Law
J
11
.R5

Congressional Record

SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MAY 18, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., 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:

Bankhead	Fess	Keyes	Steiwer
Barbour	Frazier	La Follette	Stephens
Bingham	George	Logan	Thomas, Idaho
Borah	Glass	McGill	Thomas, Okla.
Broussard	Goldsborough	McNary	Trammell
Bulow	Hale	Metcalf	Tydings
Capper	Harrison	Norris	Vandenberg
Caraway	Hatfield	Oddie	Wagner
Cohen	Hawes	Patterson	Walsh, Mass.
Connally	Hayden	Reed	Walsh, Mont.
Coolidge	Hebert	Robinson, Ark.	Watson
Cutting	Hull	Robinson, Ind.	Wheeler
Davis	Jones	Sheppard	White
Dickinson	Kean	Smith	
Dill	Kendrick	Smoot	

Mr. HULL. I desire to announce that my colleague the senior Senator from Tennessee [Mr. McKELLAR] is unavoidably detained from the Senate on account of illness.

Mr. FESS. I wish to announce that the following Senators are detained in a meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. NORBECK], the Senator from Connecticut [Mr. WALCOTT], the Senator from Delaware [Mr. TOWNSEND], the Senator from Iowa [Mr. BROOKHART], the Senator from Florida [Mr. FLETCHER], the Senator from Michigan [Mr. COUZENS], the Senator from Wisconsin [Mr. BLAINE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Wyoming [Mr. CAREY].

I also desire to announce that the Senator from California [Mr. SHORTRIDGE], the Senator from Vermont [Mr. AUSTIN], the Senator from New Hampshire [Mr. MOSES], the Senator from Delaware [Mr. HASTINGS], the Senator from Utah [Mr. KING], and the Senator from New Mexico [Mr. BRATTON] are detained in a meeting of the Committee on Privileges and Elections.

Mr. WAGNER. I wish to announce that my colleague the senior Senator from New York [Mr. COPELAND] is detained from the Senate on official business.

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

ADDITIONAL DISTRICT JUDGE FOR NEW JERSEY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1335) to provide for the appointment of an additional district judge for the district of New Jersey.

Mr. HEBERT. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. ROBINSON of Arkansas. What is the amendment?

Mr. HEBERT. The bill provides for the appointment of an additional district judge.

Mr. ROBINSON of Arkansas. Yes, I understand; but the amendment of the House has not been read.

The VICE PRESIDENT. Let the amendment be read.

The legislative clerk read as follows:

Strike out all after the enacting clause and insert:

"That the President of the United States be, and he is hereby, authorized and directed, by and with the advice and consent of the Senate, to appoint a judge to fill a vacancy in the District Court of the United States for the District of New Jersey, occasioned by the death of Hon. William A. Runyon, who was appointed as additional judge in said district under the provisions of the act of Congress entitled 'An act for the appointment of an additional circuit judge for the fourth judicial circuit, for the appointment of additional district judges for certain districts, providing for an annual conference of certain judges, and for other purposes,' approved September 14, 1922 (U. S. C., title 28, sec. 3). A vacancy occurring at any time in the office of district judge referred to in this act is authorized to be filled," and to amend the title so as to read: "A bill to remove the limitation upon the filling of vacancy of district judge for the district of New Jersey."

Mr. HEBERT. The House substitute is a change in verbiage only. The effect of it is the same as was the bill as passed by the Senate.

Mr. ROBINSON of Arkansas. May I ask the Senator why it was necessary to authorize the President to fill a vacancy caused by the death of a judge?

Mr. HEBERT. When Judge Runyon was appointed in 1922 it was a temporary appointment. Since that time there have been no additional judges provided.

Mr. NORRIS. I would like to say to the Senator from Arkansas that this was a case where the original law provided that in case of death, removal, or resignation no successor should be appointed. It was thought when we enacted the law that the business would not keep up as it was then apparently doing. The judge appointed has died, and under the law the President has no authority to fill the office; in other words, the office expired with the death of the judge. The Judiciary Committee, after quite a full investigation, reached the conclusion that the position is necessary, and in effect reported a bill, which we passed, making that judgeship permanent instead of temporary. That is the object of the bill.

Mr. ROBINSON of Arkansas. I assume from the Senator's statement that the evidence before the committee showed such a change in conditions in the district, with respect to the amount of litigation, that it is apparent there is necessity for a permanent judge?

Mr. NORRIS. That is correct.

Mr. ROBINSON of Arkansas. I have no objection.

The VICE PRESIDENT. Without objection, the Senate concurs in the amendments of the House of Representatives.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from Max M. and Louis Levand, publishers of the Wichita (Kans.) Beacon, remonstrating against the imposition of taxes on the motor industry, which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of memorials from W. J. Spencer, president of the Farmers' Union Mutual Insurance Co., of Salina; Homer J. Ferguson, secretary Kansas Association Mutual Insurance Cos., of McPherson, and the Farmers' Alliance Insurance Co., by I. F. Talbott, president, of McPherson, in the State of Kansas, remonstrating against the imposition of taxes pertaining to mutual insurance companies in the pending revenue bill, which were ordered to lie on the table.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

He also laid before the Senate a letter from Robert J. Cottrell, secretary of the Citizens' Joint Committee on Fiscal Relations between the United States and the District of Columbia, inclosing printed matter relative to the fiscal relations between the United States and the District of Columbia, particularly the so-called Federal lump-sum appropriation and cuts in the pending District of Columbia appropriation bill, which, with the accompanying data, was referred to the Committee on Appropriations.

Mr. ASHURST presented a memorial of sundry citizens of Globe (Ariz.) R. F. D. No. 1, remonstrating against changing the Rural Free Delivery Service to a contract or wholesale delivery basis, which was referred to the Committee on Post Offices and Post Roads.

He also presented a telegram in the nature of a petition from Howard S. Reed, secretary Arizona Society, Sons of American Revolution, Phoenix, Ariz., praying for the passage of the bill (H. R. 10138) to exempt from taxation certain property of the National Society of the Sons of the American Revolution in Washington, D. C., which was ordered to lie on the table.

Mr. KENDRICK presented telegrams in the nature of petitions from sundry citizens of Laramie, Wyo., praying for the passage of the so-called Goldsborough bill, being the bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar, which were referred to the Committee on Banking and Currency.

He also presented resolutions adopted by the Board of County Commissioners of Albany County, Wyo., relative to proposed legislation authorizing the transfer of the unappropriated public lands to the several States, and favoring the amendment of such legislation by providing for a review of the recommendations of the commission established thereunder either by the Congress or the President upon recommendation of the Secretary of Agriculture, in charge of the national forests, which were referred to the Committee on Public Lands and Surveys.

RELIEF SITUATION IN KING COUNTY, WASH.

Mr. JONES. Mr. President, I have a copy of a resolution adopted by the county commissioners of King County, Wash., which very vividly sets out the condition of affairs there. I ask that the resolution may be read at the desk and appropriately referred.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

Resolution No. 4700

Whereas private charity and the local governments, city and county, are rapidly approaching the end of their available resources in providing food for unemployed, and more than 17,000 families in Seattle alone, aggregating more than 53,000 individuals, have been provided with food during the winter from city and county funds, augmented by private donations, and more than 2,500 homeless men are being given one meal daily; and

Whereas the city of Seattle now has funds available to continue this program for not more than two weeks and the board of county commissioners has reached the limit of funds which may be appropriated by direct vote of the board, and it is impossible under State laws to submit an additional bond issue to voters until the general election of November 8; and

Whereas the plight of the unemployed is not due to local causes but is attributable entirely to the nation-wide depression; and

Whereas our people are not asking charity but work, and the local governmental units are fast approaching and in some instances have already reached the limit of their abilities to provide work; and

Whereas the board of county commissioners believe that action on a national program of unemployment relief, primarily in the form of providing work, is urgently necessary and that it would be little short of disastrous for Congress to adjourn without making provision for such a program: Now, therefore, be it

Resolved, That the Board of County Commissioners of King County, Wash., does urge the consideration and passage of one of the pending bills providing a $5,000,000,000 issue of prosperity bonds for the purpose of initiating a nation-wide public-works program, believing that such a program would not only provide employment for a large part of the unemployed but would encourage general industry and provide the impetus that would lead America out of the depression; and be it further

Resolved, That the board especially urges that either in the $5,000,000,000 bill or by amendment of the Reconstruction Finance Corporation act, or both, provision be made for purchase by the National Government or some agency under it of bonds that may be issued by municipalities and other local governmental units for local public-works programs or relief of unemployment.

Passed this 10th day of May, 1932.

DON. H. EVANS,
W. B. BRINTON,
J. A. EARLEY,
Board of County Commissioners, King County, Wash.

Attest:

GEORGE A. GRANT,
Clerk of Board.
By C. F. GAGE, *Deputy.*

The VICE PRESIDENT. The resolution will be referred to the Committee on Finance.

Mr. JONES. Mr. President, also I have received a telegram that has been sent to the President from the city of Seattle, Wash., from Henry Lochow, exalted ruler, No. 92, Benevolent Protective Order of Elks, which is addressed to His Excellency President Hoover, Washington, D. C., and reads as follows:

SEATTLE, *May 13, 1932.*

His Excellency President HOOVER,
Washington, D. C.:

There are now 58,000 dependents in Seattle. County and city funds are running low. Persons fed here are from all over the country. Not fair to unload entire burden on us. The situation affects every fraternal organization and the people as well. Something should be done before Congress adjourns.

HENRY LOCHOW,
Exalted Ruler, No. 92, B. P. O. Elks.

BALANCING THE BUDGET

Mr. METCALF. Mr. President, I have received a petition signed by Mrs. C. M. Smith, of Providence, and 1,600 other citizens of Rhode Island, which reads as follows:

The undersigned Rhode Island citizens urge you to work vigorously and promptly for restoration of confidence through the immediate balancing of the Federal Budget, this to be accomplished by—

First. Substantial lowering of Government expenses, including a reduction of Government salaries and wages in proportion to similar cuts suffered by the great mass of citizens not in Government employ.

Second. Passage of an equitable tax bill.

Third. Refusal of expensive favors to selfish organized minorities.

I ask that the petition be received and referred to the Committee on Appropriations.

The VICE PRESIDENT. It will be so ordered.

REGULAR OFFICERS DETAILED TO TRAIN NATIONAL GUARD

Mr. SMITH presented a telegram from the Governor of South Carolina, which was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

COLUMBIA, S. C., *May 17, 1932.*

Senator E. D. SMITH,
Washington, D. C.:

Federal inspections of South Carolina National Guard reveal that it has reached a higher state of efficiency than ever in its history. This pleasing condition has resulted from the spirit of the guardsmen themselves, but primarily from the tactful guidance of Regular personnel detailed to assist in operating our national defense act. To eliminate Regular officers available for this duty will deny the guardsmen the training essential to meet their great responsibility as first-line troops in the next emergency, and it will potentially result in deaths of citizens and in more homes throughout this country thrown into bereavement and mourning through lack of essential peace training.

IBRA C. BLACKWOOD, *Governor.*

PROPOSED REDUCTION IN GOVERNMENTAL EXPENSES

Mr. CAPPER. Mr. President, I ask unanimous consent to print in the RECORD the following telegrams and letters from chambers of commerce and similar organizations in Kansas, urging reductions in governmental expenditures.

I might add, Mr. President, that these are only typical of many other resolutions, letters, messages, and demands received from the people of Kansas. Kansas people feel that the first place to start in balancing the Budget should be through drastic reductions in Federal expenditures.

I wish to say further that the people are right in those demands. The taxpayers expect, and have a right to expect, that Congress make an earnest and successful effort to reduce governmental expenditures. Every business man,

every taxpayer, practically, in the entire country has been obliged to cut down outgo to meet income. When he sees the Federal Government trying to strike a balance by increasing its income—by picking the pockets of the taxpayers—to meet outgo he feels outraged and indignant.

I have supported and voted for every move this session of Congress to reduce expenditures by the Federal Government. I repeat, we should have started by cutting the salaries of Senators and Congressmen. It is not a question of what we would like to do; it is a plain duty of this Congress to cut expenditures, to reduce appropriations, to balance the Budget by economies in government before increasing tax levies and adding to the sources of taxation.

I have here messages from the Chambers of Commerce of Abilene, Topeka, Girard, Iola, Coffeyville, and Lyndon that tell the story. The people of this country are demanding that Congress actually cut expenditures and reduce taxes instead of increasing them. I send these messages to the desk with the request they be printed in the RECORD and appropriately referred.

There being no objection, the telegrams and letters were referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

ABILENE, KANS., *May 10, 1932.*

Senator ARTHUR CAPPER:

The Abilene Chamber of Commerce, representing the sentiment of this community, urges you to use your influence and bend every effort toward getting the National Budget balanced and Federal expenditures, including salaries, reduced.

THE ABILENE CHAMBER OF COMMERCE,
T. H. EASTER, *President.*
M. B. MCCLESKEY, *Secretary.*

THE CHAMBER OF COMMERCE,
Topeka, Kans., May 9, 1932.

Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: You are viewing the situation from a close point and we are viewing it from a long distance. We are confident that you would appreciate knowing the views of a good many representative people in Topeka.

Some 200 people were assembled to-day, and I was directed by that group to convey a message to you that we believe you are interested in hearing.

Briefly, the thought is this: The Budget must be balanced, and there are only two ways it can be accomplished—either collect more money or spend less money.

Not only the group assembled but the people generally that we come in contact with indicate that they are following closely the action of Congress with regard to present and future expenditures. People generally are disturbed and nervous for fear that you gentlemen will not do what might be expected of you. Those of us who know you personally are relying on your good judgment and your ability to sense the rumblings of the taxpayers and voters of this community. People are cognizant of the growing unrest that is prevalent to-day.

The dilemma in which we find ourselves to-day can not be attributed to something that happened last week or last month. It has been steadily growing and is rapidly growing to a head.

We shall appreciate very much your sincere and hearty cooperation in accomplishing what we believe to be important legislation regarding the contemplated revision of expenditures by the Federal Government.

Very truly yours,

M. DREHMER, *Secretary.*

THE CHAMBER OF COMMERCE,
Topeka, Kans., May 9, 1932.

Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: I was very happy to read in Saturday's and yesterday's papers of the organized effort in Washington to reduce expenses in order that the Budget might be balanced.

It is certainly the feeling of every business man and property owner in the city of Topeka that the time has come when its expenses throughout the Government must be reduced to balance the Budget, and that taxes must not be increased. It is also the feeling of representative people in Topeka that official Washington must act if this Government is to stand.

Everyone on Kansas Avenue is strong for cutting the overhead to meet the Budget and have it done quickly.

With my kind personal regards, I am sincerely,

M. W. JENCKS.

GIRARD, KANS., *May 12, 1932.*

United States Senator ARTHUR CAPPER,
Washington, D. C.:

The people of Girard and community request definite congressional action in balancing National Budget without regard to selfish interest of any group or organization. Believe that governmental expenditures can and should be reduced. Request that entire Kansas delegation take immediate steps toward bringing these things about.

GIRARD CHAMBER OF COMMERCE,
M. G. SLAWSON, *President.*

IOLA, KANS., *May 11, 1932.*

Hon. ARTHUR CAPPER,
United States Senate Chamber, Washington:

Speaking for business and professional interests of Iola and trade territory, this organization decidedly opposes increase in first-class postage, bank-check tax, and other nuisance taxes until such time as a sincere effort to balance Budget by reduction in Federal salaries, closing of duplicating and unnecessary bureaus and commissions, and other national economies has failed to secure desired result. City, county, and State expenditures have been materially reduced in Kansas, and we suggest same course for our Government. Your hearty cooperation in such an effort is urged and expected. Above is result of special meeting held to-day and resolution in accord adopted.

IOLA CHAMBER OF COMMERCE,
C. A. DORSEY, *Secretary.*

IOLA CHAMBER OF COMMERCE,
Iola, Kans., May 11, 1932.

Hon. ARTHUR CAPPER,
Senate Chamber, Washington, D. C.

DEAR SENATOR: In accord with a resolution adopted at a special meeting of this chamber to-day, a night letter is going forward which is self-explanatory and which will be in your hands before this confirmation arrives.

With a radical reduction in all lines of merchandising there has been a corresponding shading of incomes and salaries, and it strikes us as entirely consistent that Federal expenditures should follow the same logical procedure, instead of insisting upon burdensome and entirely avoidable nuisance taxes in order that Federal expenditures be kept at practically war-time figures and an already overtaxed people be further loaded to carry this unnecessary cost.

The ultimate consumer always—and properly—pays these added taxes, and you are quite aware that farmer, merchant, and manufacturer have steadily diminishing incomes which will not be helped in the least by present tax program. We are heartily in favor of a speedy balancing of our National Budget, but believe that sufficient economies can be made in present overhead to make many of the proposed taxes entirely unnecessary.

We solicit your best effort in making this sort of a program effective, for it is in line with what we as individuals have found practical and necessary.

Yours truly,

C. A. DORSEY, *Secretary.*

COFFEYVILLE, KANS., *May 11, 1932.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SIR: I am asked to send you the sentiment of the Coffeyville business men with reference to important present-day conditions.

On May 7 the following telegram was sent to President Herbert Hoover. Similar telegrams were sent by the two banks, the bankers' association, the mayor, the Business and Professional Women's Club, and the Coffeyville Merchants' Association: "The business of this country is in a most critical condition, and the illogical and wavering action of Congress is producing economic ruin. We heartily approve your course in calling for prompt action. We urge and demand a sound and economical balancing of the Budget." The telegram speaks for itself.

Every group of business men that gets together officially or unofficially is voicing a demand that immediate steps be taken for greater economy in the United States Government. The outcry for a balanced and economical Budget is growing stronger, and business men are insisting that the Congress of the United States should take prompt and drastic action.

Very truly yours,

COFFEYVILLE CHAMBER OF COMMERCE,
JAMES A. GIBSON, *Manager.*

FROM THE LYNDON CLUB

We demand of the Congress as our representatives to act as business men and not as politicians to immediately take a position of leadership toward balancing the Budget.

We feel that this is a critical time in the affairs of our Government and that prosperity will only return when the cost of government is in harmony with other business conditions.

We demand that you work, act, and vote for measures which will balance the Budget by the reductions and eliminations of Government expenditures instead of the creation of new means of raising revenues through additional tax, either direct or indirect.

W. B. BANNING,
OLIVER GREEN,
GUIL CALKINS.
(And others).

REMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, I present two petitions from South Dakota, one of them from Hyde County and the other from Charles Mix County, signed by something like 200 persons, who are in favor of bimetallism.

I wish to state at this time that I have received various petitions signed by farmers throughout the Middle West and the West to the extent of 100,000 favoring my bill, Senate bill 2487.

I ask that the body of one of the petitions be printed in the RECORD without the signatures, and that the petitions be referred to the Committee on Finance.

There being no objection, the petitions were referred to the Committee on Finance and the body of one of them was ordered to be printed in the RECORD, as follows:

Resolution and petition to Congress urging passage of Wheeler bill, S. 2487

Whereas a medium of exchange so limited in quantity as to make its use prohibitive in world commerce, either in direct coinage service or as a basis for currency issue (even when not cornered, but given the freest possible circulation); and

Whereas silver as a precious metal is admirably adapted, both as a direct and indirect medium of exchange, for world commerce, same being already in use in most of the nations of the world; and

Whereas the remonetization of silver will not only be an essential step toward dethroning a despotic, usurping tyrant—that is, heading man "back to the cave"—but also toward such issuance and control of money as provided for in the Constitution; and

Whereas the conquests of science and invention have brought the world to our door, making ox-cart isolation very impractical, expensive, and inconvenient, if not tragical; and

Whereas the last stand of the "gold standard" battling to retain world supremacy has so paralyzed world commerce as to place recovery in question or doubt:

Therefore, as loyal American citizens looking toward the welfare and perpetuity of our Nation, we herewith petition you, our representatives in Congress, to lend all possible support to the Wheeler bill, S. 2487, as an initial step toward "honest money" and credit, and toward that end we herewith subscribe our names.

Respectfully submitted for your cooperation.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had signed the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 290. An act to establish a memorial to Theodore Roosevelt in the National Capital;

S. 418. An act to extend the admiralty laws of the United States of America to the Virgin Islands;

S. 694. An act to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet;

S. 2409. An act to amend Title II of the Federal farm loan act in regard to Federal intermediate credit banks, and for other purposes;

S. 2955. An act to amend the World War veterans' act, 1924, as amended;

S. 4148. An act to permit the United States to be made a party defendant in certain cases;

S. 4289. An act to amend the act of February 23, 1927, as amended (U. S. C., title 47, sec. 85), and for other purposes;

S. 4416. An act to provide for the transfer of certain school lands in North Dakota to the International Peace Garden (Inc.); and

S. J. Res. 75. Joint resolution authorizing the Joint Committee on the Library to procure an oil portrait of former President Calvin Coolidge.

REPORTS OF COMMITTEES

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 3243) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards, reported it with an amendment and submitted a report (No. 701) thereon.

Mr. THOMAS of Idaho, from the Committee on Indian Affairs, to which was referred the bill (S. 4510) to authorize exchange of small tribal acreage on the Fort Hall Indian school reserve in Idaho for adjoining land, reported it without amendment and submitted a report (No. 702) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 4390) authorizing the exchange of certain patented lands, reported it with amendments and submitted a report (No. 707) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3817. An act to provide funds for cooperation with the school board at Wolf Point, Mont., in the extension of the public-school building to be available to Indian children of the Fort Peck Indian Reservation (Rept. No. 708); and

S. 4391. An act to authorize appropriations for the completion of the public high school at Frazer, Mont. (Rept. No. 709).

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 4339) repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma, reported it with an amendment and submitted a report (No. 710) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska (Rept. No. 703); and

S. 4261. An act to facilitate execution of and economy in field season contracts of the Forest Service (Rept. No. 704).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 4574) to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes, reported it without amendment and submitted a report (No. 705) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 11246) authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex., reported it without amendment and submitted a report (No. 706) thereon.

AMENDMENT OF NATURALIZATION LAWS—CONFERENCE REPORT

Mr. KING submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same.

H. D. HATFIELD,
HIRAM W. JOHNSON,
WILLIAM H. KING,
Managers on the part of the Senate.

SAMUEL DICKSTEIN,
JNO. W. MOORE,
ALBERT JOHNSON,
Managers on the part of the House.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, May 18, 1932, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 290. An act to establish a memorial to Theodore Roosevelt in the National Capital;

S. 418. An act to extend the admiralty laws of the United States of America to the Virgin Islands;

S. 694. An act to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet;

S. 2409. An act to amend Title II of the Federal farm loan act in regard to Federal intermediate credit banks, and for other purposes;

S. 2955. An act to amend the World War veterans' act, 1924, as amended;

S. 4148. An act to permit the United States to be made a party defendant in certain cases;

S. 4289. An act to amend the act of February 23, 1927, as amended (U. S. C., title 47, sec. 85), and for other purposes;

S. 4416. An act to provide for the transfer of certain school lands in North Dakota to the International Peace Garden (Inc.); and

S. J. Res. 75. Joint resolution authorizing the Joint Committee on the Library to procure an oil portrait of former President Calvin Coolidge.

BILLS INTRODUCED

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

By Mr. FRAZIER:

A bill (S. 4684) repealing certain sections of the Revised Statutes relating to the Indians; to the Committee on Indian Affairs.

(By request) A bill (S. 4685) to authorize the use of Minnesota Chippewa tribal funds to purchase certain land as a wild-rice harvesting camp site, and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS of Idaho:

A bill (S. 4686) for the relief of Delora Freeland; to the Committee on Claims.

