H. R. 12089) granting an increase of pension to Minnie Seeley; to the Committee on Invalid Pensions.

By Mr. SHALLENBERGER: A bill (H. R. 12090) for the relief of Karl A. Medalin; to the Committee on Claims.

By Mr. SMITH of Virginia: A bill (H. R. 12091) for the relief of William Randolph Grimes; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 12092) granting a pension to Kittie A. Love; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 12093) for the relief of L. M. Brendle; to the Committee on Claims.

PETITIONS, ETC.

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

7746. By Mr. BOEHNE: Petition of citizens of Spencer County, Ind., in support of House Joint Resolution 366, requesting hunting and fishing privileges on the Ohio River equal to those granted to citizens of Kentucky; to the Committee on the Judiciary.

7747. By Mr. CRAWL: Petition of P. E. Spellacy and many citizens of Los Angeles County, Calif., favoring the recognition of silver coinage, based upon a fair valuation with relation to our present circulating medium (gold) and for other purposes; to the Committee on Banking and Currency.

7748. By Mr. CULLEN: Petition of the American Society of Civil Engineers, urging the Congress of the United States to enact necessary legislation to extend Federal loan facilities to solvent States, counties, and municipalities to enable them to carry out their normal programs of necessary and productive public works; to the Committee on Appropriations.

7749. By Mr. LINDSAY: Petition of American Society of Civil Engineers, New York City, favoring legislation to extend Federal loans to solvent States, counties, and municipalities; to the Committee on Banking and Currency.

7750. By Mr. LONERGAN: Resolutions adopted at a public meeting in West Hartford, Conn., favoring disarmament and against the shipment of arms, munitions, etc., from the United States to foreign countries; to the Committee on Interstate and Foreign Commerce.

7751. By Mr. MILLARD: Resolution adopted by mayor and trustees of village of Pleasantville, Westchester County, N. Y., urging that governmental expenditures be radically reduced and that Congress pass adequate legislation effecting economies, together with legislation providing necessary revenue to balance the Budget; to the Committee on Ways and Means.

7752. By Mrs. OWEN: Resolution of Labor's Citizenship Committee, of Miami, Fla., protesting against any change in the United States Employment Service as at present constituted; to the Committee on Ways and Means.

7753. By Mr. RAINEY: Petition of E. H. Van Scoy, of Lysander, N. Y., and 65 other residents of the State of New York, favoring the Sparks-Capper bill; to the Committee on Immigration and Naturalization.

7754. By Mr. RUDD: Petition of American Society of Civil Engineers, New York City, favoring enactment of necessary legislation to extend Federal loan facilities to solvent States, counties, and municipalities; to the Committee on Banking and Currency.

7755. Also, petition of Railway Electric Supply Manufacturers Association, Chicago, Ill., favoring the balancing of the Budget; to the Committee on Appropriations.

7756. By Mr. STEWART: Resolution of the State of New Jersey, memorializing the Congress of the United States to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation; to the Committee on Rivers and Harbors.

7757. By Mr. SUTPHIN: Joint resolution by the Department of State, State of New Jersey, memorializing the Congress of the United States to construct a ship canal across the State of New Jersey, etc.; to the Committee on Rivers and Harbors.

7758. By the SPEAKER: Petition of the District of Columbia Pharmaceutical Association, supporting a 1 per cent manufacturers' sales tax; to the Committee on Ways and Means.

7759. Also, petition of Victory Post, No. 4, American Legion, Department of the District of Columbia, opposing the reduction of Federal employees' salaries; to the Committee on Economy.

SENATE

MONDAY, MAY 16, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.