By Mr. GOLDSBOROUGH:

A bill (S. 4687) for the relief of Lloyd Kolbe; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 4688) granting an increase of pension to Mary F. Reynolds; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4689) to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes; to the Committee on the District of Columbia.

By Mr. NORBECK:

A bill (S. 4690) providing old-age pensions for Indian citizens of the United States; to the Committee on Indian Affairs.

By Mr. CUTTING:

A bill (S. 4691) to amend the organic act of Puerto Rico, approved March 2, 1917, providing for equal protection to voters on all election boards; to the Committee on Territories and Insular Affairs.

By Mr. WHEELER:

A bill (S. 4692) extending trust periods with respect to lands within Flathead Indian Reservation; to the Committee on Indian Affairs.

By Mr. STEIWER:

A bill (S. 4693) authorizing the President to establish the hours of labor for laborers and mechanics on Government works in periods of economic stress; to the Committee on Education and Labor.

By Mr. PATTERSON:

A bill (S. 4694) to amend section 812 of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

A bill (S. 4695) to amend the Judicial Code; to the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion of Mr. WHEELER, the Committee on Claims was discharged from the further consideration of the bill (S. 2941) for the relief of the Holy Family Hospital, St. Ignatius, Mont., and it was referred to the Committee on Indian Affairs.

REVENUE AND TAXATION—AMENDMENT

Mr. REED 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:

At the proper place in the bill insert:

"SEC. —. There shall be levied, collected, and paid upon all articles, except such as are of a class or kind not mined, produced, manufactured, or grown in the United States, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam), directly or indirectly, from any foreign country, the value of whose currency, on date of exportation of such articles, as measured by the buying rate in the New York market at noon, as determined by the Federal Reserve Bank of New York, is more than 5 per cent below the standard value of such currency as proclaimed by the Secretary of the Treasury, an excise tax of 1 per cent of the value of such articles for customs duties, for each 1 per cent that the value of such currency as determined under existing law by the said Federal Reserve Bank of New York, is less than the standard value of such currency as proclaimed under existing law by the Secretary of the Treasury."

MESSAGES FROM THE PRESIDENT

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

WELFARE-WORK EXPENDITURES IN MASSACHUSETTS

Mr. WALSH of Massachusetts. Mr. President, in connection with the statement just read at the desk, presented by the Senator from Washington [Mr. JONES], I wish to have printed in the RECORD—I will not ask that it be read at the desk—a news article published in the Boston Herald of May 14 of this year setting forth the great burden upon the municipalities in the State of Massachusetts due to extra demands for appropriations for welfare work. The headlines of these news articles are as follows:

Massachusetts is staggering under $50,000,000 "dole" for year. Per capita expenditure of $15 a person. Boston expects to spend $14,000,000, or six times the total for 1928.

I ask that this article may be printed in the RECORD.

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

[From the Boston Herald, May 14, 1932]

MASSACHUSETTS IS STAGGERING UNDER FIFTY-MILLION "DOLE" FOR YEAR—PER CAPITA EXPENDITURE OF $15 A PERSON—BOSTON EXPECTS TO SPEND $14,000,000, OR SIX TIMES THE TOTAL FOR 1928

By Edward Allen

Massachusetts this year is staggering under the burden of a $50,000,000 "dole."

This sum does not include the cost of running expensive State, municipal, county, and Federal hospitals and institutions. It does not represent money paid out by the State for public welfare or cash expended by the Federal Government for veterans' compensation and pensions.

It includes merely the cost of operating welfare agencies in the cities and towns for the immediate relief of the unemployed or extraordinary suffering caused by the death or incapacity of the family provider.

It amounts to a per capita expenditure of about $15 a person. Each taxpayer has to bear many times that amount.

In Boston the "dole," public and private, is expected to exceed $14,000,000 this year.

The overseers of the public welfare alone are distributing more than $1,000,000 every month.

The $3,000,000 raised in the united Boston unemployment campaign was barely sufficient to maintain the institutions for which it was collected for 10 weeks.

Soldiers' relief, due to the discharge of veterans employed on the Kenmore Square subway-extension project, is mounting rapidly. In April, 1931, the department spent $26,142. Last month it distributed $105,014.

Since then 103 veterans have been laid off, with the expectancy that the figure would reach 500 within a few days. The rest have been placed on part time.

At the present rate soldiers' relief will cost the city more than $1,125,000 this year. The cost for the first four months of 1932 was $275,956, as compared with $170,000 in 1931.

In addition private charities received from the privately collected unemployment fund a third of the $3,000,000 which was successfully raised. Their share does not include the income from large gifts, endowments, and other regular sources.

In March, 1932, the Family Welfare Society of Boston distributed $49,148.12, as compared with $20,333.06 a year ago. The expenditures of other private charitable organizations increased proportionately.

The Worcester "dole" is now in excess of that paid by Boston in 1928 in spite of the fact that Boston is more than four times as large as the central Massachusetts city.

The Worcester public welfare department spent $444,182 in 1928. Last year it expended $1,239,038.39. So far this year it has distributed $680,026. In addition, the city raised $628,404 for its private charities in the annual community-fund campaign.

Boston's overseers of the public welfare spent only $2,200,000 in 1928—a sixth of what they will expend this year if present conditions continue.

Newton, with its admirable system of coordinating private and public charity, is able to account for every penny expended on the unemployed.

In the first four months this year Newton distributed for various forms of charity $96,010.15, or more than the entire 1928 expenditure of $85,703.35. The 1931 figure was $204,358.

Because of the multiplicity of systems employed in the various municipalities and because of the overlapping between payment for labor and the "dole" for involuntary idleness, comparison of the cost of relief in the various cities and towns is virtually impossible.

The Newton figures include soldiers' relief, mothers' aid, old-age pensions, the mayor's welfare committee, which spent $36,000 of private funds for labor last year, and the welfare bureau, another organization dispensing private funds.

The Cambridge public-welfare role will cost more than $1,000,000 this year. In nine months last year the figure was $477,000. In 12 months of 1928 it was only $194,000.

The Brookline welfare list for the first four months of 1932 cost $75,629, more than twice the entire 1928 figure of $37,211. The 1931 expenditures were only $110,801.

BIG BELMONT GAIN

In Belmont welfare relief cost $8,733 in 1928, $17,505.86 during the first four months this year.

Concord welfare department has shown a decrease. The expense for the first four months this year was $3,700. Last year it was $4,600. The total last year was $1,000 less than 1928, when the figure stood at $13,000.

Haverhill's expenditures for the same department during the first four months this year were $129,461—in excess of the entire 1928 figure. The 1931 total was $294,183.67.

Lexington in three months this year outstripped its entire 1928 expenditure of $7,226. Its 1931 total was $16,413.

In Lawrence, exclusive of mothers' aid, the welfare cost in April was $46,585. The expense for the first four months was $174,916 as compared with $281,268 for 12 months last year.

In Watertown the expenditure was $53,699 in 1928, $204,564 in 1931, $111,596 so far this year.

In Waltham the city paid $124,093.22 in 1928, $314,714 last year, $86,689 so far this year.

Needham spent $15,915 in 1928, $40,686 last year, $4,716 in April.

Milton spent $1,500 from public funds and $3,200 from the Cunningham fund in April. In 1928 its entire relief costs were only $12,297.

The smaller cities and towns are keeping pace with Boston in the increase of expenditures for soldiers' relief. Wakefield spent $6,000 for this item in 1928, $19,210 in 1931, $12,356 so far this year.

Reading spent $6,599 in 1928, $10,962 last year, $3,157 in three months this year.

Fall River spent for welfare relief, mothers' aid, and soldiers' relief in 1928, $449,328; in 1931, $750,425; so far this year, $292,021.

Chelsea spent more than $410,000 for general and soldiers' aid in 1931 and has spent nearly $190,000 already in 1932.

Revere spent for welfare relief in 1931, $155,177, and, exclusive of administration expenses, has spent $73,110 this year.

Winthrop spent $28,180.40 for welfare and soldiers' relief in 1931. The figures so far this year are not available.

Natick's welfare and soldiers' aid expenses in 1928 were nearly $35,000. In 1931 they had mounted to $119,000. In addition, $9,931 has been spent in recent months from a privately collected fund.

WELLESLEY SPENDS $750 A WEEK

Wellesley's relief list in 1928 cost $12,000. Last year showed a slight increase—to $15,743. However, an additional $35,000 was spent for "made" work for the jobless in 1931 and the present expenditure is $750 a week.

Somerville spent for welfare and soldiers' relief in 1928, $220,526; last year, $509,578.54; estimated for 1932, $839,600.

Melrose spent more than $57,000 for soldiers' relief and public welfare in 1931. So far this year it has spent more than $27,000.

Medford spent $158,490 in 1931 for the same items; this year it has spent nearly $86,000 in four months.

Everett spent $490,000 in 1931 for soldiers' and public welfare; this year it spent $250,000 in four months and estimates the cost of relief alone for the year at $625,000.

LIBERTY, DEATH, AND THE SOLDIER—ADDRESS BY JOHN M. COFFEE

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by John M. Coffee before the joint meeting of all Spanish War Veterans' camps at Tacoma, April 19, 1932, entitled "Liberty, Death, and the Soldier."

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

To-night, fellow citizens, we are met to commemorate muster day, a date dear to the hearts of all Spanish War veterans. While it should properly fall on April 21, I am informed that this is the meeting night of your organizations occurring nearest to that date.

It is peculiarly fitting that we should discuss patriotic events and give utterance to patriotic sentiments, on the night of April 19, for it was on this date in 1775 that our forefathers had their first sanguinary combat for liberty with those who would deprive them of that precious possession. Who does not remember the poet's lines:

"'Twas the 18th of April in '75,
And hardly a man is now alive
Who remembers that famous day and year
Of the midnight ride of Paul Revere. * * *"

That romantic nocturnal ride through the Massachusetts countryside is carved indelibly in the hearts of all liberty-loving Americans, for it presaged the successful initial battle at Lexington on the next day. To students of American history, this day, the anniversary of the Battle of Lexington, has a definite sentimental attachment. If any of you have visited that sylvan scene, as have I, and have watched the placid river as it flows under that old wooden bridge, unruffled in its calm on its way to meet the sea, you must thrill with me in golden memory of a spot never to be forgotten. 'Twas Ralph Waldo Emerson who said, in dedication of the Concord monument, those immortal noble lines:

"By the rude bridge that arched the flood,
Their flag to April's breeze unfurled,
Here once the embattled farmers stood
And fired the shot heard 'round the world.

* * * * *

"On this green bank, by this soft stream,
We set to-day a votive stone
That memory may their deed redeem
When, like our sires, our sons are gone.

"Spirit that made those heroes dare
To die, or leave their children free,
Bid time and nature gently spare
The shaft we raise to them and thee."

My friends, enshrined forever in the hearts of their succeeding countrymen will be the glory of that April day. What a significance has April in the struggle of liberty up from its primitive beginnings to its fruition in modern times, especially in American history! April saw the commencement of the Revolution; April saw the inauguration of George Washington as our first President in 1789; April witnessed James Knox Polk's fiery declaration of war with Mexico; in April came the firing on Fort Sumter and its gallant defense for three long days and nights by Major Anderson, and with it the start-off of a 4-year fratricidal war that nearly tore this Nation asunder; April saw America again marching to the rescue of the oppressed and downtrodden subject peoples under the thralldom of Spain. Again in April America went to war against Germany and her allies inspired by Woodrow Wilson's ideal of self-determination of nations, freedom of the seas, and liberty for subjugated nationalities. In April was born and died, in 1564 and 1616, respectively, the greatest man of letters who ever lived at any time and any place in the history of the world. He infused the breath of life into literature and climaxed the Renaissance at the end of the Dark Ages. The inspiration of his writings shall never perish. His name was William Shakespeare. To him the cause of liberty owes an unrequitable debt of gratitude.

Throughout all history the progress of civilization has been marked by the bloody struggles of people for liberty. My friends, stray back with me along the shadowy labyrinthine corridors of time. Envision with me the lessons which history teaches us.

We speak of liberty as one thing and of virtue, wealth, knowledge, invention, national strength, and national independence as other things. But of all these liberty is the source, the mother, the necessary condition. She is to virtue what light is to color, to wealth what sunshine is to grain, to knowledge what eyes are to sight. She is a genius of invention, the brawn of national strength, the spirit of national independence. Where liberty rises there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength and spirit the freer nation rises among her neighbors as Saul amid his brethren—taller and fairer. Where liberty sinks there virtue fades, wealth diminishes, knowledge is forgotten, invention ceases, and empires once mighty in arms and arts become a helpless prey to barbarians.

Only in broken gleams and partial light has the sun of liberty beamed among men, but all progress has she evoked. Like the poet, let us ever charge ourselves to "follow the gleam."

Liberty came to a race of slaves crouching under Egyptian whips and brought them forth from the house of bondage. She calloused them in the desert and metamorphosed them into a race of conquerors. The spirit of the Mosaic law lifted their thinkers up to the sunlit heights where they beheld the unity of God, and inspired their poets with strains that yet phrase the noblest sublimities of thought. Liberty dawned on the Phœnician coast and ships passed the Pillars of Hercules to plow the uncharted sea. After the darkness of slavery the arrival of liberty came like the effusion of Shakespeare, "Night's candles are burned out, and jocund dawn stands tiptoe on the misty mountain tops." Liberty shed a partial light on Greece, and marble grew to shapes

of ideal beauty, words became the flaming instruments of subtlest thoughts, and against the scanty soldiery of free cities the innumerable caravan of the great King of Persia broke like surges of ocean breakers against a rock-bound coast. She cast her ray on the small farms of Italian husbandmen, and born of her strength a power came forth that conquered the world. They glinted from shields of German warriors, and Augustus wept for his legions.

Out of the night that followed her eclipse, Liberty's slanting rays fell again on free cities, and modern civilization began. A new world was unveiled, and lost learning found again. Alike as liberty grew, so grew wealth, art, knowledge, power, and refinement. Every nation's history has enscrolled on its pages the same truth. The strength born of the Magna Charta won Crecy and Agincourt. It was the rebirth of freedom from the despotism of the Tudors that glorified the Elizabethan Age. It was the renaissance of liberty from the tyranny of the Stuarts which brought on the golden era of Victorian culture. It was the spirit that brought a crowned tyrant to the block—Charles II—that planted here the seed of a mighty tree. Ancient freedom, the moment that its energy had gained unity for its devotees, made Spain the mightiest power of the world, only to fall to the lowest depth of darkness when tyranny succeeded liberty. All French intellectual vigor died under the absolutism of the seventeenth century, only to revive in splendor as Liberty awoke in the eighteenth and on the enfranchisement of the peasantry in the great Revolution, culminating in the power that in our times has defied defeat.

Shall we not trust her? To-day, as in times before, creep on the insidious forces that destroy liberty by producing inequality. Liberty calls to us again. Her clarion voice points a warning finger at the horizon, where the clouds are beginning to lower. She calls to us again to follow her further; to trust her fully. We must unstintedly accept her or she will not linger in our midst. It is not enough that man should vote nor that he be theoretically equal with his fellow before the law. Liberty must lead us on to avail ourselves of the opportunities of life. Men must stand on equal terms in relation to the bounty of nature. Otherwise Liberty withdraws her light. Either this or darkness approaches and progress vanishes in the murk of the night. This is the law of the universe. This is the lesson of the centuries. Unless founded upon justice and liberty the social structure can not stand.

We know that Babylon, Persia, Syria, and Egypt all fell and their enlightenment was destroyed when the modicum of liberty their rulers allowed them was taken away. Phœnicia became a great shipping nation because it threw off the chains which encompassed its liberty of contract. The glory that was Greece attained full flower under the Republic, and the most magnificent utterances of its orators, dramatists, and poets were made in praise of liberty. So up from the darkness and gloom of slavery struggled the ancient people. Rome flourished under the Republic when liberty inspired the people; but with the coming of the Empire, at the time of the birth of Christ, the sappers and the miners dug caves under Freedom's superstructure, and the beauty and learning of Rome under the lashings of enslavement and the decadence and moral disintegration of the emperors faded away. From 476, when Rome fell, until 732, the Battle of Tours, liberty was under a cloud and all but disappeared from the earth's surface. But at Tours the dark forces of the Moslem were turned back from northern Europe and the future civilization saved. Spain was obscure and unknown until it drove the Moors out of the country in 1491. After Tours, and thenceforward until 1215, our European forbears, in direst ignorance and woeful servitude, continued their bloody struggle. One thousand two hundred and fifteen is one of the outstanding dates of history, for in that year the medievalism gave way to a form of representative government. King John, on the field of Runnymede, signed the Magna Charta, the first great palladium of liberty vouchsafed the common people in the Christian era, and thereafter came the Renaissance. England has had many a struggle for liberty—the Wars of Roses, the driving out of the Stuarts in 1649 and 1688, the struggles in Parliament culminating in England's Bill of Rights. Italy united and drove out the enemy in 1870. France stormed the Bastile in 1789, and after years of the bloody Directory and Robespierre, became a republic. Napoleon, intoxicated by his military successes, temporarily held back liberty from the French, but in 1871, after the Franco-Prussian War, a third republic was formed, and under the broad freedom enjoyed thereunder France has become one of the three great powers of the world.

No lover of liberty may neglect to pay a tribute to Rousseau, Voltaire (who thundered at the emperors, "I may not agree with a single word you say, but I will defend to the death your right to say it"), and Montesquieu. Frederick the Great encouraged freedom in Prussia and after the Revolution of 1848 we see a new Germany emerging, but it remained for the defeat of Germany in the World War to launch a new and greater nation. No military dictator such as the Kaiser and no despot resembling the Iron Chancellor, Bismarck, ever exalted a nation into the do-or-die spirit. Spain in 1931 threw out the Bourbons and begat a republic. Watch Spain from now on. The Turks tried to overrun Europe with their religion of despair and their bloody absolute forms of government but were stopped at the gates of Vienna three centuries ago by little Poland, which up to the World War was dismembered and almost forgotten. Out of the chaos of that conflict, when the tumult and the shouting died, sprang forth a rejuvenated Poland, a free and independent nation with a corridor to the sea. The scattered legions of Napoleon after Jena overwhelmed Europe and almost turned back five centuries of political progress, but this arrogant despot couldn't surmount the forces of nature, and the retreat from Moscow in 1812 was the beginning of the end. The opponents of Napoleon were filled with an unquenchable thirst for liberty, and they united under Blücher and Wellington, and the Battle of Leipzig was followed by Napoleon's more disastrous defeat at Waterloo and his banishment to St. Helena. The world breathed more easily, but at Vienna in 1815, led by the arch tyrant Metternich, the few remaining emperors tried to parcel up the booty among themselves. There and then they set the long fuse to the powder magazine that became the World War a century later. Once given a taste of liberty, the common people will not surrender the prize. Beating with deathless pulsations in human breasts is the yearning for a free home, a free speech, a free press, and freedom of religion.

Thomas Jefferson, America's greatest protagonist of liberty, was born in this month of April. He it was who wrote those immortal words from the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness." Notice, my friends, how Jefferson stresses the word "liberty." The French have as their motto on their national coat-of-arms, "Liberte, egalite, fraternite." Patrick Henry cried out amid the agony of those early days: "I care not what others may say, but as for me, give me liberty or give me death." The Revolution was fought to bring to us freedom from an oppressive mother country and liberty to rule ourselves for ourselves.

The War of 1812 was fought to prevent England depriving American seamen of their right of citizenship and to destroy England's interference with our freedom of trade. We helped Texas remove itself from the iron heel of oppression in 1836, and we fought with Mexico to bring political freedom to the inhabitants of the southwestern part of the United States. We waged the Civil War to determine once and for all the right of our "fellow countryman in chains," the negro, to be captain of his fate and master of his own soul. "No more shall the war cry sever or the winding river run red" after that bloody holocaust. In April, General Lee surrendered at Appomattox and Johnson surrendered in the same month to Sherman in North Carolina. The tortured Nation was again rewelded.

In 1868 began the noble battle of the Cuban peasants for independence from the Spanish overlords. Sporadically they were helped by American sympathizers, but in 1895 Spain determined upon the inauguration of a butchering and starvation policy, and the world was horrified. The Spanish governor, Weyler, corralled the Cuban farmer in prison camps and impoverished and starved the country. These camps were called "reconcentrados," and no food or sustenance could be obtained outside their walls. But Cuban patriots fought on for independence, for the precious freedom denied to them. The Queen Regent, finding the reign of terror of Weyler unavailing, essayed a policy of conciliation and named Blanco to succeed Weyler, but it was too late. The die had been cast, and "the Rubicon was crossed."

Intrepid Cuban General Garcia rerallied his scattered and tattered troops crying, "On, on to victory." Had he not had the examples of the great negro patriot, Toussaint L'Ouverture, who in a magnificent campaign drove the French out of Haiti a few decades before? Were not the Cuban patriots fired with zeal to emulate Miranda, who drove the Spanish tyrant out of Central America, and Bolivar, the George Washington of the Southern Cross, who drove the Spaniards into the sea and gave South America back to the common people?

Naturally, the United States was sympathetic. We had fought the same fight in the Revolution. We sent the battleship *Maine* to Habana Harbor to show our regard, but alas, some sinister force in the dead of night planted a terrible explosive, and the beautiful ship was sent to the bottom in a cataclysm that electrified the world. Two hundred and sixty-six brave boys were sent to their eternal abode by that dastardly blow. America was horrified. With difficulty McKinley held in leash the dogs of war, but no people could stomach for long such a brazen affront to their dignity and honor. War was declared April 21, and the militiamen and regulars leaped to arms. Thereafter was fought the only American war in 100 years in which only volunteers exclusively participated. The boys moved on Tampa, Chickamauga, Cuba, Puerto Rico, and the Philippines. Who can not remember the names of some of the brave commanders, Miles, Shafter, Merritt, Lawton, Wheeler, Wood, Roosevelt, and Funston, and on the sea, Schley, Sampson, and Robley D. Evans?

Retreat is a word not found within the lexicon of the American soldier or sailor. There was no retreat at Lexington, Ticonderoga, Saratoga, Trenton, Monmouth, or Yorktown in the Revolutionary War. There was no retreat when the *Constitution* shattered the *Guerriere*, or at Forts Henry and Donelson, or at Lundys Lane, Chippewa, or New Orleans in the War of 1812. There was no retreat at Monterey, at Chepultepec, at Cerro Gordo, at Buena Vista in the war with Mexico. There was no retreat at Gettysburg, Chickamauga, Shiloh, Antietam, Fredericksburg, Petersburg, and Vicksburg in the Civil War. Retreat was out of the question at El Caney, San Juan Hill, Manila Bay, Santiago, and the fights with Aguinaldo in the Spanish War. Retreat was the missing link from the chain forged by our troops in the World War at Soissons, at Belleau Wood, the Argonne, and Chateau Thierry.

The Spanish War was fought by brave men, all volunteers. They were imbued by a love of liberty and a desire to sever the chains binding their Cuban and Philippine brothers to the yoke

of the Spanish tyrant. They came, not to enslave but to free—not to destroy but to save. Theirs was an inspired mission. They plowed through fever-infested swamps. They ran the gantlet of the malaria mosquito, they hazarded their lives in the torrid jungles of the Tropics, beset by snakes, filth, insects, impure water, decayed food, and embalmed beef. Theirs was no golden road of romance or a marching to battle between lines of waving, cheering multitudes; theirs was no glitter and pomp; they were not endowed with the privileges of free postage, Y. M. C. A. camps, Salvation Army lassies, publicly maintained recreation camps. No hostess houses arranged for beauteous ladies to beguile their idle hours; no Sam Browne belts added to the pulchritude of their appearance; no French maidens administered to their playful whims; theirs was a grim business—to drive the Spanish devil out of the thicket. Nights they slept in the open—"no roof but the vault of heaven, no floor but the beaten sod." The bravery of the 1st of May at Manila Bay is unparalleled in our naval annals. The matchless fortitude of Naval Constructor R. P. Hobson, Ensign Blue, who carried the message to García, and of the sailors that sunny Sunday morning of July 3, 1898, when our fleet drove the last vestige of Spain's navy from the surface of the ocean in a battle marked by heroism on both sides, baffles comparison. Thus was Spain eclipsed and Cuba, Puerto Rico, Guam, and the Philippines divorced from their unloving spouse. Alike in all these battles has the American soldier and sailor fought for liberty under that beautiful flag [pointing]:

"The flag whose red is her heroes' blood
That laved its infancy;
Whose white is her undying fame
Of stainless purity;
Whose blue her field of azure is
Where, gleaming from afar,
We see a star for every State,
A State for every star * * *."

The soldiers of the American Revolution received no pension for many years, and then only in the most niggardly amounts. It was nearly 20 years after Lincoln's assassination before the Civil War veterans received reluctant pension recognition from Congress. The Spanish War veterans received no pensions until years after the World War, and then with the help of World War veterans.

Liberty for the oppressed peoples has been fought for by our soldiers in every war. Our intervention in Cuba was an idealistic act. To them we kept the faith. We found Cuba a skeleton of unrelated, unshaped visions and dreams; we clothed it in flesh and blood, and there emerged the island republic of to-day, a gem of the Carribean. The independence of the Philippines must come if we are to keep our faith with those who paid "their last full measure of devotion."

And speaking of the soldiers who are gone, those whom we honor on Memorial Day, let me say that no sweeter honey of its kind has dripped from the hive of genius than the immortal words of the poet:

"On fame's eternal camping ground
Their silent tents are spread. * * *"

In a few short years the last survivor of ninety-eight will have bivouacked on the fields of the beyond. Let us dedicate these words on their monument: "He who saves his country saves all things, and all things saved bless him." For he died to make men happy and he died to make men free. Nor shall we permit hostile forces to-day, from within or without, to prevent our carrying into effect the words of Lincoln, when he said: "* * * From these honored dead we take increased devotion to that cause for which they gave their last full measure of devotion." The challenge is here: "Let us here highly resolve that these dead shall not have died in vain." The reign of the gangster must be destroyed. People's homes and children must be made safe. Let us not mock our heritage. We must exercise our vote and not merely give a votary gesture before party fetishes.

Let us refuse to send into office puppet mediocrities who dance on strings pulled by the manipulating machines controlled by the racketeer. Let us not drown out America's acclaim in this bicentennial year of the fame of Washington 200 years after his birth with the rattle of the gangster's machine gun and the agonized screams of men shot in the back in the land of the free and the home of the brave. Let us not permit the loyalty of our citizenry to our institutions to be eradicated by the gnawing aches of hunger in a land of plenty. Let us give our people economic freedom as well as political freedom.

Soldiers of high and low degree have no social distinctions in death; no gaudy tinsels or gilded trappings can create invidious distinctions at the sepulcher's dread mouth. How well did the great poet Gray phrase it when he wrote:

"The boast of heraldry, the pomp of power,
And all that beauty, all that wealth e'er gave
Await alike the inevitable hour;
The paths of glory lead but to the grave."

It is a mournful, somber truth that all men when crossing the bar must shed the onus of their griefs and honors; that man takes with him only that which he has freely given away, but we do know this—that even death may not despoil the soldier of the riches of his patriotic service and self-sacrifice. The soldier takes with him to his bier a legacy so rare that even envy is compelled to pay the tribute of admiration. Many of these men "matched mountains" in their bravery and "compelled the stars to turn aside to conquer" them.

The time has come again, my friends who fought the good fight 34 years ago, when the drums should beat and the lights gleam from the church tower to rouse us to our danger. Let us gird on our armor anew and go out to give guage of battle. Emerson said of our country: "It is God's best effort in behalf of the human race." I say to you in God's name, let us allow no force to annihilate that which our fathers builded. We have too many laws which maketh no respect for law and too many laws mean loss of freedom. You may ask me why I am so excited, but I reply to you, as did William Lloyd Garrison, the great abolitionist, the man whom malignity searched with candles to destroy:

"Brother, I have need to be all on fire
For I have mountains of ice about me to melt."

In closing I pay this tribute to the deceased Spanish War veteran:

"Erect with shining head
The great Republic claims her dead;
Nor in that day when every stripe and star
Proclaims the reign of peace
Shall honor to them cease,
Nor fame their laurel mar;
Though no battle peal awake them,
Time upon its scroll shall make them
Among earth's heroes dead,
Whose deeds that golden day more swiftly sped."

SURVEY OF INDIAN CONDITIONS—EXPENSES

Mr. FRAZIER. Mr. President, I ask unanimous consent to proceed to the consideration of Senate Resolution 193 on the calendar, providing for an appropriation for the subcommittee on Indian Affairs. It was promised a few days ago that there would be a calendar day within a day or two. That was last week, and it has not come. The committee is in need of the money proposed to be appropriated by the resolution. I do not think its consideration and passage will require any discussion at all.

Mr. SMOOT. If the resolution should lead to any discussion, I must object.

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

The Chief Clerk read the resolution (S. Res. 193) submitted by Mr. FRAZIER on April 5, 1932, which had been reported with an amendment, in line 5, to strike out "$12,000" and to insert "$6,000," so as to read:

Resolved, That the Committee on Indian Affairs, authorized by Senate Resolution No. 79, Seventieth Congress, agreed to February 1, 1928, to make a general survey of Indian conditions, hereby is authorized to expend in furtherance of the purposes of said resolution $6,000 in excess of the amount heretofore authorized.

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. Without objection, the amendment will be agreed to.

Mr. BORAH. May I ask the Senator from North Dakota to what kind of a survey the resolution has reference?

Mr. FRAZIER. A general survey of the condition of the Indians. The money proposed to be appropriated by the resolution is largely to continue the work already done and to get out the reports of the investigations which the committee has already made.

Mr. BORAH. It is to complete what the committee has already undertaken?

Mr. FRAZIER. Yes, sir.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to.

"FINISH AND ADJOURN"—EDITORIAL FROM WASHINGTON POST

Mr. HEBERT. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Washington Post of this morning entitled "Finish and Adjourn."

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

FINISH AND ADJOURN

Reports from Capitol Hill that a summer session is contemplated are a severe blow to the whole country. Business and industry are counting on an adjournment about June 10. Legislative uncertainty has been a handicap to recovery for several months. It was hoped that that handicap would be removed before the holding of the national conventions, and business interests have been gathering strength for a fresh assault upon the depression as soon as Congress gives them a chance. If prospects

of settled conditions during the summer fade out of the picture, a fresh pall of gloom will settle over the entire country.

Congress has more than three weeks in which to dispose of its unfinished business. Speaker GARNER gives assurance that the House will be ready to adjourn by June 4, which means that the adjournment is dependent entirely upon the Senate. That body is making good progress with the tax bill. It has shown a disposition to cling to the recommendations of its Finance Committee. A strong nonpartisan group of Republicans and Democrats are supporting the committee bill. Indications are that they will be able to put the bill through the Senate in substantially its present form. If so, the Senate could finish up its work on the tax bill this week.

Appropriation bills have been given careful consideration by committees of both Houses. They should not require extensive debate on the floor of the Senate. The economy bill is being whipped into shape, and since the issues that it will involve are already well understood it should not be a major source of delay. Nonpartisan efforts are being made to shape a relief measure. It would not be impossible to rush this project through before June 10 if politics could be left in the background. Congress can move with remarkable speed when it is so inclined. Even failure of the relief project would be less disturbing than a summer session of Congress.

At present the two major parties are cooperating with a view to balancing the Budget. The Senate is disposing of its business with a minimum of political influence. That attitude may be expected to prevail until the adjournment for the political conventions. If the business of Congress has been wound up by that time, the political volcanoes can erupt without disturbing the movement toward economic recovery. But if the Budget remains unbalanced and the fate of other legislation remains in doubt, another raid on confidence and further deflation may be expected.

After the conventions nonpartisan action would be impossible. Every measure before Congress would be thrown into the seething caldron of politics. Congressmen would use the floors of the House and Senate for political speeches and legislation would soon reach a stalemate. The country has already witnessed two stampedes in the House. What could be expected when the political campaigns were in full swing? Passage of the bonus inflation bill by that body would be almost a certainty. Radical measures of all varieties would be pressed forward to cure the depression.

Every sober-minded Congressman must dread the prospects of such an orgy, yet not one of them will have power enough to prevent it if Congress returns to Washington for a postconvention session. Every possible effort should be directed toward the completion of all essential measures before June 10. Members of Congress are working long hours and under a terrific strain, but the energy required to bring about an adjournment within the next three weeks is inconsequential in comparison with the energy that would be wasted in futile wrangling during a summer session.

Adjournment before the conventions is the only reasonable course that Congress can take. Let the leaders of the Senate map out a course for the disposition of each essential bill and hold rigidly to that schedule until its business is completed.

NATIONAL PROBLEMS—ADDRESS BY FORMER GOV. ALFRED E. SMITH

Mr. WALSH of Massachusetts. Mr. President, in view of the wide interest manifested by the public and Members of the Congress I ask to have printed in the CONGRESSIONAL RECORD a speech on national problems delivered over the National Broadcasting network on Monday, May 16, by former Gov. Alfred E. Smith.

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

In the crisis now confronting our country the Government itself, like every other human line of endeavor, is in trouble. At the beginning of the present session of Congress, on advice of the Secretary of the Treasury, the President certified to Congress a shortage of $1,200,000,000 between the estimated receipts and the estimated expenditures for the year 1933. It became therefore the duty of Congress, acting upon the advice of the President, to devise ways and means, either by increase of existing forms of taxation or the establishment of new forms, to insure sufficient revenue to meet the estimated cost.

The first duty of the Congress, exercising ordinary, good business judgment, is to use every means at its command to reduce the cost of the Government. I believe it to be the duty of every Member of Congress, without fear or favor, to go to the extreme limit in slashing from the appropriation bills all unnecessary appropriations of the public money. Every item not absolutely essential to the proper conduct of governmental business should be eliminated.

ACTION BY CONGRESS UNSATISFACTORY

So far the action taken by Congress with respect to reorganization of the Federal Government is not, to my mind, satisfactory. Congress can not give this matter the study and thought to which it is entitled. Under present conditions reorganization must be an executive and not a legislative function, and I am therefore in favor of giving to the President the full responsibility and power which he has asked in the immediate consolidation of Government activities and bureaus and in other ways to reduce the cost of Government. The compromises so far offered by Congress are inadequate. They will not produce either economy or reorganization, and will lead to endless wrangles as to the responsibility for failure.

One of the most important fields of economy in which the general public is just beginning to take a lively interest is the revision of the laws relating to veterans. While I bow to no one in my reverence for and devotion to the men who in the hour of national peril offered themselves to the country, I nevertheless hold, and I believe that a majority of the veterans themselves hold with me, that we should call a halt to veteran legislation and check up before we go any farther. No group of patriots can properly ask that their care shall become a national burden greater than the people of the country can carry in times of trouble.

Let us go back to the principles of the wise and far-sighted plans set forth by President Wilson in his program for payments to soldiers. He was a student of history. He sought above all things to avoid the evils of soldiers' pensions which followed the Civil War.

He began by obtaining a scale of pay for men in the service higher than any scale ever paid before in this or any other country. He established as a further part of this program the principles of full and complete care of those wounded or disabled during the war, or whose disabilities are traceable to the war; full care and protection for widows and orphans of soldiers who lost their lives in the war; and a system of insurance and deferred compensation for all veterans on a sound actuarial basis with contributions by the Government and the veterans.

This program was entirely acceptable to veterans and to the people generally, and was regarded everywhere as the most generous plan ever offered of governmental cooperation in the compensation and care of soldiers and their dependents in this or in any other country.

WHAT HAS HAPPENED SINCE

What has happened since Wilson's retirement as President? Not only have Federal and State bonuses been provided but the Wilson principles have practically been destroyed by numerous amendments to veterans' laws, all of which have for their purpose the payment of hundreds of millions of dollars to hundreds of thousands of veterans and their dependents, whose disabilities and other problems are not remotely connected with the war. Much of this huge sum is being paid, in fact, to men who never saw active service and to dependents who have no legitimate claim on the Government.

The country simply can not afford to appropriate these huge sums in a time of crisis for a favored class. As a matter of fact, by gradual changes in these laws, we are now paying large sums every year to over 300,000 veterans whose disabilities resulted from other than military or naval service. I take these figures from a document recently issued by a group of veterans themselves.

I therefore suggest that Congress appoint a special committee to report back at the next session a list of all special acts, amendments, and appropriations which in any way compromise the original Wilson principles with a view to the repeal of such legislation. In the meantime, no more burdens for veteran relief should be added by Congress at this session.

Holding this view, it seems unnecessary for me to say that I believe nothing should be done with regard to revision of the bonus bill at this session of Congress. The plan to pay immediately compensation not due for a number of years is made more obnoxious when accompanied by the suggestion that it be paid by the issuance of fiat money. I am sure that upon consideration the great majority of veterans will approve this and will manifest their willingness to bear their share of the national burden.

PRESENT TASK BEFORE CONGRESS

After Congress has boned the appropriation bills to the irreducible minimum there remains the question of seeking sufficient revenue by taxation to meet the estimated cost of operating the Government during 1933. At the time of the convening of the present Congress estimates of the Treasury Department indicated a shortage of $1,200,000,000. Since then Congress has added to the appropriations, and falling receipts indicate that the actual difference will be in excess of $1,500,000,000, and there is no assurance that it will not exceed that amount. Let us face the facts. The burden rests upon Congress to find new means of revenue which will positively produce at least $1,500,000,000.

It is important in the imposition of new and additional taxes required to balance the Budget that no greater strain be put upon industry or business than is absolutely necessary, and in any event that no strain be imposed which will operate to retard the return of prosperity. Moreover, any strain which is imposed should be fairly and evenly distributed over all business, all industry, and all occupations and callings. That is good, sound American principle. In other words, the desirable thing to do at the present moment is to broaden the base of taxation so that the whole country will bear its full and just share of the burden.

This leads me to the frank and honest statement that I believe in the general manufacturers' sales tax to meet the emergency. I think it was a mistake for Congress to turn it down. I think it should be reconsidered, and I hazard the guess that a clear majority in Congress in their hearts believe in a temporary general manufacturers' sales tax at this time.

HOW THE TAX WOULD WORK

Much has been said about the manufacturers' sales tax, but I am a little afraid that it is not thoroughly understood by the man on the street. For that reason I believe it will be helpful to

cite some figures. Take, for example, the man who spends $1,000 a year; that is, $83 a month. I would take that to be the expenditure of probably the average family head among the working classes of this country. Studies indicate that $700 of that $1,000 is for shelter, food, clothing, and other things, which, under the provision of the manufacturers' sales tax bill, are not taxable, leaving only $300 of his $1,000 expenditure to be subject to sales taxation.

A sales tax such as had been proposed would have required him to pay less than $8 a year, and I deny emphatically that there is such a lack of patriotism and devotion to this country at a time like this that any considerable number of men in position to expend $1,000 a year are unwilling to contribute $8 of it to the support of the Federal Government.

Aside from every other consideration it would be a healthy thing at a time like this, because it would encourage a great many thousands, if not millions, of people to study the financial operation of their Government, which they would surely do if they were direct contributors to its support.

All during my life and public career I have stood by the ordinary citizen of limited means and limited earning power. I shall never change that attitude. I came from this class, and I shall never forget it, and for this reason I can not give my approval to the false friend who leads the workingman to believe that his condition in life can be bettered by the slogan attributed by the press to those who opposed the manufacturers' sales tax: "In order to make up the deficit—soak the rich."

That means soak capital, and you can not soak capital without soaking labor at the same time. They are bound together. One is essential to the other. The success of one means the success of the other. The destruction of one means the destruction of the other. It is a false friend who leads the poor man to believe that capital can be unreasonably taxed or soaked without injury to him. In prosperous times labor does not receive the largest share of the profits of industry; therefore in a depression like the present it is right enough that capital should bear a larger share of the burden. Of course, capital must bear the main burden of taxation, but it should never be an unfair burden.

A HOMELY EXAMPLE

Let me give you a homely example: Mr. Railroad needs $50,000,000 to electrify his main line. He must go to Mr. Capital for the money, and Mr. Capital will say to Mr. Railroad, "What will you give me for the loan of this money?" And Mr. Railroad will say, "Five per cent gilt-edge first-mortgage bonds of our system." If the false friend of the poor man who suggests that we soak capital has his way about it, Mr. Capital will be compelled to say to Mr. Railroad:

"No. I can not lend you the money. While you promise me 5 per cent, there is a third party to the transaction known as Mr. Government, and he is going to take from me a large part of what I earn. If, on the other hand, instead of lending to you, Mr. Railroad, I lend to Mr. Government, Mr. Government will not tax me. I can put my money into State, municipal, or Federal Government securities and can be left undisturbed in the enjoyment of the full income growing therefrom. Instead of going into partnership with you, I propose to go in with Mr. Government."

Thereupon Mr. Capital deserts Mr. Railroad, and Mr. Railroad, in turn, is compelled to turn his back on the thousands of men who would be required in mine, shop, mill, and factory to produce, fabricate, and transport the equipment necessary for the electrification, plus the thousands of men now out of employment who would be engaged in its installation.

This same story can be recited all along the line. Soak capital and you soak labor. Confiscatory taxation of capital prevents the flow of money into industry. The greater and freer the flow of capital, the quicker industry will revive, and the quicker widespread unemployment will cease. The demagogue won't agree to that, but it's true just the same.

As a result of the attempt of Congress to impose taxes upon a few industries and forms of business, the representatives of these industries and business groups are fighting to be relieved of tax burdens. The only way I know of to discourage the operation of the special groups which infest the lobbies of Congress seeking either special favor or immunity is to impose temporarily a manufacturers' sales tax. It may not be good politics in the view of some people, to say this, but it is good patriotism, and that in the end is the only kind of politics which the people of this country will stand for in a time of emergency.

THE PEOPLE AGAINST PROHIBITION

Throughout the length and breadth of the land to-day there emanates from all classes of our people an insistent demand that something be done about the present laws, both constitutional and statutory, with respect to prohibition. The people have awakened to the fact that prohibition is not workable, that it does not prohibit, and that liquor and malted beverages are flowing throughout the country in as great a volume as they did prior to the enactment of the eighteenth amendment.

Pending action by the party conventions determining party policy with respect to modification or repeal of the eighteenth amendment, it is within the power of Congress to put a more liberal interpretation by statute on what constitutes an intoxicant. The immediate passage of an amendment to the so-called Volstead Act, legalizing light wines and beer and providing for their taxation, will produce a revenue of hundreds of millions of dollars and at the same time tax something that the Government always taxed and which is to-day escaping all forms of taxation and pursuing its business with as much vigor as it did at any time during the history of the country. Aside from the revenue-producing features, it would help materially to relieve the unemployment situation.

For several months I have spoken and written repeatedly of the necessity for a bond issue to progress productive national and local public works in order to cure unemployment, stimulate business generally, increase purchasing power, and restore our national morale.

More and more people are coming to this point of view. Men who can hardly be called visionaries—sound business men—have recently taken the same position. Talk will not solve unemployment. Immediate help is what is needed. We have already waited so long that if we do not take action quickly I doubt whether relief can come in time to be of use in the months that lie just ahead.

Millions of dollars of public money have already been expended on employment relief of little value. Certainly the so-called "made work," which consists of employing men on the basis of their family needs on all kinds of odd jobs without proper plans, material, or supervision, is a disguised dole and a waste of public funds. I have seen hundreds of men pulling up weeds and fixing shoulders of roads which three months from now will look just as they did before the men began working. This kind of labor produces nothing of permanent value. We have had enough of it.

Everything which has come to my attention on the subject of unemployment since I suggested a relief bond issue confirms my opinion that unemployment and relief of the distress it has caused can not be solved by merely throwing them back on the States and municipalities.

PUBLIC WORKS BOND PLAN

My original recommendations contemplated that the Federal Government would issue public works bonds for four purposes:

1. For an expanded program of Federal improvements.
2. For additional Federal highway aid to the States.
3. To advance money to limited dividend housing corporations for construction of low-cost housing.
4. For the purchase by the Federal Government of bonds of States and municipalities issued by these local governments for local public-works projects of long life and permanent value. Only public improvements, for which plans were completed or under way or for which plans could be quickly prepared, were to be financed in this way.

I further suggested that the President be empowered to appoint a public-works administrator, clothed with the power to progress public improvements of all kinds without reference to the many regulatory statutes which now contribute to the red tape and delay incident to Government work. There are numerous Federal public buildings and works throughout the country which have been authorized by Congress but for which no appropriations have actually been made. These could be put under way promptly. In addition there is at least $500,000,000 in the 1933 Budget for Federal public improvements which could be built from the proceeds of the sale of bonds and thus relieve the overburdened taxpayer.

Why should we not have a Federal-aid highway program at least as great as last year's, instead of one only one-fourth as great? New York for example, has the smallest highway program this year since the war. Last year it had the largest.

Some time ago the President recommended that Congress provide by legislation for substantial Federal aid for low-cost housing. The President has not referred to the subject again, although all other legislation recommended at that time has long since been disposed of.

NEW FEDERAL RELIEF PROGRAM

Within the last week the leaders at Washington have suddenly concluded that something must be done to speed the relief program.

After an informal conference with the leaders of both parties in Congress, the President has issued a statement proposing a 3-point Federal relief program for unemployment, in which he proposed:

1. That authority be granted the Reconstruction Finance Corporation to assist States by underwriting State bonds or by loaning directly to them for relief purposes to an amount not exceeding a total of $300,000,000.
2. That the Reconstruction Finance Corporation underwrite or make loans upon proper security for income-producing and self-sustaining enterprises which will increase employment, whether undertaken by public or private enterprise, provided also that these enterprises furnish part of the capital and promise early and substantial employment.
3. That the borrowing power of the Reconstruction Finance Corporation be increased to $3,000,000,000.

The President pointed out that he distinguished sharply between the use of capital for these enterprises on the one hand and unproductive public works on the other, and that the projects he proposed to aid were of a self-liquidating character not constituting a charge against the taxpayers or public funds. He stated further that he was opposed to increasing Federal construction work beyond the amounts already appropriated.

I presume that the President's statement is merely a starting point for discussion. The President says he does not propose to issue Federal bonds. Of course, that does not mean anything, because by increasing the capital of the Reconstruction Finance Corporation, he would authorize that corporation either to sell its securities, which are backed by the full credit of the United States Government, to the public, or to sell them to the United States Treasury and the Federal reserve banks or to borrow from these, which is precisely the same thing under another name.

I am also unable to follow the President's reasoning as to additional Federal improvements because the President himself has signed bills in which he authorized numerous improvements not included in the 1933 Budget. Are we to assume that all authorized improvements, many of which are being designed, including post offices, Federal buildings, and other projects, are wasteful? If they are needed, why not have them now?

ROAD CONSTRUCTION ADVANTAGES

I know of no field of public improvements in which results can be obtained so quickly and on which so many men can be employed promptly as on road construction. The entire huge budget for Federal highway aid to the States last year was actually expended in the time contemplated by the various States to which the money was advanced. If this could be done in the past year, why can it not be done again?

Of course, if the aid to be extended by the Reconstruction Finance Corporation is limited to revenue-producing improvements, then all such projects as highways and practically all State and municipal improvements will be excluded. Many of these improvements are truly productive even if they do not produce revenue. It is absurd to measure the productiveness of an improvement by the amount of revenue it brings in directly.

As for the financing of private revenue-producing enterprises under the guise of remedying unemployment, I am radically opposed to this, and I think most of the people of the country will be. It will lead to all kinds of logrolling and favoritism, and there are plenty of worth-while public improvements ready to go ahead which should receive Federal aid before private business is subsidized.

Personally I doubt very much whether the Reconstruction Finance Corporation is the right agency to which to entrust the public works and unemployment problems. The confusion in the President's mind is due to his attempt to use an agency created to bolster up private credit as an administrative body to progress public works. If the President wants to stimulate employment by public works, he must make his plan conform to the facts and not attempt to create overnight an entirely new body of State and municipal law based upon theories applicable to private and not to public business.

The notion that municipalities throughout the country may, under existing law, furnish part of the capital for a self-supporting improvement and then borrow the rest from the Reconstruction Finance Corporation is directly contrary to the constitutions, statutes, and practices of almost every State and municipality throughout the country. Only specially created instrumentalities like the Port of New York Authority can follow that procedure.

OFFER OF LOANS TO STATES

Even the offer to lend money to States will be entirely ineffective. New York State, for example, under its constitution may contract a debt only in anticipation of taxes, to repel invasion, suppress insurrection, or defend the State in time of war, and to fight forest fires. Otherwise all debts can only be created by legislative action plus popular referendum. Most of the States of the Union have such constitutional restrictions, and the same limitations apply to most cities, counties, towns, and villages.

The fact remains that the States and municipalities simply can not borrow from the Federal Government, no matter how much it might wish to lend. The most the Federal Government can do is to buy their securities after investigation as to their soundness and thus create a market almost wholly lacking under present conditions. This policy I have long advocated.

Rather than limit unemployment relief in the way suggested by the President, I would strongly recommend that the President be given a free hand to provide Federal aid for productive public works of States and municipalities, as well as for additional Federal projects, which will bring about the early employment of the largest possible number of men. The broader and more flexible the power given the President to accomplish these things at this time, the better it will be. It is not a mistake during times of stress and crisis to clothe the President with this plenary power to equip him to fight the war against unemployment and all the other evils which follow in its wake.

The proceeds of the sales and beer taxes will not only provide for the existing deficiencies but will undoubtedly produce revenue sufficient to pay the interest and amortize any public-works bonds which may be issued by the President during the next fiscal year.

ACTION ON WAR DEBTS URGED

On the 13th of April in Washington I suggested a plan to liquidate the war debts owed to this country by foreign governments. I earnestly believe that it will be a mistake for Congress to adjourn and leave this matter hanging in the air. The 1-year general debt and reparation moratorium negotiated by President Hoover last year expires in a few weeks, and while it is true that payments are not due until December, the world at large will be in a state of doubt, uncertainty, and apprehension during that period unless some one is authorized to speak for us.

Here again, temporarily and to meet the emergency, I believe Congress should empower the President to meet the situation as he once did without congressional authorization, and, if necessary, to prolong that moratorium until a real solution can be reached.

Certainly, the rider attached by Congress to the act approving the moratorium should be repealed, because it constitutes a threat to the President not to take any similar action in the matter without the consent of Congress until 1933. It leaves the country without a spokesman at a critical time. And, incidentally, let me say here that this spokesman may be called upon to overlook payment of our foreign debts for the simple reason that they are not going to be paid, the foreign governments having made no provision for them in their own budgets. It is senseless to count chickens which will never be hatched.

APPEAL TO CONGRESS MEMBERS

In conclusion, I believe that it is the patriotic duty of every Member of Congress from now until adjournment to discourage and avoid in every possible way all blocs, cabals, insurgencies, and mugwump tactics, by whatever name they may be called, which bedevil legislation, increase the depression, unsettle business, and endanger our credit at home and abroad.

Let every Member of Congress think of what is best for the country at large, even though it may not seem at the moment to be popular with the boys back home. The time has come for us to pull together like one great united people, to put our financial house in order. The prompt enactment of a complete and honest financial program and the balancing of our Budget are subjects above politics and sectionalism.

There are plenty of subjects to be discussed during the summer by conventions and candidates. Let us cooperate now and argue afterwards.

REVENUE AND TAXATION

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

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maryland [Mr. TYDINGS].

Mr. WALSH of Massachusetts. Mr. President, let me enumerate the proposals contained in the amendment presented by the Senator from Maryland.

First. The amendment proposes a modification of the Volstead Act by fixing the alcoholic content of beverages containing alcohol at 2.75 per cent instead of one-half of 1 per cent, which is the present law.

Second. The amendment proposes to levy a tax of 24 cents per gallon upon beverage of the alcoholic content named.

Third. The income derived from the beverage of the alcoholic content mentioned, known as beer, is to be collected and deposited in a special Treasury fund.

Fourth. It is estimated that from $400,000,000 to $500,000,000 can be raised annually from this tax and placed in the special Treasury fund.

Fifth. The amendment provides for a bond issue of $1,500,000,000, the proceeds of which are to be used to construct public works which the Congress has already authorized and which will be built in any event within the next 10 or 15 years. In addition to the amount authorized by Congress for construction of public works, the amendment provides an additional $400,000,000 for good roads, river and harbor projects, and for flood-control work. This makes a total of $1,300,000,000.

Sixth. The remaining $200,000,000 of the bond issue is to be disposed of as follows: The sum of $150,000,000 is to be set aside to make annual payments upon the bond issue covering a period of 15 years, and the sum of $50,000,000 is to be set aside to meet the annual interest requirement, which sum is to be taken from this tax as it is deposited in the Treasury fund.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield.

Mr. BORAH. May I ask the Senator if the amendment now pending is to take the place of the proposal outlined by the Senator from Arkansas [Mr. ROBINSON] a few days ago?

Mr. WALSH of Massachusetts. I will ask the proponent of the amendment, the Senator from Maryland [Mr. TYDINGS], to answer the question of the Senator from Idaho.

Mr. TYDINGS. The Senator has a copy of the amendment in his hand, I take it.

Mr. BORAH. Yes.

Mr. TYDINGS. If he will look at the date he will find that it was presented on April 19, which was, I think, long before either the Senator from Arkansas or President Hoover had taken any position along the lines the Senator indicates. The amendment was presented at that time with the thought that no other program, perhaps, would be presented.

Mr. BORAH. Then, may I ask, in case this amendment should be adopted and become a part of the law it would not be necessary to deal with the unemployment question further?

Mr. TYDINGS. I would not say that the amendment would provide an absolute cure; but I would say that it is in line with the general program advanced for that purpose.

Mr. BORAH. We certainly would not want to issue bonds to the extent of $1,500,000,000 and then issue bonds under the proposal of the Senator from Arkansas to the amount of $2,000,000,000.

Mr. TYDINGS. I think that is sound. I may say to the Senator from Idaho that I thought the virtue of the amendment which the Senator has in his hand, presented by me, is that it provides a sure way to amortize the bond issue, whereas some of the other proposals are more or less speculative as to how the money is to be obtained to pay for the bond issue suggested.

Mr. BORAH. What I am anxious to know is whether we are now discussing what is to be the ultimate plan with reference to taking care of unemployment.

Mr. TYDINGS. I should think, if the amendment is adopted, that, so far as the construction program is concerned, it would be the ultimate plan.

Mr. BORAH. Then the other suggestions about issuing bonds to the extent of $2,000,000,000 would likely be obviated.

Mr. TYDINGS. I think so.

Mr. WALSH of Massachusetts. Mr. President, I understand that no bill has been presented as yet outlining the proposals contained in the speech recently made by the Senator from Arkansas.

Mr. BORAH. No; but I understand that such a bill is being formulated and prepared for introduction by a committee.

Mr. WALSH of Massachusetts. I think that is correct.

Mr. President, the amendment proposed by the Senator from Maryland raises, first of all, the question of just what the Senate desires to do in the way of modifying the Volstead Act. If there has been any apparent change in public sentiment upon any public question during recent months, it seems to me it is most noticeable in the case of the expanding movement throughout the country for a modification of the Volstead Act.

I have been surprised at the extent to which correspondents have appealed to me for some action in the direction proposed by the amendment of the Senator from Maryland. Groups of constituents who never before appeared to be interested in this subject have very strongly urged that action be taken by the Congress toward the modification of the Volstead law. It may be propaganda; but the fact remains, nevertheless, that citizens who heretofore were disinterested in this subject, who refrained from taking sides or from making recommendations on this subject to the Congress, are doing so to-day in larger numbers than ever before.

Mr. President, the sentiment in favor of changing the Volstead Act is growing at a tremendous pace; and I find that this sentiment comes from industrial leaders as well as the masses of the people, who have long been favorable, especially in the industrial centers, to legislation providing for legalizing beer with small alcoholic content.

Practically every letter that comes to me outlining a new economic program to lift the country out of the depression includes action in favor of the modification of the Volstead Act. I need not comment upon recent elections in this country and the evidence they furnish of a very marked change in the former attitude of the general public toward this question.

This amendment presents an opportunity for those Members of the Senate who believe that the time has come for a modification of the Volstead law to register their position.

The Senator from Maryland [Mr. TYDINGS] in his speech of yesterday presented overwhelming testimony to the effect that this alcoholic content would not be construed by the courts to be intoxicating. It was pointed out, also, that the statutes of the several States prior to the enactment of the national prohibition amendment provided that beverages with an alcoholic content of less than 3 per cent were not intoxicating.

So we have, first of all, the straight issue of whether or not the Senate desires to record itself in favor of a modification of the Volstead law. Indeed, the Senator's amendment proposes to place a tax upon and give legal character to a practice that is widespread in this country to-day; namely, that of manufacturing, transporting, and selling a beverage of the alcoholic content named in the amendment without paying any taxes. There is no need of arguing that proposition at length. The Senator from Maryland went into the matter most extensively in his able speech of last night.

If this amendment is adopted, the Federal Treasury will receive a tremendous sum of money by taxing a beverage that was taxed before prohibition, that is now escaping taxation, and it is a tax that has been during many years recognized as a less burdensome tax than many of the others imposed or proposed to be imposed. Indeed, it is a tax that has been levied in connection with the taxes upon tobacco, and has been looked upon by all our people as a legitimate and reasonable way of receiving large revenue for the Public Treasury.

Those Members of this body who have reached the conclusion that the time is here to register the sentiment of the country in favor of a modification of the Volstead Act can do so by voting for this amendment, and in addition provide for turning into the Public Treasury a very substantial increase in revenue, and permitting that revenue to be used for a very praiseworthy and commendable object, namely, that designated in the amendment.

The second feature of the amendment is the provision for using the money collected under this tax for the relief of unemployment. It provides for a bond issue that is self-liquidating. It provides for a bond issue that will not disturb the present bond market, as it would be disturbed by placing upon the market Federal bonds which were not self-liquidating, and which it is generally conceded would be likely to have a very detrimental effect upon the value of the outstanding bonds owned by our people and financial institutions throughout the country.

Practically every one who has considered the question of a bond issue for the relief of unemployment has agreed that the most desirable—indeed, the most necessary—course for us to pursue is to provide for the liquidating of the bond issue in the law authorizing a bond issue. This measure does that. This measure defines the way and provides the means for paying off the bond issue within the life of the bonds that are proposed.

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

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Maryland?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. TYDINGS. I should like to point out to the Senator that on the 10th of June, which is not very far away, it is quite likely that Congress will at least take a recess over the period of the conventions, and that the amount of business now pending before the Congress is such that it would be very difficult to get consideration of any other measure to take care of the emergency which now exists prior to the 10th of June. We can consider this one proposition now, because it is in order; but if it is defeated, it means that no other emergency measure looking to starting our construction program can pass Congress and be put into effect until, perhaps, August. That being so, it would be next winter, in my judgment, before the construction program got under way. It seems to me that the present amendment has the virtue, if adopted, of permitting the construction program to be started in the very, very near future.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. BORAH. Does the Senator from Maryland believe that Congress will adjourn or take a recess until some plan for caring for the unemployment situation is provided for?

Mr. TYDINGS. No. I said that on the 10th of June we would likely take a recess——

Mr. BORAH. Does the Senator believe we will take a recess until we have passed a bill of that nature?

Mr. TYDINGS. Let me finish. I do not think we will adjourn until we have passed a bill of that nature; no. I thought, however, that if we did not pass the bill until July or August it would be next fall or winter before we could get a construction program under way; whereas if it is adopted now, the wheels could be put in motion within a month, so that long before next fall and winter descend upon us we would have this construction program under way.

Mr. BORAH. Mr. President, this is not an argument against the Senator's amendment.

Mr. TYDINGS. I understand.

Mr. BORAH. But it is to say that I can not conceive of Congress adjourning or recessing until they have passed upon this question. It would be an act of poltroonery and betrayal of the public interest that could hardly be measured in language.

Mr. TYDINGS. I will say to the Senator from Idaho that what I rose to point out was simply that if something can be done now it will take a couple of months or three months to get any construction program under way; and if we do not take action upon some other program until July or August, it will be September or October before we get the thing operating.

Mr. BORAH. Yes; but just imagine the situation: Here are the two old parties—really, the only two parties in existence in the United States—having absolute control of the Congress of the United States, going to Chicago and asking for the confidence of the American people, asking the American people to intrust either of them with power for the next four years, and going there without any program to take care of the situation that now confronts the country; not only unemployment but other questions. If anything would call into existence a third party, or a political revolution, that would.

Mr. WALSH of Massachusetts. Mr. President, I want to say that I am in entire accord and agreement with the sentiments expressed by the Senator from Idaho. It is inconceivable that Congress will adjourn without providing some means of taking care of the present situation, and which would include some means of supporting the burdens of the States which are taking care of those in want and those in need in their borders.

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

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

Mr. WALSH of Massachusetts. I yield.

Mr. WATSON. I know of no effort being made on the part of anybody to adjourn Congress until after the passage of appropriate legislation along the lines suggested. I am not certain, however, that that means the legislation proposed by the Senator from Maryland. Some legislation along that line must be passed, and I think everybody concurs in that sentiment.

Mr. BORAH. Then it is understood that there is to be no effort to adjourn Congress or to take a recess until we shall have passed a measure dealing with the subject of unemployment?

Mr. WATSON. So far as I am concerned, that is the situation.

Mr. BORAH. This talk about the 10th of June is dependent entirely upon whether or not we get through with our program of legislation?

Mr. WATSON. Yes; the program of passing the tax bill, and the economy plan, and unemployment legislation, and all the appropriation bills.

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

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

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. WHEELER. May I ask the Senator from Indiana whether or not any of the economy plans he has suggested include giving any more money to the Reconstruction Finance Corporation for the purpose of helping some of the industries of the country, such as the Willys-Overland Automobile Co., or some of those concerns?

Mr. WATSON. I will say to the Senator from Montana that that plan has not yet been worked out.

Mr. WHEELER. I hope it will not be worked out, because if there is going to be any more money given there is one thing that ought to be done, and that is there ought to be some money to help to refinance the farmers who have mortgages upon their land who can not possibly pay them; and they will have to repudiate their indebtedness unless this Congress acts. We should act to help the farmers before any more appropriations are taken out of the Treasury of the United States either for any banking group or for any other business organizations in this country.

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

Mr. WALSH of Massachusetts. I yield.

Mr. GLASS. May I inquire of the Senator from Indiana where the Government is to get the money to do these things?

Mr. WATSON. The Senator from Maryland is now proposing a plan by which we can get some money.

Mr. GLASS. I apprehended that the Senator's answer would be that we would get it by taxation; and who is to be taxed?

Mr. WATSON. How else are we to get it except by taxation?

Mr. GLASS. Exactly; by taxing the people of 48 States and bringing the money here and impounding it in the Federal Treasury, and then doling it out to them. Why not let the States levy their own taxes and take care of their own unemployed?

Mr. WATSON. Mr. President, it is not up to me to answer that now, because it involves very much of argument and disputation. Of course, I do believe that it is up to the General Government to enact some form of unemployment relief. I can not go into that now. The plan has not yet been formulated, but will be, I am told, shortly. I understand that the Senator's party, or certain individuals representing it, are working out some sort of a plan which they can support.

Mr. GLASS. I am not talking about any party plan now.

Mr. WATSON. I am talking about a plan we can all support.

Mr. GLASS. I want to satisfy my own mind about these matters; and I will say, incidentally, that I would rather trust the people of Virginia to levy their own taxes and take care of their own unemployed than to have them taxed and their money brought here to Washington and doled back to them for political purposes.

Mr. BORAH. Mr. President, I agree with the Senator when he adds the last clause, "for political purposes." I agree with that entirely. I know perfectly well that some of the States have reached the limit, and some of the cities have reached the limit, and it is simply a question of whether the National Government will aid and cooperate with them to such an extent as to prevent actual suffering and starvation.

Mr. GLASS. I will say to the Senator that taxes are to be put upon the citizens of those States which have reached the limit.

Mr. WATSON. I understand there are some six or seven States which have reached the limit of statutory indebtedness, and while they are not in a position to issue bonds some device will be formulated or some plan entered into which will enable them to do so.

Mr. GLASS. Yes; and the Federal Government will levy taxes on their citizens and take their money away from them and bring it here to Washington, and then appoint some Federal minion to dole it back to them as they may, from whim or judgment, mostly whim, and a political whim at that.

Mr. BORAH. Most of the taxation in the States is now falling upon property, and it is falling upon property regardless of whether that property returns an income or not; and they have reached the limit upon that proposition.

We have not reached the limit in the United States, and I am in favor of reaching the limit with reference to the National Government and the State governments before people shall be permitted to starve to death.

Mr. GLASS. Yes; and I am in favor of taking the money from the other 47 States and bringing it here to Washington, if anybody wants to do that; but I am opposed to taking the money of the Virginia taxpayers for that purpose.

Mr. WALSH of Massachusetts. Mr. President, I think all are agreed, in connection with this subject of relief, that the time has arrived for the Federal Government to render some assistance to those States which are unable to carry the burden which has fallen on them by reason of the tremendous increase in welfare expenditures.

The first thing we ought to do—and there ought to be no delay in doing it—is to carry out the suggestion of the Senator from Arkansas, which, I understand, meets the approval of the President, namely, the appropriation of $300,000,000 to be loaned to the several States, particularly to those States which furnish evidence that they are unable to raise sufficient funds to meet the requirements of those in need or in want.

Mr. President, I want my views about the manner in which that relief is to be extended made clear. I am opposed to the Federal Government having any dealings or connection or operations with municipalities as such. The cities and towns of this country are subdivisions of the several States. In my judgment, the Federal Government has no business dealing or negotiating with a municipality, any more than with a ward of a municipality. It seems to me the agencies of relief should begin and remain in the local communities, which know what citizens are in need, which know what they need, and which know best how to distribute the supplies which they may be required to have in order to sustain existence.

I do claim that the moment a municipality or community is unable to meet its obligations—and there are many that are not able to meet the increased burden—they should then turn to their State governments and ask their State governments to help share and meet those obligations. The Senator from Indiana said there are now six, or approximately six, State governments which are unable to raise the funds to meet the requirements, and in such case I think the Federal Government must act. It must raise the necessary money to prevent any suffering, any want, any starvation in any State where it exists. It seems to me that obligation can not be denied. But I insist that the Federal Government keep its agents and keep its activities out of the local communities. Let its program, let its contacts, let its cooperation, be always between the several States and the Federal Government. Let the States handle, direct, and supervise those subdivisions for which they are responsible, which are their creatures, which are their own wards. The State is the parent of each of these subdivisions.

That does not mean that the Federal Government has not a responsibility, a grave and a serious one, the moment a State says, "There are communities in this State which can not meet its obligations to those in need." Then the Federal Government must act by offering support to the States that find the burden crushing, but it must not do it by sending agents, sending inspectors, sending people who know nothing about the local situation and the local needs. The money must go from the Federal Treasury to the State treasury, and from the State treasury to the various municipalities.

It seems to me that the first step, upon which we all can agree, which we can now settle with practical unanimity of opinion here, is that the Federal Government should say to the States, "We are now ready to assist you in order that there may be no suffering or starving."

Why attach the relief proposition to any other proposal? Why not have such a bill separately presented to us, and let us not get it confused with the question of a bond issue, and whether the bond issue shall be self-liquidating or not?

I hope that the committee on this side of the Chamber who are drafting a bill will present that issue without any other, so that Congress can without delay say to the several States, "We are behind you. We understand the burden under which you are suffering. We appreciate it, and we are not going to interfere with your method of handling and distributing relief. That is your own problem. But if you say to us that you have not the financial resources necessary to meet these obligations, the Federal Government stands ready to lend you whatever may be needed." It seems to me that is a very simple way of disposing of the question of relief to the unemployed, who are in actual need and are suffering.

As to the question of a bond issue for public works, it is quite apparent that there is a very wide difference of opinion not only in this Chamber but between the executive branch and the Congress. So far as I am concerned, I would much prefer to see a bond issue authorized which would provide for its liquidation, such as is proposed by the Senator from Maryland. This method must be followed if at all possible. That is why I am supporting his amendment. But I want to say very frankly that if the situation arises where a bond issue is needed, in the interest of stabilizing our social problems, I propose to vote for a bond issue which will provide employment upon public works for as many of our citizens as it may be possible to take care of if public works can be undertaken that are not wasteful or in the nature of luxury undertakings.

Mr. President, I want to repeat that I am in favor of the pending amendment, because it is the first opportunity we have had in this Chamber to declare for a modification of the Volstead law within the provisions of the Constitution. I am frank to say to the Senator from Maryland and other Senators that, in my judgment, any attempt to fix an alcoholic content in excess of that named in this amendment would be of doubtful constitutionality. No serious question has been raised here about the constitutionality of the alcoholic content named in the Senator's amendment. It seems to me he has given very ample proof that it is not intoxicating, and the best proof of all is that this percentage of content was accepted almost unanimously by the people of the United States through the statutes of the several States that fixed an alcoholic content of less than 3 per cent as nonintoxicating. We have an opportunity now to declare for a modification of the Volstead law, to raise money for the Public Treasury at a time when the Public Treasury needs money, to raise it by making manufacture of beer legal, bring it out in the open, and make it possible to collect taxes from those who are making that beverage, instead of permitting them to escape, as they have been doing in these recent years or instead of taxing it surreptitiously as we are now doing by the excise tax on wort.

Next, we have an opportunity here to vote for a bond issue for the unemployed, in which is provided the means of paying off the bond issue by the taxes collected from the legalizing of beer.

I take special satisfaction in approving of the amendment, and I hope the Members of the Senate will consider the opportunity that is theirs to render what seem to me to be two distinct public services, to permit the manufacture of a beverage that is within the terms of the Constitution and only illegal now because the alcoholic content named in the Volstead law is one-half of 1 per cent instead of 2.75 per cent; and also to provide means for taking care of the unemployed with the least shock to the finances of the country and with the least burden to the taxpayers.

Mr. BROUSSARD. Mr. President, because of the press of important measures before the Senate and the limited time within which to give them consideration I had not expected to discuss the pending amendment, but yesterday evening the senior Senator from Texas [Mr. SHEPPARD] made a statement which I shall try to demonstrate is not a true one or based upon facts. The Senator stated that to support the Tydings amendment would be a violation of the oath that we take here and a violation of the Constitution. By reviewing the history of the legislation very briefly I shall make an effort to show that that is not based upon the actual historical facts connected with the Volstead law and any amendment thereto.

First I wish to invite attention to the fact that at the time the eighteenth amendment was submitted to the people of the United States it was during war time when it was legal to sell beers containing 2.75 per cent of alcoholic content. Those who framed the eighteenth amendment and those who supported it are the same people who wrote the Volstead law. They were acquainted with the objects and purposes of the limitations which they had in mind when they prepared and submitted the eighteenth amendment. We find that the Volstead law did not place any limitations on the alcoholic content of beer and wine.

At page 4334, volume 61, part 5, of the CONGRESSIONAL RECORD will be found a letter which I read into the RECORD on July 27, 1921, addressed by a Member of Congress to Mr. Roper, who was the Commissioner of Internal Revenue. This letter was written on January 21, 1920. I wish to read the letter at this time so that everyone here will be taken back to the time and into the atmosphere of those who proposed the law. The various Members of the House and Senate who submitted the eighteenth amendment and then the Volstead law understood the purpose and intent of the constitutional amendment. I now read the letter to which I have just referred:

HOUSE OF REPRESENTATIVES,
Washington, January 21, 1920.

Hon. DANIEL C. ROPER,
Commissioner of Internal Revenue,
Washington, D. C.

DEAR MR. ROPER: A constituent of mine has asked me for a ruling on the following matter, which does not seem to be covered clearly by the Volstead Act.

Is it possible to manufacture an ale containing perhaps 4 or 5 per cent of alcohol, this ale to be manufactured and placed on sale as a medicinal product? If so, what regulations would govern the manufacture and sale of this product?

Your attention is called to the Volstead Act, section 7, in which it is stated that only a physician holding a permit to prescribe liquor shall issue any prescription for liquor. The word "liquor" used here, I suppose, also means malt liquors. However, a little farther down in the same section it is stated:

"Not more than a pint of spirituous liquors to be taken internally shall be prescribed for use by the same person within any period of 10 days, and no prescription shall be filled more than once."

Malt liquors are, of course, not spirituous liquors. I shall appreciate greatly an immediate ruling on this matter.

Yours sincerely,

——— ———.

To which Mr. John F. Kramer, Prohibition Commissioner, replied on January 27, 1920. This letter, as I then stated, was addressed to a Member of Congress who was a member of the Ways and Means Committee and whose name I withheld at the time, but whose name I offered then to disclose if anybody cared to have it and which I can do now. The reply was as follows:

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, January 27, 1920.

Hon. ——— ———
House of Representatives.

MY DEAR MR. ———: Replying to your communication of the 21st instant, you are advised that under the national prohibition act liquor may be prescribed by a physician when necessary, and the limit on such sales is not to exceed 1 pint for the same patient during a period of 10 days. Undoubtedly under said act it is legal to prescribe malt liquors, such as beer, ale, and porter, for medicinal purposes in such quantity as the physician who is in attendance upon the patient deems necessary for the patient's relief. The matter of fixing a limit as to the quantity of malt liquors and wine that may be prescribed is now under consideration, and it is expected that a decision will be reached at an early date, when the public will be fully advised in the premises.

Beer or wine should be prescribed by the physician, and the prescription filled by the pharmacist in the manner now provided by regulation No. 60 for spirituous (distilled) liquor, but it will be understood that the pint limitation is not applicable to the malt liquor and wine.

A copy of the Treasury Department decision in question is inclosed.

Sincerely yours,

JOHN F. KRAMER,
Prohibition Commissioner.

When this letter was written there had not been any opinion rendered by the Department of Justice on this question. The commissioner had, to quote from his letter, "now under consideration, and it is expected that a decision will be reached at an early date."

About 10 days before Attorney General Palmer went out of office he was asked for a ruling on the question. It was not expected that he would have time to submit an opinion before going out of office, but on the 3d of March, 1921, the day before he went out of office, he issued an opinion, which is recorded in volume 32 of the opinions of Attorneys General. It, therefore, became necessary for the friends of those who insisted that the eighteenth amendment should be made to apply and that the Volstead Act should be made to apply in all respects to the limitation of one-half of 1 per cent, to enact some additional legislation.

I had opposed the eighteenth amendment when it was submitted to the people of my State. In 1920 I offered for United States Senator and submitted to my people a modification plank, as we called it, relating to the Volstead law. I came here and found my friends here were trying to dissuade me from going into the question because it had never been brought up on the floor of the Senate or House after its adoption by the several States. But when the Campbell-Willis bill was brought out in 1921 I was confronted with the question of having to carry out my promise to my people and so I started a fight in this Chamber in the early part of 1921.

The Campbell-Willis bill was known as the antibeer bill finally because, although intended at first to limit prescriptions by physicians of wine and beer, it was later decided to eliminate beer altogether; and although it was claimed here that if we had a right to limit the right to prescribe whisky we could also deny or limit the right to prescribe any quantity of beer and wine. Therefore it was then sought to deprive the physician altogether of the right, and he was and still is deprived of the right to prescribe beer. The limitation was placed on wine at 1 quart per 10 days.

Mr. President, I am willing to make the contention and I do not believe anybody can controvert the fact that those who were here at the time in both Houses know more about the intent and the meaning of the eighteenth amendment and the Volstead law than do those who were not actually participating in the debates at that time. Soon thereafter I offered an amendment to the Campbell-Willis law, which will be found in the same volume of the CONGRESSIONAL RECORD to which I have referred a moment ago, at page 4741. Here is the amendment which was voted upon at that time:

That section 1 of title 2 of the national prohibition act is hereby amended by adding at the end of said section the following: "*Provided, however,* That the above construction of the word 'liquor' or the phrase 'intoxicating liquor,' so far as it relates to beer, ale, porter, and wine, shall not apply in those States which, through a referendum vote, shall adopt a different construction for the word 'liquor' or the phrase 'intoxicating liquor'; and any State may, through a referendum vote of the people, place such construction upon the word 'liquor' or the phrase 'intoxicating liquor,' as shall not include, within the operation of this act, beer, ale, and porter up to 5 per cent alcoholic content by volume, and wine up to 14 per cent; and the Federal Government hereby concurs in such construction, said referendum to be placed upon the ballot at any special election for that purpose called by the governor of any State, or of any State or national election whenever the governor of such State, in his discretion, may so direct, or whenever 15 per cent of the voters of such State shall so petition the secretary of state of such State at least 30 days before said election."

I wish to call the attention of Members of the Senate to the fact that my proposal then was for 5 per cent beer. I now wish to read into the RECORD a list of the Senators who voted for that amendment in 1921. I do not believe anyone will claim that those men were unpatriotic, that those men were trying to do something to evade a constitutional amendment which they themselves had participated in framing, or that they believed that the eighteenth amendment had anything to do at all with the one-half of 1 per cent which was sought afterwards as a limit.

Let me say further that the amendment proposed by the Senator from Maryland legalizes beer at 2.75 per cent alcoholic content, and beer of that description was in exist-

ence, being sold and revenues being collected from it, at the time the act was passed.

But to come back to the amendment which was offered by me which proposed 5 per cent beer, I want to read the names of Senators who voted for that amendment at the time it was presented. They were:

Ball, Brandegee, Broussard, Cameron, Gerry, Johnson, King, La Follette—

That is the senior La Follette—

Lodge, McLean, Moses, Penrose, Phipps, Pomerene, Ransdell, Shortridge, Stanley, Wadsworth, Warren, and Weller.

There were 37 Senators who did not vote. It is within the knowledge of those who were present at that time that there were five or six other Senators who were in favor of the amendment and who would not have violated in any way what they considered an obligation under the oath which they took when they became Senators. I merely wanted to call attention to the facts I have stated in order to review briefly the history of this measure.

Mr. TYDINGS. Mr. President——

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

Mr. BROUSSARD. I yield.

Mr. TYDINGS. As I understand, the Senator from Louisiana in 1920 offered an amendment to legalize 5 per cent beer, and the very Senators who had passed upon the eighteenth amendment, some of whom had voted for the eighteenth amendment, voted for the Senator's proposal of 5 per cent beer, feeling that in doing so there was not involved an infraction of the intent, the spirit, and the letter of the eighteenth amendment.

Mr. BROUSSARD. That is correct.

Mr. TYDINGS. My amendment, as compared with the amendment at that time submitted by the Senator from Louisiana, provides for very slightly more than half the alcoholic content of that provided in the Senator's amendment.

Mr. BROUSSARD. Just about half. Not only that, Mr. President, but I do not know how those who framed the Volstead law as originally drawn, who were the same as those who voted to adopt the eighteenth amendment, could have overlooked what the Attorney General said, and should have included in the law something which the Attorney General said was never intended to be included, and why it was found necessary in 1921 to pass through both Houses of Congress, under whip and spur, the Willis-Campbell amendment to the Volstead law, which denied a physician altogether the right to prescribe beer and reduced his right to prescribe wine to 1 quart during 10 days. Up to that time I may say I have knowledge of the purchase of wine up to 5 gallons on doctors' prescriptions, sold by reputable drug stores and considered a legal transaction by the Commissioner of Internal Revenue.

Mr. President, I do not care to take very much more time. I am naturally opposed to the provisions of the Volstead law; I have been against its provisions and have advocated its modification all the time, and so it is not necessary for me to go into that phase of the subject.

I have discussed with a number of Members of the Senate, members of committees which would consider such proposals, the advisability of issuing $2,000,000,000 worth of bonds to afford relief to the unemployed in the country. I have opposed the issuance of $2,000,000,000 worth of bonds unless we could balance the Budget and find some means whereby we might raise the revenues necessary to retire such bond issues. I have thought, and I still believe, that the amendment proposed by the Senator from Maryland, coupled with an amendment to the Reconstruction Finance Corporation law, would afford all the relief that we need at this time.

It is my understanding that the Reconstruction Finance Corporation has used very little, probably not over one-fourth, of the amount which it is authorized to loan; in other words, I do not believe it has sold any bonds. I do not think that the Reconstruction Finance Corporation should be permitted to go along as it has been doing and loan money to large corporations when so many private citizens need assistance. I think that the demands of the large corporations have practically been met up to this time, and I think if we set aside, earmarked, probably $1,000,000,000 of the amount allocated to the Reconstruction Finance Corporation, and specify for what purpose it shall be expended, and then if Congress shall adopt the amendment proposed by the Senator from Maryland, thereby adding one and a half billion dollars which may be expended on public works in the effort to afford unemployment relief, we would have all the funds necessary to take care of the present situation permanently and to restore confidence in the country. Certainly it would be sufficient to carry us over until the next session of Congress.

Mr. President, I am through. My purpose was merely to call attention to the fact that, as disclosed by the CONGRESSIONAL RECORD, the amendment proposed by the Senator from Maryland is not in violation of the eighteenth amendment, but is, in my opinion, in direct accord with it.

Mr. SHEPPARD. Mr. President, when I addressed the Senate last night I made the statement that when the Volstead Act was adopted the Federal Government had already defined intoxicating liquor as liquor containing one-half of 1 per cent or more of alcohol, and I said that a majority of the States had either adopted that definition or had defined intoxicating liquor as liquor containing a smaller content than one-half of 1 per cent.

Mr. LONG. Mr. President——

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

Mr. SHEPPARD. I yield.

Mr. LONG. Is the Senator opposed to taxing beer?

Mr. SHEPPARD. Yes; I am.

Mr. LONG. How about the amendment which is contained in the revenue bill which we are told will yield the Government $97,000,000 a year from taxing the beer makers? I refer to the amendment which the Senator from Utah [Mr. SMOOT] has sponsored.

Mr. SHEPPARD. There is no taxation of beer in the pending bill.

Mr. LONG. The Senator from Utah says that if it was not for the beer the people are making the amendment referred to would not yield anything.

Mr. SHEPPARD. I am not responsible for what the Senator from Utah says.

Mr. LONG. Does the Senator think we ought to vote that kind of an amendment which taxes beer makers, knowing it is beer we are taxing when we are doing it?

Mr. SHEPPARD. I do not assume that anybody is going to violate the law.

Mr. President, it so happens that Justice Brandeis in delivering the decision in the case of Jacob Ruppert against Caffey in October, 1919, about the time the Volstead Act was adopted, reviewed the matter of liquor definition as follows:

A test often used to determine whether a beverage is to be deemed intoxicating within the meaning of the liquor law is whether it contains one-half of 1 per cent of alcohol by volume. A survey of the liquor laws of the States reveals that in 17 States the test is either a list of enumerated beverages, without regard to whether they contain any alcohol or the presence of any alcohol in a beverage, regardless of quantity; in 18 States it is the presence of as much as or more than one-half of 1 per cent of alcohol.

At that time, Mr. President, the prohibitory law of the State of Alabama prohibited in terms all liquors containing any alcohol.

The liquor laws of the State of Arizona prohibited ardent spirits, ale, beer, wine, or intoxicating liquor or liquors of whatever kind.

The liquor laws of Arkansas prohibited any alcoholic, vinous, malt, spirituous, or fermented liquors.

The liquor laws of the State of Colorado prohibited intoxicating liquors, no matter how small the percentage of alcohol they might contain.

In the State of Iowa the liquor law prohibited any intoxicating liquor, "which term shall be construed to mean alcohol, ale, wine, beer, spirituous, vinous, and malt liquor, and all intoxicating liquor whatever." The courts of Iowa held

that liquors containing any alcohol whatever were prohibited under that law.

The liquor laws of the State of Kansas prohibited any spirituous, malt, vinous, fermented, or other intoxicating liquors. The highest court of that State held that the mere presence of the liquors mentioned made the substance intoxicating for purposes of the prohibition statutes.

The liquor laws of the State of Maryland prohibited any spirituous, vinous, fermented, malt, or intoxicating liquors or any mixture thereof containing alcohol for beverage purposes.

The Maryland liquor laws of 1916 prohibited in a certain county any kindred preparation of beverage having the appearance and taste of lager beer, except those beverages that were labeled to the effect that the beverage was free of alcohol.

The liquor laws of the State of Michigan prohibited intoxicating liquors, including any vinous, malt, brewed, fermented, or spirituous liquors, and all liquids containing any alcohol capable of being used as a beverage.

The liquor laws of the State of Mississippi prohibited spirituous, vinous, malted, fermented, or other intoxicating liquors of any kind.

The liquor laws of the State of New Mexico prohibited ardent spirits, ale, beer, alcohol, wine, or liquor of any kind whatsoever containing alcohol.

The laws of the State of New York defined intoxicating liquor as "all distilled or rectified spirits, wine, fermented and malt liquors."

The laws of Ohio prohibited liquor or intoxicating liquors, including distilled, malt, spirituous, vinous, or alcoholic liquor, and also any alcoholic liquid capable of being used as a beverage.

The laws of South Dakota prohibited intoxicating liquors and stated that intoxicating liquors included whisky, alcohol, brandy, gin, rum, wine, ale, beer, absinthe, cordials, hard or fermented cider, and all distilled spirituous, vinous, malt, brewed, and fermented liquors, and every other liquid containing alcohol capable of being used as a beverage.

The liquor laws of the State of Washington were to the effect that intoxicating liquors included whisky, brandy, rum, wine, ale, beer, or any spirituous, vinous, fermented, malt, or any other liquor containing intoxicating properties. A later law in 1915 defined intoxicating liquors as including whisky and all liquids containing any alcohol capable of being used as a beverage.

The laws of the State of Connecticut defined intoxicating liquor as "all beer manufactured from hops and malt or from hops and barley, and all beer on the receptacle containing which the laws of the United States require a revenue stamp to be affixed, but shall not include beverages which contain no alcohol." Any trace of alcohol made liquor an intoxicating liquor in the State of Connecticut at the time the Volstead Act was adopted.

The laws of the State of Delaware defined intoxicating liquor as all liquid mixtures containing so much as one-half of 1 per cent of alcohol by volume.

The laws of the State of Florida defined intoxicating liquor as all beverages containing one-half of 1 per cent of alcohol, or more, by volume.

The laws of the State of Georgia defined "prohibited liquors" as beer, near beer, and beverages containing one-half of 1 per cent of alcohol, or more, by volume.

The laws of the State of Illinois define a dramshop as a place where spirituous, vinous, or malt liquors are retailed, and intoxicating liquors were deemed to include all such liquors.

The Illinois law of 1919 defined intoxicating liquors as including—

all distilled, spirituous, vinous, fermented, or malt liquors which contain more than one-half of 1 per cent by volume of alcohol.

In Indiana the liquor laws described intoxicating liquor as meaning—

all malt, vinous, or spirituous liquor containing so much as one-half of 1 per cent of alcohol by volume.

The laws of the State of Maine prohibited—

any beverage containing a percentage of alcohol which by Federal enactment or by decision of the Supreme Court of the United States * * * renders a beverage intoxicating.

Again, the laws of the State of Maryland of 1917 were to the effect that—

Malt liquors shall be construed to embrace porter, ale, beer, and all malt or brewed drinks * * * containing as much as one-half of 1 per cent of alcohol by volume; and that the words "intoxicating liquors" * * * shall * * * embrace both spirituous liquors and malt liquors and * * * all liquid mixtures * * * containing so much as one-half of 1 per cent of alcohol by volume.

The prohibitory law of the State of Minnesota had defined intoxicating liquor as including—

ethyl alcohol and any kind of distilled, fermented, spirituous, vinous, or malt liquor or liquid of any kind potable as a beverage, whenever any of said liquors or liquids contain one-half of 1 per cent or more of alcohol by volume.

The laws of the State of Missouri provided that—

The phrase "intoxicating liquor," * * * whenever used in this act shall be construed to mean and include any distilled, malt, spirituous, vinous, fermented, or alcoholic liquors, all alcoholic liquids * * * which contain one-half of 1 per cent of alcohol by volume.

The laws of the State of Nebraska defined intoxicating liquor as liquors—

capable of use as a beverage containing over one-half of 1 per cent of alcohol by volume.

The prohibitory laws in Nevada defined intoxicating liquor as—

all beverages containing so much as one-half of 1 per cent of alcohol by volume.

The laws of the State of Oklahoma defined intoxicating liquors as those containing—

as much as one-half of 1 per cent of alcohol by volume.

The laws of the State of Tennessee defined intoxicating liquor as—

liquor containing more than one-half of 1 per cent of alcohol.

The laws of the State of Utah defined intoxicating liquor as—

all beverages containing in excess of one-half of 1 per cent of alcohol by volume.

The laws of the State of Virginia described ardent spirits as embracing—

alcohol, brandy, whisky, rum, gin, wine, porter, ale, beer, all malt liquors, absinthe, and all compounds * * *; and all beverages containing more than one-half of 1 per cent of alcohol by volume.

The laws of West Virginia described intoxicating liquors as embracing—

all malt, vinous, or spirituous liquors, wine, porter, ale, beer, or any other intoxicating drink * * *; and all malt or brewed drinks, whether intoxicating or not, shall be deemed malt liquors * * * and all beverages containing so much as one-half of 1 per cent of alcohol by volume.

The laws of the State of New Hampshire described intoxicating liquors as those—

containing more than 1 per cent of alcohol by volume.

I mention these definitions in existence when the Volstead Act was passed to show that the standard of one-half of 1 per cent or more was by no means any new thing in the matter of defining intoxicating liquor, and that even a lower standard was by no means a new thing. There was ample precedent, therefore, for the clause in the Volstead Act defining intoxicating liquor as liquor containing a half of 1 per cent or more of alcohol. In fact, a strict construction of that clause might well support the view that the named liquors, such as whisky, beer, ale, or wine, are regarded by the Volstead Act as intoxicating, however small the alcoholic content.

Mr. President, I have only a few further comments to make.

In the days before prohibition, almost all intoxicating liquor was sold in saloons. Beer comprised 90 per cent of

that saloon liquor—beer ranging in alcoholic content from 1 to 7 per cent, the average being 3.8 per cent. The Tydings proposal to legalize the sale of beer with an alcoholic content of 2.75 per cent is an effort to bring back the old-time saloon beer in one of its recognized and substantial forms. This saloon beer was one of the most offensive, dangerous, and general forms of intoxicating drink abolished by the Constitution of the United States when the eighteenth amendment was adopted.

The Tydings amendment is an effort to nullify the Constitution by a statutory enactment—to destroy by statute what has been solemnly decreed by the Constitution itself. Every legislator who votes for it, in my judgment, violates his oath to support the American Constitution. I do not mean that any Senator would knowingly vote to violate the Constitution, but, in my judgment, that is the effect of his vote on this measure to-day. The adoption of the Tydings amendment would mean the destruction of prohibition.

Prohibition is in the Constitution; and it can be fairly and properly removed only by an amendment to the Constitution itself, not by a congressional statute.

The Tydings proposal would make beer the lawful form of alcoholic drink in the United States. In 1914, the last year before prohibitory and tax restrictions began seriously to be felt, the capital investment in lawful alcoholic drink amounted to $915,000,000. The consumption thereof amounted to 2,252,272,000 gallons per year. Expenditure by the masses therefor amounted to $1,743,577,000.

Beer ranging in alcoholic content from 1 to 7 per cent represented 90 per cent of that capital investment, of that consumption, and more than half of that expenditure.

We had in 1914 a population of 97,000,000 people, in round numbers, in continental United States. To-day we have a population of 124,000,000, an increase of more than 25 per cent.

It will be seen, therefore, how conservative is the statement that with one of the principal forms of alcoholic drink restored in 1932, capital invested, consumption, and expenditure for consumption would at least equal what these items were for all forms of such drink 18 years ago, when we had a population smaller by 25 per cent than the present population, especially when we recall that the restored form represented 90 per cent of capital investment and consumption in 1914, and more than half of the expenditure for consumption.

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

Mr. SHEPPARD. I yield.

Mr. TYDINGS. I should like to read a very short letter of six lines that I have just received, among others, from the Department of Chemistry, of the University of California, in Berkeley, which is, of course, a very justly celebrated State:

> MY DEAR SENATOR TYDINGS: Alcoholic intoxication depends not only upon the alcoholic content of the beverage, but also upon the quantity consumed, the rate of consumption, and the individual. I believe that 5 per cent beer, consumed at the rate of three bottles per hour, is nonintoxicating.
>
> Sincerely yours,
>
> WENDELL M. LATIMER,
> *Professor of Chemistry.*

I can duplicate that letter at any time from the scientists and members of the medical profession of the country. That is 5 per cent beer.

Mr. SHEPPARD. That is like a number of other statements the Senator has read in the Senate from time to time. The person making the statement does not say whether he is speaking of intoxication as meaning visible drunkenness or visible intoxication. As a matter of fact, a trace of alcohol produces a certain amount of poison in the delicate tissues of the body, especially the brain, and the deadly work of intoxication in the technical sense of poison begins at that time; and few, if any, of the authorities cited by the Senator contradict that proposition.

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

Mr. SHEPPARD. I yield to the Senator from California.

Mr. SHORTRIDGE. I am listening with great interest to the observations of the Senator. I note that he has read from the statutes of different States enacted at different times.

Mr. SHEPPARD. So I have. They are quoted in footnotes to the deciding opinion by Mr. Justice Brandeis in Ruppert *v.* Caffey (251 U. S. 264).

Mr. SHORTRIDGE. Precisely. I inquire in order that we may understand more definitely:

I note that in some instances reference is made to the percentage by weight, and in other instances to the percentage by volume. Will the Senator be good enough to make the difference clear? In looking over the RECORD of yesterday, in a colloquy that passed between two Senators, I find that it is said that 2.75 per cent beer by weight is equal to 3.1 per cent by volume. May we agree upon that?

Mr. TYDINGS. I think I can express, if the Senator will permit me——

Mr. SHEPPARD. The Senator from California asked me the question.

Mr. TYDINGS. I thought the Senator was engaged. Would the Senator mind if I should define the difference?

Mr. SHEPPARD. I want to have the honor of answering the question addressed to me. I say that with all due respect to my good friend the Senator from Maryland, for whom I have as complete an admiration, as he knows, as I have for any other Member of the Senate. It is my chief regret that a man in the very morning of his career, with every hope and promise of continuous and increasing success, should identify himself with a body of death like alcoholic liquor.

Mr. SHORTRIDGE. I should like the answer to my question to come from the Senator from Texas. I am merely seeking information; I am not asking in any controversial sense.

Mr. SHEPPARD. A percentage by weight means a percentage of beer per ounce, or some other weight unit, and a percentage by volume means a percentage per pint, or half-pint, or some other liquid measure.

Mr. SHORTRIDGE. Is the relation about as stated in the RECORD—namely, that 2.75 per cent beer by weight is substantially the same as 3.1 per cent by volume?

Mr. SHEPPARD. That is true.

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

Mr. SHEPPARD. Certainly; I yield.

Mr. TYDINGS. I think we can clear up that point by laying down the proposition that a beer containing 2.75 per cent of alcohol by volume has less alcohol than a beer containing 2.75 per cent of alcohol by weight. The illustration the Senator from California just referred to is accurate; namely, that a beer containing 2.75 per cent of alcohol by weight is actually a beer of about 3.1 per cent of alcohol by volume. The difference, therefore, is somewhere in the neighborhood of 1 per cent. A beer having a certain alcoholic content by volume has 20 per cent less alcohol than a beer having the same content of alcohol by weight.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Texas yield to the Senator from Virginia?

Mr. SHEPPARD. I yield.

Mr. GLASS. I expect, of course, to vote against the Tydings amendment; therefore my question can not be misunderstood by the Senator from Texas. Getting back to his statement, however, that any Senator who should vote for the Tydings amendment would be violating his oath of office, suppose the Supreme Court should decide that the Tydings amendment was not in violation of the Constitution; would the Senator from Texas think that the members of the Supreme Court were violating their oaths of office?

Mr. SHEPPARD. I think that in such instance the court would be holding something that was not true in fact. The decision, however, would establish the meaning of the Constitution itself, would create the constitutional standard,

and could not be said to violate the Constitution. I would not say that a Senator would be violating his oath of office if he followed a decision of the Supreme Court of the United States establishing what the Constitution is.

Mr. GLASS. Has not a Senator as much liberty to form his own judgment upon a question of that sort as the Supreme Court has?

Mr. SHEPPARD. So he does.

Mr. GLASS. I do not exactly see how the Senator can reach the conclusion, except in his opinion alone, that a Senator who votes for a certain alcoholic content as making a beverage intoxicating thereby violates his oath of office.

Mr. SHEPPARD. All I said was that such was my opinion. I would not think of charging that any Senator would intentionally vote to violate the Constitution.

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

Mr. SHEPPARD. I yield.

Mr. TYDINGS. According to the philosophy which has been so ably presented by the Senator from Texas, does he not think that we should prohibit any alcoholic content at all, for certainly if 1 per cent or three-fourths of 1 per cent immediately sets up this poisoning process within the body of a man, why should we not eliminate it entirely? Why let this fraction of one-half of 1 per cent start its nefarious work when we have the power to wipe it all out?

Mr. SHEPPARD. That point has never been decided, so far as the Volstead Act is concerned. It is my judgment that the definition of intoxicating liquor in the Volstead Act applies to liquors with any tangible trace of alcohol—that is, where such liquors are specifically named in the act.

Mr. TYDINGS. I respect the Senator's view, and I take it that he feels that even a content of one-half of 1 per cent of alcohol means a violation of the eighteenth amendment.

Mr. SHEPPARD. The Volstead Act itself says in effect that any liquid we know as beer, wine, whisky, ale, or porter is forbidden, regardless of alcoholic content, and applies the one-half of 1 per cent limitation to other liquids, such as certain soft drinks or other drinks which might be found to have a trace of alcohol in them but which trace would be neutralized by certain ingredients in the other liquids.

One sentence more, Mr. President, and I shall have concluded. Even on the conservative basis I have mentioned, the basis of the figures of 1914, the capital investment, the consumption, and the expenditures for consumption of 1914, the Tydings proposal would tax the American people in the neighborhood of more than a billion dollars for beer and the capital resources of the country eight or nine hundred million dollars for brewery equipment and construction in order to secure $350,000,000 a year for revenue. That is too dear a price to pay for the revenue in contemplation.

Mr. HAWES. Mr. President, I can not agree with the statement that a content of more than one-half of 1 per cent would constitute a violation of the constitutional inhibition. One-half of 1 per cent was placed in the Volstead Act to draw a distinction between a beverage called malt extract and beverages of a similar character, which were sold for food and for medicinal purposes. The limitation of one-half of 1 per cent was in the revenue law prior to the adoption of the eighteenth amendment, and prior to the enactment of the Volstead Act, and was retained because departments of the Government were familiar with that limitation. That is how that fiction came into existence.

We are all familiar with the fact that during the year which followed the war, for the conservation of food and for other purposes, beer was permitted to be made with an alcoholic content of 2.75 per cent. We are also familiar with the fact that prior to that time beer made in the United States had had a very high content, 3½, 4½, and 5 per cent. In fact, all the beers made in America were of a much higher alcoholic content than those made in Europe. None of the beers in England or in Germany go much higher than 3 per cent.

If the Congress of the United States, in exercising its judgment, fixes one-half of 1 per cent as the point of intoxication, and that exercise of judgment is sustained by the Supreme Court, certainly, if the Congress should change its definition and change its opinion, and do it within reasonable limits, the Supreme Court would sustain the opinion of the Congress.

The 2.75 per cent, as well as the one-half of 1 per cent, was a measurement which was accepted during the war. Of course I agree that if the Congress should fix a limitation so high that it would be absurd, so high that the beer would clearly be intoxicating, and that there would be no question about it, the Supreme Court would check the opinion of the Congress. But if Congress exercises its judgment in a reasonable and proper way, and follows the decisions of physicians and doctors and scientists, and does not engage in a high and arbitrary limitation, there is no doubt in my mind but that the Supreme Court would sustain the opinion of the Congress. So that this matter does not involve a violation of the Constitution.

The amendment of the Senator from Maryland [Mr. TYDINGS] has in it various elements which commend it to my approval. First, there is the situation of lawlessness all through the United States brought about, I believe, by this intemperate limitation in the Volstead Act. That is one of the things the adoption of this amendment would help. It would not only help in the matter of stopping the sale of bootlegger beer, it would not only put into the coffers of our Treasury money derived from the sale of beer, but it would stop the diversion of large sums of money to this illegal business.

There is the other element, of unemployment, for which no practical remedy has yet been proposed; the third element of continuing works of a public character. So the amendment is properly brought before the Senate in this revenue bill.

All of us hear complaints about different forms of taxes, taxes on manufactures, taxes on products of all kinds, and general complaint is made against the levying of these taxes. But this amendment would produce a revenue which would be voluntarily assumed by any man who bought a glass of beer. He could evade the payment of the tax if he so desired, or pay them if he so decided. It is my opinion that the revenue would come quickly; it would come cheerfully; it would be, in many of our States, a most agreeable way of paying part of the cost of government.

The Senator from Texas discussed various State statutes, all of which have been approved by the Supreme Court. He might have added one more, for the State of Alabama passed a statute providing that anything that tasted like beer or looked like beer or smelled like beer was prohibited in that State. That decision was upheld by the Supreme Court. So the law has been very carefully defined as giving to each State the power to decide what it wants done in this particular matter.

A majority of the States of the Union to-day have State statutes prohibiting the sale of beer, so if this amendment should be agreed to they would be protected against even 2.75 per cent or any form of beer, or, as in one State to which I have called attention, the sale of anything that looks or smells or tastes like beer. It would afford no embarrassment to any State which did not permit the sale of this beer, but it would restore to those States which want to grant the right to sell beer the power to do so.

Our penitentiaries are full to overflowing with prisoners. We are now building additions to the Federal penitentiaries. The question of how to take care of the increasing number of prisoners is pressing all the time.

I am under the impression that this amendment will help in the matter of law enforcement. It will help in the matter of revenue. It will help in the matter of employment. It is definite. It is certain. There is no other measure now before the Congress which proposes a plan and a method of financing a plan as does this amendment of the Senator from Maryland.

Mr. SHEPPARD. Mr. President, so much has been said about drinking since prohibition, demoralized conditions,

and so forth, that I desire to submit some testimony along that line.

I desire to present to the Senate a letter from Dr. Charles E. Barker, of Grand Rapids, Mich., who has been speaking in the schools of the United States for 18 years. Knowing that this work had given him an exceptional opportunity to note conditions in our schools and elsewhere, I asked him for a statement as to the effect of prohibition from the standpoint of his own personal observation. Doctor Barker is one of the ablest and most interesting speakers and one of the keenest observers in the United States. His reply was as follows:

GRAND RAPIDS, MICH.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHEPPARD: I have just returned home from my lecture trip in the East and hasten to answer your letter of January 30.

As you suggest in your letter, I suppose that my testimony in regard to the effects of prohibition upon the youth of our country might have some weight in view of the fact that for the past 18 years I have spent 8 months of the year speaking almost every day before the students of our high schools and colleges, and this work takes me each year into nearly every State of the country.

In a few high schools in some of our large cities, located in what might be termed "wealthy residential sections," the principals have told me that they have had more or less trouble with some of their students drinking at their school functions. With these few exceptions, however, the testimony of practically all other principals is universally the same, viz, that drinking among their pupils is practically nil, and that the eighteenth amendment has proven of immense benefit to the youth of the country. In this connection may I call your attention to the action of some 3,000 school superintendents in Detroit last year, when a resolution was offered by a New Jersey superintendent calling for the repeal of the eighteenth amendment. Only 2 delegates supported the resolution, and the balance—some 2,800—voted against it.

Before the passage of the eighteenth amendment it was the common, everyday affair to see people intoxicated, either on the streets, in hotels, or on trains. Since I left my home last October I have been in over 20 States, and during this time I have not seen but four or five persons intoxicated, or, using the more common expression, drunk.

Very sincerely yours,

CHAS. E. BARKER.

Let me refer at this point to the subject of drinking among newspapermen.

Mr. TYDINGS. Mr. President, before the Senator leaves the subject to which he was just referring, may I interrupt him?

Mr. SHEPPARD. Certainly.

Mr. TYDINGS. I was very much interested in listening to the opinion of the lecturer who had gone all around the country. I was just wondering how his opinion could be held when here in the city of Washington the police records show that five times as many persons under 21 years of age have been arrested each year for drunkenness as during the period prior to the adoption of national prohibition

Mr. SHEPPARD. An increase in arrests does not necessarily mean an increase in drunkenness.

Now to get back to the newspapermen. I present a statement by Mr. O. O. McIntyre, a noted commentator on current affairs, made in New York on March 9 last. It is as follows:

The hard-drinking reporter has been beglamoured by fiction, the stage, and screen—a reputed symbol of a sentimentality toward drinking in the newspaper shops. A standard dose from this pharmacopœia of romance is that the drunken writer turns out the most brilliant copy while in his cups.

With rare exceptions this has never been true. Henry L. Mencken, a robust defender of wassail, recently admitted: "As a city editor my views of the traditional drinking genius soon changed. I was to discover that the best copy was turned out by sober men."

In my somewhat varied and migratory experiences in print shops I do not recall a single boozer who beat boozing. Some rose to momentary pinnacles, but dropped like plummets. Final chapters were a record of suicides, strait-jackets in psychopathic wards, and wooden crosses in potter's fields."

While there are still irrationalisms from drinking in editorial rooms, they have been generally ironed out. Newspaper publishers have learned no matter how brilliant the reporter, he is a dangerous experiment in emergencies if drinking.

I know drinking members of the guild fairly well, having years ago been one of them. Many of the ink-stained sots were unpurchasable, but were also unreliable. And unless they cut away from drinking they rarely amounted to much at the finish line. Their fervor was false.

Reporters graduating to high editorial posts, to playwrighting, or authoring best-selling novels may have had flings, but they tapered off before they went to responsible posts. I can count 11 whose inebriety brought professional oblivion.

Twenty years ago the sober reporter was in the minority on staffs of newspapers. On one paper in the middle West was only one teetotaler and he was regarded a trifle effeminate. To-day the picture is reversed. I do not know a single forthright reporter who is a souse.

Mr. President, returning to the subject of drinking among young people, I want to read a quotation from the Practitioner, a medical journal of London, England, in reference to conditions in antiprohibition England.

The most unwelcome sign of the time is the great increase in alcoholic abuse among undergraduates * * * who demonstrate their disregard for college rules and common decency in appearing disgracefully intoxicated in public.

I desire to give another quotation from an English authority in reference to drinking by the young people of wet England, Dr. J. Risien Russell, who, speaking before the Institute of Hygiene in London, said:

Girls not out of school are to be seen drinking cocktails, champagne, and liquors. * * * It has become a serious national question that young women should be living on excitement and keeping themselves going by drugs and alcohol.

If we did not know that this comment referred to another country, we would think this was a characteristic wet speech in the United States.

Judge D. S. McKinlay, of Chicago, quotes an English writer as saying:

The drink habit is steadily displacing the voluntary teetotalism that every girl was formerly wont to observe, and young people are indulging in fiery illicit whisky.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. SHEPPARD. I yield.

Mr. ROBINSON of Arkansas. Do the statements last quoted apply to conditions in England or in the United States?

Mr. SHEPPARD. In wet England. I am glad the Senator emphasizes that point.

Among the welfare workers of this country, Miss Jane Addams, of Hull House, Chicago; Commander Evangeline Booth, of the Salvation Army; Dr. Elliot, of Hudson Guild, on the west side of Manhattan; and Miss Lillian D. Wald, of the Henry Street Settlement, on the east side of Manhattan, all tell us that conditions are substantially better among the people with whom they work than before prohibition. The National Teachers' Association, composed of 220,000 teachers, and the National Parent-Teachers Association tell us that prohibition is a success.

Col. George H. Davis, of the Salvation Army, Chicago, had the following to say recently:

Among more than a million poor and unemployed with whom we have come in direct contact in the past 16 months, in the Chicago district alone, we find that under prohibition the evidence of drink as a factor has been reduced almost to the vanishing point. * * * Information from our women's homes shows that compared with the large number who once came to our doors begging admittance because of their having been ruined through strong drink the number that now comes from this cause is less than 1 per cent. In fact, it is practically nil.

Miss Lillian D. Wald, of the Henry Street Settlement, on the east side of Manhattan, recently said:

I have no hesitation whatsoever in asserting that prohibition, despite its weakness, has worked untold good to the greater portion of our population, and that to repeal or modify the amendment would be a grave mistake—one that might be fraught with serious social and economic consequences. * * *

Nothing can ever equal the brazen way in which the saloons flaunted their power throughout the years of their privilege, of their farcical evasion of the numerous efforts to regulate and control them by legislative enactment and by moral pressure. On Saturday nights their influence was most obvious and most sinister. The trucks gathered around the curb while the men went inside with their pay envelopes.

That scene has disappeared from one end of the country to the other, and with it have gone the Sunday brawls, the tragic Monday mornings when in factory and workshop tearful women came to beg for advances on their husbands' wages because Mike or Jim or Tony had left the contents of his pay envelope at the corner saloon. * * *

The one ray of light in the gloom is that no longer do we see the hideous alcoholic wrecks—the "old soaks"—who a few years ago patronized the bread lines. The majority of unemployed men along the Bowery and at the municipal lodging houses to-day give no token that it is drink that has brought them to the waiting line. An even more significant change is reflected by the statistics of the family welfare organizations.

I submit these citations to show that the statements by defenders of the Tydings amendment in reference to alleged conditions in the United States since the advent of prohibition are without foundation.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Maryland.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Austin	Costigan	Jones	Robinson, Ind.
Barbour	Davis	Kean	Sheppard
Barkley	Dill	Kendrick	Shipstead
Bingham	Fess	Keyes	Smoot
Blaine	Frazier	King	Steiwer
Bratton	George	Lewis	Stephens
Broussard	Glass	Logan	Thomas, Idaho
Bulow	Goldsborough	McGill	Thomas, Okla.
Capper	Hale	McNary	Townsend
Caraway	Harrison	Metcalf	Tydings
Carey	Hastings	Nye	Vandenberg
Cohen	Hatfield	Oddie	Walcott
Connally	Hawes	Patterson	Walsh, Mont.
Coolidge	Hayden	Reed	Wheeler
Copeland	Hebert	Robinson, Ark.	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. Mr. President, I think the Senate is ready to vote, and I shall consume only about three minutes in a very brief statement.

Succeeding the vote on this proposition we shall immediately vote on whether or not we shall tax wort. Wort is nothing more nor less than barley with water which has been boiled. In this form it is unfermented beer. All one need do to make beer from wort is to put water in it and beer is the immediate result. So I imagine, while the amendment which is now pending may not be successful, we shall immediately show our great courage, our great honesty, our great love for the Constitution, our unswerving sense of righteousness, our candor, and our consistency by voting a tax on wort, which is used to make beer. The Senate will probably vote against a harmless and not unconstitutional amendment which would tax 2.75 per cent beer; but, because under the disguise of this so-called thing called wort, all of us can vote overwhelmingly for a tax on it without the slightest twinge of conscience of dragging the Constitution through the mire of lawlessness.

I want to say just a word in conclusion. Between five and ten million people with their dependents are out of employment. This measure is sound; it is honest; it does not transgress the eighteenth amendment. If adopted, it would provide a means of liquidating a bond issue and leave $300,000,000 over each year for general Treasury purposes. The issue is, Shall we relieve the taxpayer of another burden, provide for unemployment, and help to recover our lost prosperity, or shall we keep on with this senseless definition of one-half of 1 per cent alcoholic content for beer, which no scientist of note in the country claims to be the line of demarkation between a nonintoxicating and an intoxicating beverage.

Mr. President, I feel it would be futile to consume more time. I realize the situation is not yet grave enough to force us to vote as we shall perhaps vote within a year in this very body. I therefore, Mr. President, ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. McNARY. Mr. President, I understand the Senator from Wisconsin [Mr. LA FOLLETTE] is desirous of speaking briefly on the pending amendment. He is not in the Chamber.

Mr. SMOOT. The Senator from Rhode Island [Mr. METCALF] desires to proceed.

Mr. McNARY. Has the Senator from Rhode Island the floor?

Mr. METCALF. I should like to proceed for about five minutes.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. METCALF. Mr. President, I appreciate the attitude of those good people who still believe that the prohibition law is bringing temperance; I realize the sincerity of their efforts in trying to bring about a Utopia which they would like to see attained; but the awful conditions that the prohibition law has brought upon this country makes every thinking man realize what a great mistake was the enactment of this law. To-day we live in probably the most criminal country in the world. Have you, Mr. President, or I ever seen such racketeering and kidnaping as are now going on in our beloved country? I hope, yes, I pray, that the time has come when we shall bring about a change in this devastating law that has worked such havoc to our people.

Mr. President, many years ago, when I was young, whoever thought the time would come when young men and young women in this country would go to parties with flasks of hard liquor on their hips? Whoever thought they would go to parties and dance at respectable houses and drink cocktails and hard liquor? Ah, Mr. President, times have changed since you and I were young.

Mr. President, I would vote to retain the prohibition law on the statute books were I assured that it would bring temperance and morality to our country; but what has been the result? Our prisons are full; more appropriations are asked to build more prisons; criminals lurk on almost every street corner; graft is present in many of the prohibition offices. I believe that by passing some measure which would legalize the sale of light wine and beer, such a measure as the one the Senator from Maryland has proposed, we would go a long way in stopping the wicked trade that is now being carried on.

It is not affecting the rich any more than it is the poor. I spoke the other day to a man who has worked in the factory where I once worked for many years. I asked him, "Is liquor just as plentiful as ever?" He replied, "Yes." I asked him, "Do the young people drink it?" He said, "Oh, yes; but if we could only have some decent beer instead of this horrible stuff which they drink, there would not be the drunkenness and the crime and immorality that are now prevalent."

Mr. President, I read this morning a short article from the Baltimore Sun, entitled "Let Bingham Bing." I should like to read the article at this point.

LET BINGHAM BING

Things being as they are, there is little chance that Senator BINGHAM will be able to do anything with his proposal for a tax on beer at this session of Congress. The thing is too intelligent, too direct, too easily understood by the ordinary citizen to make much impression on a Congress still in mortal terror of the Anti-Saloon League.

But although the Senator may not get his tax on beer, that is not to say that he is not doing a real service to the taxpaying John Smith. For John, when he begins to pay the nuisance taxes which the Senate bill imposes on him, will understand very clearly, thanks to Senator BINGHAM, exactly how he is being mulcted.

Every time John pays 3 cents for a 2-cent stamp he will know it is because Congress was afraid to put a tax on beer. Every time he pays 55 cents for a 50-cent movie ticket he will remember that it is because Congress was afraid to put a tax on beer. Every time he pays a tax on his telephone, his occasional telegraph message, his radio, his automobile, his lubricating oil, he will know that it was because Congress was afraid to put a tax on beer.

And every time he pays a 4 per cent income tax for a 2 per cent Government he will know, thanks to BINGHAM, that it is because he has a Congress which follows the sort of people who insist it is a crime the equal of manslaughter to sell a workingman a cold bottle of beer on a hot summer night.

Mr. President, I hold in my hand a letter which I have just received in which the writer claims that if a proper tax

were put upon a barrel of beer the National Government would receive $1,213,299,360 a year revenue.

I certainly believe that the time has come to change this iniquitous law. I am reminded of a little poem which, it is said, was written by an English divine:

O God Almighty, Lord divine,
Who once turned water into wine;
Forgive the wicked acts of men,
Who try to turn it back again.

Mr. WALCOTT. Mr. President, I should like to clear up my own mind, if possible, on two or three points with reference to this amendment. Therefore, I request the attention of the Senator from Maryland to two or three questions I should like to ask him.

In the first place, I think there is some misunderstanding as to which is the higher alcoholic content in certain figures, whether by volume or by specific gravity, known as weight.

As I understand it, 2.75 per cent alcoholic content by volume has less alcohol than 2.75 alcoholic content by weight. Is that correct?

Mr. TYDINGS. That is correct.

Mr. WALCOTT. The second question:

It has been claimed by several opponents of this measure that it in some way breaks one's oath of office to vote for this amendment. I should like to ask this question:

Does the amendment in any sense abrogate or set aside the authority vested in the Supreme Court by defying that court and prejudging the matter, leaving the authority with Congress to say whether this 2.75 beer is or is not intoxicating in fact?

Mr. TYDINGS. I shall be glad to answer the Senator's question, and I should like to answer it by pointing out briefly three different phases of the answer.

First of all, the eighteenth amendment prohibits the sale of intoxicating liquors. It uses specifically the word "liquors." The court never has passed upon the fact as to whether or not the word "liquors" embraces beer or wine. In the old revenue cases, when one tax was levied on beer and another on wine, and another on liquor, the Supreme Court did draw the distinction between liquors, beers, and wines. So we have that fact.

The second fact is that in a case which went up to the Supreme Court from Baltimore City, where the indictment set forth a percentage of alcohol and a demurrer was filed against the indictment, the court held that the beverage was not a violation of the law unless it was intoxicating in fact.

Third. The Supreme Court has never said what the mark is which divides nonintoxicating from intoxicating beverages; and in previous opinions it has been indirectly, if not directly, stated that Congress could use its discretion to define an alcoholic beverage, so long as it did not transgress the field of the eighteenth amendment.

Fourth. By eminent testimony adduced from such sources as the professors of medicine and chemistry at the Universities of Pennsylvania, California, Yale, and other places which I quoted last night the overwhelming testimony—in fact all, without an exception—was that a beverage containing 2.75 per cent of alcohol by volume was not an intoxicating liquor, and therefore did not conflict with the eighteenth amendment.

Does that answer the Senator?

Mr. WALCOTT. Yes.

My third question is this: Referring to the financial side of this amendment, the amendment offered by the Senator from Maryland sets up a certain schedule of allocations. It allocates by large amounts the proceeds of a bond issue, up to a billion and a half dollars, to certain departments of the Government. Am I correct in assuming that those allotments have been made according to a preconceived plan authorized by the Congress and in conjunction with the Director of the Budget?

Mr. TYDINGS. I will say to the Senator that a short while ago Congress passed an act creating what was called the Stabilization Board, which was then set up and is in existence to-day. That board has gone through all the acts of Congress in reference to authorizations for public improvements, and has made a report which the Senator from New York has put in the RECORD at some place. I can not just recall where it is; but, at any rate, the allocation made is made in accordance with the authorizations heretofore made by Congress.

For example, if the amendment says that $252,000,000 shall be allocated to the Department of Agriculture, that means that heretofore acts have passed both branches of Congress and been signed by the President authorizing construction projects to that extent, but for which no appropriation has been made.

Does that answer the Senator's question?

Mr. WALCOTT. Yes.

My last question is this: With these large sums allocated, is it the intent of this amendment not to spend these large amounts, thereby increasing the deficit, until or unless the revenues from the tax on beer have become available?

Mr. TYDINGS. I can answer that question, of course, only by comparison.

In the years 1917 and 1918 Congress fixed the alcoholic content of beer at 2.75 per cent by volume, the same as this amendment does. That was under war-time prohibition; and 55,000,000 barrels were sold that year, as against 60,000,000 barrels, the normal consumption in years when the alcoholic content was higher than 2.75 per cent. So that notwithstanding the reduced alcoholic content practically as much of this kind of beer was consumed in 1918 as was consumed in the years when the alcoholic content was higher.

I think that is a factual illustration which augurs well for the fact that practically as much of this beer would be consumed to-day, with an increase in population, as was consumed 14 years ago.

More than that, it would only require 40 per cent of the normal consumption of beer to raise enough money to provide for the sinking fund and the interest annually. So that if we consumed now only half as much beer as we did in 1918, sufficient money would come into the Treasury to pay the sinking-fund requirements, to pay the interest, and leave a substantial sum over for other purposes.

Does that answer the Senator's question?

Mr. WALCOTT. It does.

Mr. LONG. Mr. President, I want just a minute to put in the RECORD an explanation of my vote on this amendment.

I shall vote for this amendment as a matter of enforcing the prohibition law of this country. I think this amendment, giving this country 2.75 per cent beer, is an enforcement agency to prohibition. We know now, despite the remarks of the Senator from Texas [Mr. SHEPPARD] that experience has shown us that we are not enforcing the prohibition law as it is. I sincerely believe that a legitimate 2.75 per cent beer will enable us really to have some measure of prohibition enforcement in the United States.

Second. I have discussed this matter with the leading lawyers of the Senate, many of whom are not voting as I am voting, who believe that we are within the Constitution in allowing 2.75 per cent beer. Congress manifestly can not give an interpretation to intoxicating liquor that is unreasonable, but it certainly can give a reasonable interpretation. Even though it might miss it by a point or two either way, too little or too much, as it did in the case of one-half of 1 per cent, unless it is clearly an unreasonable interpretation it would be sustained by the Supreme Court.

Third. The revenue that the Senator from Texas [Mr. SHEPPARD] mentioned as now being spent for intoxicating liquor is being spent anyway. The people are spending more money to-day for intoxicants in this country than would be spent on any 2.75 beer.

Fourth. If we are ever going to have any enforcement of prohibition, we people who have supported prohibition—and I yield to no man in the support which I have given to prohibition in such short political lifetime as I have had—but if we are going to have prohibition enforcement in the United States we are going to have to meet the facts as they are. If we want to see prohibition we are going to have to

be reasonable in our interpretations of what is an intoxicant, because certainly we have tried with the present interpretation without very good success.

Fifth. This will give revenue that is now going into illegitimate traffic. It will give revenue that is being absorbed by the gangsters, and thereby make it possible, with a reasonable interpretation, for the people of this country not to make themselves law violators.

Mr. LA FOLLETTE. Mr. President, I shall not consume any time in discussing the portion of this amendment which provides for a modification of the Volstead Act. I understand that the Senator from Maryland [Mr. TYDINGS] wishes to close the debate, which seems reasonable; and, there being so little time, I shall not take any more than necessary to explain my reasons for supporting the portion of the amendment which relates to the acceleration of Federal public works.

I merely wish to state that in my judgment the program embodied in this amendment is totally inadequate if the objective which Congress seeks to achieve is a stimulation of business activity in the United States. As one of those who have subscribed, since the beginning of this cataclysmic depression, to the application of the public-works theory as a means of checking the downward spiral of deflation and turning it in the opposite direction, I am convinced as a result of the study I have made of this question for the past 18 months that $1,500,000,000 of public works, particularly of the type provided for in this amendment, will not achieve a reversal of the deflation spiral. I believe I can demonstrate that by referring to some of the testimony taken by the Senate Committee on Education and Labor on the five and a half billion dollar public-works program which I introduced at the beginning of this session.

The testimony seems to indicate without serious question that the curtailment of the public-works activities of the municipalities, counties, and States this year, 1932, as compared with 1931, will amount to in excess of $1,500,000,000. This has been brought about more largely by the pressure of the banks upon the municipalities. They have insisted upon the curtailment by municipalities of their normal construction programs; and in order to secure the necessary financing or refinancing from the banks, the municipalities have been forced to curtail most drastically their public-works programs as compared even with 1931.

I shall support this amendment, however, not because I regard it as an adequate program with which to meet the existing emergency, but because I believe it is a step in the right direction, and because I believe, once committed to the theory of employing public works as a means of stemming the disastrous tide of this deflation, that the Congress will be forced by the logic of the situation to go forward and adopt additional provisions for the expansion of public works until it has authorized a program commensurate to deal with this catastrophic problem that confronts us.

Mr. BINGHAM. Mr. President, I desire to offer an amendment to the pending amendment.

On page 4, in lines 14, 21, and 24, I move to substitute "4" for "2.75."

Mr. President, the effect of this amendment is to substitute for the beer which is provided for in this amendment, 2.75 per cent alcohol by volume, beer which is 4 per cent alcohol by volume. The reason for this is that in the hearings which were held very extensively by the Committee on Manufactures, relating to this general subject, there was abundant testimony, from physiologists of world-wide distinction, from physicians, and others, that 4 per cent beer could be manufactured and sold without contravening the Constitution.

The first point that was raised in those hearings was whether 4 per cent beer was intoxicating in fact. A witness was brought before the committee by the so-called "wet" forces who was originally scheduled to appear at the request of the so-called "dry" forces, because he was a research professor who had been connected with the Carnegie Institute, and had some years ago made an investigation in connection with the effect of alcohol on the human system.

In the course of his testimony, although he stated that a small amount of alcohol would produce certain slight reactions in the eye and certain slight reactions in the hands, the amount contained in 4 per cent beer, consumed in such quantities as could be taken by the ordinary person, would not produce intoxication in the sense in which that word is used in the Constitution.

The committee made an effort to discover what the line might be whereby a fermented beverage—cider, for instance—could be manufactured under the Constitution. Distinguished scientists of national and international reputation testified that in Germany, the country where beer is most commonly used, there were persons—for instance, bakers—in the city of Munich who drank Munich beer, which is of an alcoholic content greater than 4 per cent, who on the average consumed 10 quarts each day without producing intoxication, but that on account of the large volume of water which they drank, it did produce what was known as a beer heart. I know that it is amusing to the average person to know that one can drink too much water.

As a matter of fact, many of the physiologists insisted that 4 per cent beer was not intoxicating in the sense in which that word is used in the Constitution.

The statement was made on the floor yesterday by the distinguished Senator from Texas [Mr. SHEPPARD], the author of the eighteenth amendment, that there was no question but that Congress had done wisely in declaring that one-half of 1 per cent alcohol was intoxicating. Everybody knows that good buttermilk contains one-half of 1 per cent of alcohol. [Laughter.] Merely because the Congress stated that one-half of 1 per cent of alcohol in a beverage is intoxicating does not make buttermilk intoxicating. Merely because the Congress adopted a regulation of the Treasury Department, which was not designed to determine the intoxicating nature of a beverage, but merely to draw a line at which taxes could be levied; merely because the Congress stated that that line defined the region of intoxication and nonintoxication, is no reason why we should continue that ridiculous statement in our prohibition laws, which has done more than any other one thing to bring discredit upon those laws.

There is no one in the United States who can state without a smile that ginger ale containing one-half of 1 per cent of alcohol, as old-fashioned ginger ale did contain, is intoxicating. There is no one who can state without a smile that buttermilk containing as much as three-fourths of 1 per cent of alcohol is intoxicating. The object of that one-half of 1 per cent provision, as originally put into the Treasury regulations, was merely to provide a measure of defining where the revenue began. We inquired of the Treasury Department, and were informed that there was nothing connected with the intoxicating quality of the beverage considered when that regulation was adopted.

The committee made very earnest investigation and study of the question to see whether it could fairly be stated that 4 per cent beer was intoxicating. There is a difference of opinion. There are undoubtedly physicians who would testify that it was intoxicating, although the persons who so testified before the committee admitted they did not know anything about it from personal experience. But there were many distinguished scientists who appeared before the committee and who testified that it was not intoxicating.

Mr. President, when the question came before the Supreme Court as to whether the Congress had the right to declare that one-half of 1 per cent was intoxicating, when as a matter of fact no scientist could possibly get up in a court and, under oath, testify that it was intoxicating, the Supreme Court decided that it was the right of the Congress to determine whatever it thought in this matter, provided it was a reasonable interpretation. I submit that in view of the fact that many distinguished physiologists and physicians have testified that 4 per cent beer is not intoxicating, that it takes an enormous quantity of it to produce intoxication, the matter is open to decision by the Congress. I offer this amendment because I believe that it would produce far more

revenue than the amendment suggested by the Senator from Maryland.

As a matter of fact, good Pilsener beer, obtained normally in Germany, and sold as Pilsener, contains slightly less than 4 per cent alcohol. Beer containing 2.75 per cent alcohol by volume is not considered very palatable.

Mr. TYDINGS. Mr. President, in order that we may get the facts before the Senate, may I say that a beer containing 4 per cent of alcohol by volume would contain about 3.6 per cent alcohol by weight?

Mr. BINGHAM. If I may correct the Senator, it is 3.2 per cent.

Mr. TYDINGS. That is correct.

Mr. BINGHAM. The testimony before the committee was that 3.2 per cent by weight is equivalent to 4 per cent by volume.

I submit this amendment, Mr. President, honestly believing that the Supreme Court, if the question were brought before it for decision, would say that in this ground of some doubt, with distinguished experts testifying on both sides, the Congress would be entirely within its proper jurisdiction in determining the alcoholic content of beer which might be sold legally.

I submit that if there were any justification whatsoever for the Congress of the United States going so far as to say that buttermilk and ginger ale containing one-half of 1 per cent of alcohol was intoxicating, there is equal justification for the Congress saying that in the face of the doubt expressed by various scientists, and the honest opinion expressed by most distinguished scientists, the Congress has a right to say that 4 per cent beer is not intoxicating in fact, and may be manufactured and sold legally under the Constitution.

Mr. GLASS. Mr. President, I intend to vote against both of these propositions, and I am inclined to think that I shall vote against all propositions which would tamper with the Volstead Act, unless and until there shall be some authoritative declaration as to what is the proper alcoholic content of an intoxicating beverage.

I regret very much to state again that I was the unfortunate author of the resolution under which the so-called Wickersham Commission got its existence. One of the purposes, if not the primary purpose, of the appropriation of $500,000 of the taxpayers' money for that commission was that we might reach a conclusion on this controverted point. In other words, I had confidently supposed that the Wickersham Commission, authorized by Congress and under an appropriation of Congress, would first of all consider that very proposition, and arrive at some approximately scientific conclusion as to the alcoholic content of an intoxicating beverage. For months and months it sidestepped the whole question, and the chairman of the commission himself, in an address in the State of Connecticut, the home of the distinguished Senator who has just spoken, ridiculed the idea that the commission would deal seriously with the prohibition problem; and they did not deal with it until the murmurings and the threats that were made on the floor of the Senate compelled them to do so.

I think the Wickersham Commission was morally derelict in not then determining, as nearly as may be determined, what is a scientific and proper alcoholic content in an intoxicating beverage.

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

Mr. GLASS. I yield.

Mr. BINGHAM. Does the Senator remember that in the appendix of the Wickersham report there were individual expressions of opinion from more than half of the members of that commission, to the effect that the eighteenth amendment ought to be repealed or altered?

Mr. GLASS. Yes; but there was no determination of what might be done under the existing constitutional amendment, the repeal of which is beset with almost insuperable obstacles, and it was plainly the duty of that commission to reach such a determination, so that those of us in Congress who have never had any experience in getting intoxicated might learn what is really an intoxicating beverage.

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

Mr. GLASS. I yield.

Mr. GLENN. Having in mind the statement of the Senator from Virginia with regard to seeking some definite judgment or opinion relative to what really constitutes intoxicating liquor, would not the proper way, almost the only way, to get a definite decision upon that point be for Congress to fix the amount of alcoholic content which, in its judgment, is the correct content, and have a case submitted to the Supreme Court for final decision on that point?

Mr. GLASS. My response to that would be that Congress is not prepared to exercise any accurate judgment on the question. Congress has already fixed the content at one-half of 1 per cent, and most people say that that is a ridiculous standard. Congress is not prepared to express any judgment on that point, and it ought to be done by an authoritative commission appointed by Congress, and should have been done by the Wickersham Commission, which sidestepped the whole issue.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, further debate is out of order. The question is on the amendment of the Senator from Connecticut [Mr. BINGHAM] to the amendment of the Senator from Maryland [Mr. TYDINGS].

Mr. BINGHAM and Mr. TYDINGS asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. I transfer that pair to my colleague the senior Senator from Alabama [Mr. BLACK] and vote "nay."

Mr. CAREY (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay." The Senior Senator from Colorado, if present, would vote "nay."

Mr. HEBERT (when his name was called). On this vote I have a pair with the Senator from Virginia [Mr. SWANSON]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. BYRNES]. In his absence I withhold my vote.

Mr. SHIPSTEAD (when his name was called). On this question I am paired with the junior Senator from Oklahoma [Mr. GORE]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR], who is detained from the Senate on account of illness. If the senior Senator from Tennessee were present, he would vote as I shall vote, and therefore I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the Senator from Nevada [Mr. PITTMAN] and the Senator from North Carolina [Mr. BAILEY] are detained on official business.

I desire also to announce that the senior Senator from Virginia [Mr. SWANSON], the junior Senator from South Carolina [Mr. BYRNES], and the senior Senator from Alabama [Mr. BLACK] are necessarily out of the city.

Mr. TYDINGS. I desire to announce that the Senator from Ohio [Mr. BULKLEY] is necessarily absent from the city. If present, he would vote "yea."

Mr. HULL. I wish to announce that my colleague the senior Senator from Tennessee is necessarily detained from the Senate by illness.

The result was announced—yeas 23, nays 60, as follows:

YEAS—23

Barbour	Copeland	Lewis	Tydings
Bingham	Davis	Long	Wagner
Blaine	Glenn	Metcalf	Walcott
Broussard	Hawes	Moses	Walsh, Mass.
Bulow	Kean	Oddie	Wheeler
Coolidge	La Follette	Reed	

NAYS—60

Ashurst	Dickinson	Johnson	Robinson, Ind.
Austin	Dill	Jones	Sheppard
Bankhead	Fess	Kendrick	Shortridge
Barkley	Fletcher	Keyes	Smith
Borah	Frazier	King	Smoot
Bratton	George	Logan	Steiwer
Brookhart	Glass	McGill	Stephens
Capper	Goldsborough	McNary	Thomas, Idaho
Caraway	Hale	Morrison	Thomas, Okla.
Carey	Harrison	Neely	Townsend
Cohen	Hastings	Norbeck	Trammell
Connally	Hatfield	Norris	Vandenberg
Costigan	Hayden	Nye	Walsh, Mont.
Couzens	Howell	Patterson	Watson
Cutting	Hull	Robinson, Ark.	White

NOT VOTING—13

Bailey	Dale	Pittman	Waterman
Black	Gore	Schall	
Bulkley	Hebert	Shipstead	
Byrnes	McKellar	Swanson	

So Mr. BINGHAM's amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Maryland, on which the yeas and nays have been ordered.

Mr. TRAMMELL. Mr. President, I desire to offer the following amendment to the amendment of the Senator from Maryland.

The VICE PRESIDENT. Let it be stated.

The CHIEF CLERK. On page 5, line 8, after the word "gallon," insert:

And a tax of $1,000 per annum for wholesale manufacturers and dealers and $100 per annum for retail dealers in said beer and other similar fermented liquor.

The VICE PRESIDENT. The question is on the amendment of the Senator from Florida to the amendment of the Senator from Maryland.

The amendment to the amendment was rejected.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TYDINGS. As I understand it the vote now comes on the amendment providing for 2.75 per cent of alcohol by volume, the original amendment which I introduced?

The VICE PRESIDENT. That is the vote. The yeas and nays have been ordered.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Debate is out of order.

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SHORTRIDGE. I was not in the Chamber when the stipulation was entered into to vote at this hour. Of course, I am bound by that stipulation nevertheless. I had hoped to have an opportunity to express my views in respect of this measure.

The VICE PRESIDENT. Debate is out of order.

Mr. SHORTRIDGE. I reserve that right.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. CAREY (when his name was called). As previously announced, I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay." If the senior Senator from Colorado were present, he would vote "nay."

Mr. HEBERT (when his name was called). Making the same announcement as on the previous vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I withhold my vote on account of my pair with the junior Senator from South Carolina [Mr. BYRNES].

Mr. SHIPSTEAD (when his name was called). I have a pair with the junior Senator from Oklahoma [Mr. GORE]. Not knowing how he would vote, I withhold my vote. If permitted to vote on this amendment, I should vote "yea."

Mr. TOWNSEND (when his name was called). Making the same announcement regarding my pair and its transfer as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the senior Senator from Virginia [Mr. SWANSON], the junior Senator from South Carolina [Mr. BYRNES], and the senior Senator from Alabama [Mr. BLACK] are necessarily out of the city.

Mr. TYDINGS. I desire to announce that the Senator from Ohio [Mr. BULKLEY] is necessarily absent from the city. If present, he would vote "yea."

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

The result was announced—yeas 24, nays 61, as follows:

YEAS—24

Barbour	Copeland	La Follette	Shortridge
Bingham	Cutting	Lewis	Tydings
Blaine	Davis	Long	Wagner
Broussard	Glenn	Metcalf	Walcott
Bulow	Hawes	Oddie	Walsh, Mass.
Coolidge	Kean	Pittman	Wheeler

NAYS—61

Ashurst	Dill	Kendrick	Sheppard
Austin	Fess	Keyes	Smith
Bailey	Fletcher	King	Smoot
Bankhead	Frazier	Logan	Steiwer
Barkley	George	McGill	Stephens
Borah	Glass	McNary	Thomas, Idaho
Bratton	Goldsborough	Morrison	Thomas, Okla.
Brookhart	Hale	Moses	Townsend
Capper	Harrison	Neely	Trammell
Caraway	Hastings	Norbeck	Vandenberg
Carey	Hatfield	Norris	Walsh, Mont.
Cohen	Hayden	Nye	Watson
Connally	Howell	Patterson	White
Costigan	Hull	Reed	
Couzens	Johnson	Robinson, Ark.	
Dickinson	Jones	Robinson, Ind.	

NOT VOTING—11

Black	Dale	McKellar	Swanson
Bulkley	Gore	Schall	Waterman
Byrnes	Hebert	Shipstead	

So the amendment of Mr. TYDINGS was rejected.

The VICE PRESIDENT. The Secretary will report the next amendment.

The CHIEF CLERK. On page 241, after line 11, it is proposed to strike out:

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

And in lieu thereof to insert:

(2) Brewer's wort, 15 cents a gallon. Liquid malt, malt sirup, and malt extract, fluid, solid, or condensed, made from malted cereal grains in whole or in part, unless sold to a baker for use in baking or to a manufacturer or producer of malted milk, medicinal products, foods, cereal beverages, or textiles, for use in the manufacture or production of such products, 3 cents a pound. For the purposes of this paragraph liquid malt containing less than 15 per cent of solids by weight shall be taxable as brewer's wort.

Mr. SMOOT. Mr. President, at the close of the session yesterday the question of the tax upon brewer's wort was under discussion. I was asked by the Senator from New York to inquire of the commissioner of industrial alcohol, Dr. J. M. Doran, as to certain phases of the proposed tax on wort and its relationship to malt. I have now a letter from Doctor Doran which I should like to read. It is as follows:

TREASURY DEPARTMENT,
BUREAU OF INDUSTRIAL ALCOHOL,
Washington, May 18, 1932.

Memorandum for Senator SMOOT.

Complying with your request for views on certain phases of the wort and malt sirup tax schedule in the pending revenue bill, I would advise as follows:

It requires approximately 1 bushel of malted barley to produce 1 barrel of wort. Should a tax be imposed on malt it would mean the equivalent of $4.65 per bushel of barley to bring it in line with the present proposed tax of 15 cents per gallon on wort. Furthermore, it has been common practice for many years to use unmalted corn grits and corn sugar in the manufacture of beer wort and malt sirup, and as the practice is not uniform and is regarded as more or less in the nature of a trade secret it is believed that a tax on barley malt or any other malted cereal would

not meet the revenue requirements in this section of the pending bill, and such a provision would be very difficult of administration.

Malting operations can not very well be carried out on a small scale, and inasmuch as several days are required for malting operations it is not believed that a commercial wort plant could defeat the revenue by malting their own barley or other grains. On the other hand, the brewing of wort in substantial quantities by a commercial plant is of such character as to make the operation difficult of concealment and should render the collection of revenue much less difficult than would be the case if levies were made on the malted grains themselves without any account being taken of the subsequent use of corn grits and corn sugar, which are articles of wide commercial use. It seems to me that it would be quite difficult to administratively take care of the exemptions for the good and medicinal uses of malt sirups if the sole tax were to be levied on malted barley or other grains.

With respect to the question of possible conversion of malt sirup into wort by dilution with water, in the proportion of 1 part of malt sirup to 5 parts of water, it is my opinion that such a possible dilution would not affect the collection of the proposed tax on wort. The reason is that the first manufacturing cost of sirup is higher than wort, due to the necessary evaporation costs, and, furthermore, a diluted malt sirup will not produce as satisfactory a beverage as a straight brewer's wort. This observation is based somewhat on knowledge of changes that take place during evaporation of sugar solutions and on the practical experience that the use of diluted malt sirup for the manufacture of a beverage has been replaced in large part, at least commercially, by the manufacture of wort and its use direct without any intermediate evaporation process. I feel, therefore, there is little probability of evasion of the proposed wort tax through the medium of diluted malt sirup with water to wort consistency.

Of the total quantity of malt sirup manufactured approximately 25 per cent goes to unquestioned and identified food, medicinal, and technical processes, and the proposed section makes ample provision for tax exemption of these particular uses.

Commercial malt sugar at present sells for about 15 cents per pound on the best information available at this time. I do not believe the use of malt sugar would be a means of evasion of tax, as the malt sugar alone would not produce a satisfactory beverage, and the cost appears to be quite high.

J. M. DORAN,
Commissioner of Industrial Alcohol.

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

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

Mr. SMOOT. I yield.

Mr. FLETCHER. Does the letter deal with the provision in the bill as it came from the House, or with the amendment reported by the Senate committee?

Mr. SMOOT. It deals with the provision reported by the Senate committee.

Mr. SHORTRIDGE. Does Doctor Doran favor it?

Mr. SMOOT. Yes; he favors the Senate committee amendment.

Mr. President, before the Senator from New York begins, I should like to say one further word. The Senator expressed the view that the estimate of $97,000,000 as the revenue to be derived, as stated by me, must be a mistake. He had an estimate of $46,000,000. The estimate of $46,000,000 is correct if made upon the basis of the provision of the House bill, but if the Senate committee amendment shall be adopted it will produce, according to the estimate made by Doctor Doran, $97,000,000.

Mr. COPELAND. Mr. President, I send to the desk an amendment in the nature of a substitute for the amendment reported by the committee. I also hand a copy of the proposed amendment of the Senator from Utah.

The VICE PRESIDENT. Let the amendment in the nature of a substitute proposed by the Senator from New York be read.

The CHIEF CLERK. In lieu of the amendment proposed by the committee it is proposed to insert:

(2) Malt, $1.10 per bushel, provided that there shall be allowed to the manufacturer of malt products sold to a baker for use in baking or to a manufacturer or producer of malted milk, medicinal products, foods, cereal beverages, or textiles, for use in the manufacture of such products, a refund of the amount of tax paid on the malt used in the manufacture of such malt products.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New York to the amendment reported by the committee.

Mr. SMOOT. Before the vote is taken, I should like to say that the amendment offered by the Senator from New York would bring about the difficulties mentioned by Doctor Doran. Not only that, but the amendment provides for a refund of the tax collected on such portions of the product as go into foods, cereal beverages, medicinal products, and so forth. No one can tell what effect that would have without breaking the whole amendment down and finding exactly how much each one of the items named would affect the revenue. I sincerely hope that the amendment will not be agreed to.

Mr. COPELAND. Mr. President, we have before us a revenue bill. It is the desire of every Member of this body to balance the Budget. In order to do so, there must be large sums of money raised by taxation.

If I believed that the amendment offered by the committee would raise the sum of $97,000,000 I would sit down and let the Senate vote, ending any activity of my own to change it.

But it is only right that the Senate should be put in the possession of the facts. Against the statement of the Senator from Utah, who says that this tax will raise $97,000,000 as written, I want to make the statement that it will not raise to exceed $9,000,000. This positive statement having been made, and I believe it to be true, I think we have a right to inquire from the chairman of the committee how the Treasury or anybody else figures that the revenue will be $97,000,000.

May I ask the Senator from Utah how we are going to get $97,000,000 out of this proposal?

Mr. SMOOT. Mr. President, in answer to the Senator I will say that the amount of $97,000,000 is based upon what the department knows to be the known production of wort in the United States. The tax provided for upon the production of wort in the United States will bring $97,000,000. If the Senator says nine-tenths of all of it will not be taxed, then the amount of revenue suggested by him may be correct, but the department knows the amount of wort that is produced in the United States. There is not any guesswork at all about it; and with a tax imposed of 15 cents per gallon, the amount that was produced last year will bring $97,000,000.

Mr. COPELAND. Mr. President, I pray that the Finance Committee is better informed about the other items in this tax bill than the Senator from Utah is informed regarding the possibility of receipts from this item. This item, as written and presented by the committee, will not bring in revenue to exceed $9,000,000.

This morning I talked with Doctor Doran. His letter was just read by the Senator from Utah. Doctor Doran told me that we manufacture in this country annually between 400,000,000 and 500,000,000 pounds of malt extract or malt sirup. Twenty-five per cent of this goes to the bakers and the textile makers and the legitimate users of malt; so we have left 300,000,000 pounds of malt sirup. At 3 cents a pound that would bring in $9,000,000.

The only argument the Senator from Utah can make is that malt sirup or extract will not be used in making beer, but that the beer will be made from wort. That is what the Senator said. He has no more proof of it than he has regarding the inhabitants of the planet Mars. If all the beer were made from wort, the revenue would not be $97,000,000.

There is a sure way to determine how much beer is being made in the United States. This whole subject is distasteful to me because, as I said yesterday, beer is not a favorite beverage. I am not interested in this item except because I want revenue to operate the Government.

My State pays one-third of the taxes of this country. There are no Senators having greater interest in this matter of balancing the Budget than my colleague [Mr. WAGNER] and myself. There can be no other Senators with greater interest. We want revenue, but it can not be had from this absurd amendment offered by the Finance Committee.

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

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. SMOOT. The amendment that is in the bill, offered by the Committee on Finance of the Senate, was prepared in Doctor Doran's office. While I am perfectly willing to admit what the Senator says, that I do not know a single, solitary thing about it, I have not quoted my knowledge, but I think I know as much about it as the Senator does.

Mr. COPELAND. Perhaps the Senator would not be bragging in saying that.

Mr. SMOOT. I know it; and I am not bragging, because I say I do not know very much about it. The Government, however, is to receive the revenue. The officials and the experts of the department say that we will receive this amount of money, and the Government itself is more interested than any one individual Senator could possibly be in receiving the money to carry on the Government activities.

Mr. COPELAND. I shall try to demonstrate the truth of what I have said. The Senator says he does not know anything about the matter, anyhow, so I suppose I might as well sit down and call it a day. At least, I have studied the question, which he admits he has not done. He has blindly accepted what somebody told him, and I never knew him to do that before.

Mr. SMOOT. I have not done it this time.

Mr. COPELAND. I have looked upon the Senator as a wise man who has conscientiously tried to present to the Senate and the country the needs of the Treasury; and in every other instance save this, perhaps, he has done his full duty. I will give him that tribute, but in this matter he has blindly followed the blind.

There is a sure way to find out how much beer is made in America. Doctor Doran told me this, so I assume it is correct. He says that the amount of hops raised in America—and hopvines can not be hidden, I think the Senator from Utah and I will agree about that—the amount of hops raised in America indicates that 20,000,000 barrels of beer made in the United States are consumed here. I do not know how much may be consumed that comes from other countries, but that is not under consideration. With 20,000,000 barrels of beer, at 31 gallons to a barrel, we have, in round numbers, 600,000,000 gallons of beer. That is the amount that we consume in the United States—600,000,000 gallons of beer.

Of this amount, it is estimated that one-third will go into illicit beer. That amount of hops will be used in an illegitimate way. One-ninth of the hops production will go into the making of cereal beverage. Upon the illicit beer and upon the cereal beverage there can be no tax. So that leaves one-half of the total production of hops to be used in malt products which might be brought under the tax proposed.

Mr. SMOOT. The Senator knows that all of the wort that goes into the illicit beer is taxed just as well as that which goes into the beer that is called legitimate. It all pays its tax, whether it is illegitimate beer or whether it is legitimate beer.

Mr. COPELAND. That is, under the proposed bill.

Mr. SMOOT. Yes; and upon the Senator's own statement of 600,000,000 gallons at 15 cents a gallon, that is $90,000,000 right there.

Mr. COPELAND. All right. If the Senator is consoled by that, I am very happy.

Mr. SMOOT. I am only quoting the figures that the Senator quoted.

Mr. COPELAND. All right; but I want to say to the Senator that the beer will not be made of wort. It will be made of malt extract. Of course, Doctor Doran doubts this in his letter. I heard his letter. He says the flavor of malt-extract beer is not so good. He is better informed on that subject than I am. He says that the flavor of beer made from wort is better than the flavor of beer made from malt extract.

Mr. SMOOT. But we tax malt extract.

Mr. COPELAND. I know. If the Senator will only be patient, you tax malt extract at 3 cents a pound. Is that right?

Mr. SMOOT. That is right; and very, very little of it has been used for making beer. Not only that, but there never will be much used as long as they can get wort.

Mr. COPELAND. I am surprised at what the Senator says, because he has just quoted from Doctor Doran, who told me that between four and five hundred million pounds of malt extract are made in this country.

Mr. SMOOT. It is not made into beer.

Mr. COPELAND. What is it made into? That is a fair question. The Senator says it is not made into beer. What is it made into?

Mr. SMOOT. I can not tell the Senator all the products.

Mr. COPELAND. I can.

Mr. SMOOT. I say, however, that over a fourth of it, nearly a third, goes into other products. So the testimony showed; and I could turn to the testimony and tell the Senator what it went into.

Mr. COPELAND. The Senator does not have to go to the testimony. He can take his own bill.

Mr. SMOOT. About one-third of it goes into those other products. The bill does not say where it goes.

Mr. COPELAND. It says what the exemptions are; and, of course, the Senator is talking about legitimate uses now.

Mr. SMOOT. Yes.

Mr. COPELAND. All right. He has said what it goes into. If the Senator will turn to page 241, he will find that it goes into baking, malted milk, medicinal products, foods, cereal beverages, and textiles. That is where 25 per cent of it goes. One-fourth of this malt extract goes into these legitimate purposes which the Senator did not know about but which I found in his bill.

Mr. SMOOT. I did not know where all of it went. The Senator from New York asked me what it went into, and I could not tell him as to all of it; but the bill itself says that most of it goes into these products.

Mr. COPELAND. That is where it goes.

Mr. SMOOT. There are only 30,000,000 gallons of malt sirup made in the United States, as against 600,000,000 gallons of wort. If they could make beer as the Senator suggests, they would have done it in the past the same as they would in the future. Anyone who is going to make beer is not going to use malt sirup to make it when he can get wort.

Mr. COPELAND. Mr. President, I wish I had some power to induce the Senator from Utah to listen to the argument. If he will do that, when I get through, if he says it is not any good, I will be content, and probably say that he knows more about the matter than I do. It is ridiculous for a man who has said he does not know anything about it to rise here and say that all the malt extract we make is put into these products the Senator is talking about, these legitimate products.

Mr. SMOOT. One-fourth of it.

Mr. COPELAND. Very well, one-fourth of it. Then what happens to the other 300,000,000 pounds of malt extract? Where does that go?

Mr. SMOOT. At the request of the Senator, I will wait until he gets through and will not interrupt him.

Mr. COPELAND. I do not blame the Senator, because he has not the answer.

Mr. TYDINGS. Mr. President, did I understand the Senator to say that about one-fourth of this product goes into beer only?

Mr. COPELAND. No; the Senator did not say that.

Mr. TYDINGS. As I understand it, wort is nothing more nor less than beer, without the yeast added.

Mr. SMOOT. There are 30,000,000 gallons of malt sirup. We were talking of malt sirup.

Mr. TYDINGS. We are certainly not going to tax this thing now, after the vote we have just had, going into the back door, when nobody is looking, with a cloak thrown over our heads, and thereby get revenue which we would not get honestly. I hope we will not be that two-faced and say that we will not get the revenue from a tax on beer, when everybody knows that product is going into beer. Are we going to be so cowardly, if I may use that word without

any offense, as to refuse to place a tax on beer and then, when nobody is looking, disguise ourselves and, as tax collectors, go in and get the tax indirectly?

Mr. BLAINE. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. BLAINE. If I may have the attention of the Senator from Maryland in connection with the same proposition, as I recall, a district court of the United States has declared wort to be contraband under the Volstead Act. All this provision in the bill proposes to do indirectly, and by implication, is to legalize wort for beverage purposes, I assume. I am not familiar with just what are the secret processes of the chairman's mind, but by imposing a tax, at least by implication, we will make wort a legalized product and take it from under the prohibition of the Volstead Act. I assume that may be the purpose.

Mr. TYDINGS. Mr. President, will the Senator from New York yield?

Mr. COPELAND. In just a moment I will yield. I do not want this argument to deteriorate into a passage at arms over the question of prohibition. Everybody who knows anything about the question and about this bill knows that the intention of this provision of the bill is indirectly to tax illicit beer. That is what it is for. We all know that.

Mr. TYDINGS. Will the Senator yield now?

Mr. COPELAND. I yield.

Mr. TYDINGS. I just want to get over the point, having made some little investigation recently, that wort is nothing more than beer. That is all it is. A barrel of wort is a barrel of beer. The Senator from Wisconsin is exactly right when he says that the purpose is to legalize an illegal product. It is on all fours with the action of Congress in lending about $20,000,000 to the concentrate industry to make wine. We never got a cent of tax from that, but we let them have $20,000,000, most of which now we will not get back. So that what we will not do openly, as men standing out in the sunlight, where we can be observed, we are asked to do surreptitiously, throwing the glamor of a disguise over our actions, and thereby making it appear that we have not deserted the Anti-Saloon League.

Mr. COPELAND. Mr. President, after these diverting remarks, I want to go back to my argument with the Senator from Utah. He is a reasonable man, and I know that when he gets the real facts before him he is going to join me in my effort to so shape the pending bill as to get revenue out of it, instead of having it prove to be the greatest disappointment in the revenue bill. I want to go back to what I was saying when we were diverted.

Doctor Doran states what the statistical departments of the Government verify, that we make about 400,000,000 pounds of malt extract or malt sirup. One-fourth of that amount, as the Senator from Utah has said, and said correctly, goes into legitimate uses, in the bakery and textile and malted-milk industries, into medicines, and so forth. That leaves 300,000,000 pounds of malt extract. What becomes of that? A large part of it goes into the making of illicit beer.

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

Mr. COPELAND. I yield.

Mr. KING. I have heard it stated that there is a large amount of home-brew manufactured throughout the United States. What is the home-brew, made in the cellar or in the kitchen by the frugal housewife or the frugal husband, made from?

Mr. COPELAND. I am informed, having no practical knowledge, that it is made from malt extract.

Mr. KING. Not from wort?

Mr. COPELAND. Not from wort. The illegal wort is used largely by the alley brewers, the bootleggers. That is where the wort goes. But the household uses the malt extract. It is not so bulky, it comes in small tins, and is more readily used.

Three hundred million pounds of malt extract are employed beyond legitimate uses. That much will go into the making of illicit beer, and that the Senator would tax at 3 cents a pound, and out of it we will get $9,000,000, and that is all we will get.

The only difference between malt extract or malt sirup and wort lies in the fact that the water of the wort has been evaporated and there is a concentration of the product, making malt extract. Bear that in mind. The malt extract is simply the concentrated, condensed wort. You can take milk powder and the right proportion of butterfat and add water and homogenize it, and you have reconstituted milk. To make wort, all you have to do is to take the malt extract, add water, and you have wort. Nobody is going to use wort, which would bear a tax of 15 cents a gallon, when he can get malt extract with a tax of 3 cents a pound.

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

Mr. COPELAND. I yield.

Mr. BLAINE. I am very anxious to know whether or not the Senator is absolutely correct in his definition of malt sirup. Malt sirup, when it contains hops, then is the concentrated form of wort made from malt and hops.

Mr. COPELAND. It may be hopped; yes. Hops may be added.

Mr. BLAINE. But when the malt sirup is nonhopped, then the process for making beer is to pour hot water on the hops—the same as you pour hot water on tea leaves to make tea—in order to get the hop flavor, and in that is mixed the malt sirup. I have never had any personal experience, I want to assure the Senator, but that is my information, which comes from the same sources from which we obtain general information on many processing projects. So that malt sirup, together with a small pinch of hops, in the right proportions, when properly mixed with liquid, becomes exactly the same as wort.

Mr. COPELAND. Just the same, exactly. Let us go a little further, though, so as to be scientifically accurate.

The Senator from Wisconsin will remember that the germinated grain is crushed, put into a cylinder, water is added, and it is heated to the right temperature to permit the conversion of the starch into sugar. It is malt sugar when that happens. Then pretty soon the husks settle down to the bottom of the vessel, shaped like an inverted cone, and the fluid is strained through the husks into a kettle, into a receptacle, and that is wort, but not yet hopped, no hops having been added. That is wort. Then the wort may be submitted to evaporation or condensation, making it into sirup, and then you have malt sirup. If you go far enough with your evaporation, you may actually have a malt powder, but the hops have not yet been added.

In making beer, of course, the hops are added, with some beet sugar or cane sugar to promote the fermentation.

The iniquities of the bill are shown by the fact that the rate on malt extract is utterly out of proportion to the tax on wort. One bushel of malt will make 27 pounds of malt sirup. One bushel of malt will make 30 gallons of wort. The tax on wort, at 15 cents a gallon, would be $4.50. One bushel of malt will make 27 pounds of malt sirup or malt extract, which at 3 cents a pound would amount to 81 cents.

Is there any doubt as to what the bootlegger is going to do? Is there any doubt about what the householder is going to do? Of course, they will use malt extract. There is no question about that, because with the malt extract bearing a tax of less than a dollar, they can make as much beer as they would out of wort, on which they would pay a tax of $4.50. That is plain enough, is it not? That is not the way to collect revenue, because this tax bill will drive all of the bootleggers and householders into the making of illicit beer out of malt extract, upon which we will realize $9,000,000 of revenue, and that is all. I do not care how many letters are produced or how many experts are called in to testify, the fact remains that the beer of the future will be produced out of malt extract and this downtrodden and tax-ridden country will have no revenue from it.

I do not suppose I have changed the opinion of my friend across the aisle one bit, but that is the truth. When he tells the country that in balancing the Budget he has found

a way to get $97,000,000, I tell the country that it is not a fact. To make up that loss we have got to find $88,000,000 from some other source.

My friend from Utah knows that a case contains 12 cans of malt extract. Sixty gallons of beer can be made out of 12 cans of malt extract. One can contains 3 pounds. There are 36 pounds in a case of malt extract at 3 cents a pound will be a tax of $1.08, while to make 60 gallons of beer out of wort would take 60 gallons of wort at 15 cents a gallon or $9. Is there any doubt about how the beer will be made? The beer will be made from the malt extract and the Government will receive $1.08 instead of receiving $9 on the 60 gallons of beer. After the amendment of the committee is accepted and the bill is put into operation it will give me joy next year to say, "I told you so"; and I am going to be just mean enough to do it.

What is my proposal? My proposal is that we tax malt $1.10 a bushel. Malt is the basic substance. In a sense it is the raw material. It does not make any difference whether we are making malt sugar or wort or malt extract, it all comes from malt, from the germinated grain. I propose that we tax it $1.10 a bushel. The reason why I chose that rate is that it is the old rate we used to place upon whisky—$1.10 a gallon. I have another reason for doing it. I want to be sure that the Government will get $20,000,000 instead of $9,000,000.

I want to make this very clear, and if I seem to be elementary in this statement I hope Senators will forgive me: To make wort or to make malt extract, we take grain, usually barley. It is first soaked or steeped in water and then put on the floor of the malt house and the temperature kept high enough so it germinates. Senators know how it is when they go down the cellar in the springtime and find a lot of potatoes struggling to live, putting forth green sprouts. That is what the grain does. The barley is kept at the right temperature and it germinates, and when it germinates in that way it is called malt. That is the basic substance. From malt by these different stages we make wort and malt extract.

We first take raw malt, the germinated malt, and shake it up so as to break off the little green sprouts. We crush the grain, add water, and heat the mixture enough so that the sugar fermentation takes place. As a result the starch of the grain is converted into sugar, invert sugar, very valuable sugar for health. It is given to babies. Doctor Kellogg, at the Battle Creek Sanitarium, makes great use of malt sugar. He has an aversion to other sugar and feeds his patients on malt sugar. Then it is strained, the fluid taken off, which is the wort, and the wort is condensed and evaporated and the extract made.

The trouble with the bill is that instead of going to the top and beginning with the basic material, it skips the malt, it skips the malt sugar, and then begins to apply when it gets to wort, and the next tax after that is on the malt extract. The malt extract, being so much cheaper by reason of these low taxes than the wort, will lead to its use. Because of that fact and the fact that it is used now to the extent of 300,000,000 pounds for this purpose, it means that the revenue which the Government will get will be 3 cents a pound or a total revenue of $9,000,000.

My purpose is to put a tax of $1.10 on the malt. I have said malt, because sometimes we malt corn or rye or wheat. We will get an increased revenue estimated at about $250,000 if these other malted substances are included in the tax. Let us put a tax of $1.10 on malt and each bushel of the barley or corn makes a bushel of malt. Multiply 20,000,000 bushels, the minimum—the estimate runs all the way from 20,000,000 to 40,000,000, but nobody denies it is at least 20,000,000—by $1.10 and we get $22,200,000. Taking off the 6 per cent which is now used for bakery purposes and for which my amendment provides, will leave net more than $20,000,000.

I want to say to the public, more interested in the matter of balancing the Budget than perhaps Senators are, that this will net the United States Government more than $20,000,000 as against $9,000,000 as proposed by the committee.

I do not know that there is anything more that can be said. It would be very easy to talk a long time about it because, in spite of what the Senator from Utah said, I do know about this subject. As I said yesterday, I happened to take a course in organic chemistry when I was a student, a course which appealed to me, and I learned something about these things then. I have never been in a brewery. I am not interested in that side of the question, but I know that the processes which I have described are scientifically accurate and that the Senate has it within its power to put into the Treasury of the United States by this simple method, a system which can not be evaded, over $20,000,000 as against $9,000,000 as proposed by the committee.

The committee has left loopholes through which a horse and wagon can be driven. There is no reason at all why the person who wants to make cheap beer can not use barley malt. There is no reason why the alley brewer can not buy malt sugar, the next process beyond the malting. He can strain it himself and make beer from it.

When I say that the bill as presented offers $9,000,000 income, I say it offers that much provided there are no evasions. My amendment offers a simple means of collection. The Senator from Utah has presented an amendment which provides for a tax of 3 cents a pound on malt extract. Anybody can buy wort and make it himself. He is not likely to do it because of the difference in price. My amendment means that only 25 concerns in the United States will be involved. There are only 25 malt concerns in the country, great concerns, each of them occupying acres of ground. Uncle Sam will go to 25 places in the United States and collect his revenue and will put into the coffers of the country over $20,000,000 net.

I appeal to the Senator from Utah, in charge of the bill, to accept advice on this matter and to permit a modification of the bill in such a way as not to reduce income, and in such manner as to double the receipts of the Government from this particular tax. I do not want to discuss the prohibition aspects of the case or the other matters which have been brought in by the heels. I am thinking of this merely as a revenue measure. I have offered my country to-day more than $10,000,000 of revenue if my amendment shall be accepted. It should be accepted, because all the scientific facts are on the side of the argument which I have presented. In the name of the country and of the need of the Treasury to be replenished, I ask the Senator to accept the amendment.

Mr. SMOOT. Mr. President, I am not prepared to take out of the bill $97,000,000. That is about what the Senator's amendment would mean. The department which enforces the law ought to know as much about it as any one individual who buys or uses the wort. The department of our Government says it will get $97,000,000 out of this amendment. It has said it not only once, but it has been checked up two or three times.

I care nothing at all about what the Senator from New York has said in relation to myself. I may know nothing about wort—it is true that I may not. However, his amendment is not in the interest of the Government of the United States. It is not in behalf of the Treasury of the United States. Therefore, I can not accept the amendment. Let the Senator offer the amendment and we will vote on it.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	Bulow	Davis	Harrison
Austin	Capper	Dickinson	Hastings
Bailey	Caraway	Dill	Hatfield
Bankhead	Carey	Fess	Hawes
Barbour	Cohen	Fletcher	Hayden
Barkley	Connally	Frazier	Hebert
Bingham	Coolidge	George	Howell
Blaine	Copeland	Glass	Hull
Borah	Costigan	Glenn	Johnson
Bratton	Couzens	Goldsborough	Jones
Brookhart	Cutting	Hale	Kean

Kendrick	Moses	Shipstead	Vandenberg
Keyes	Neely	Shortridge	Wagner
King	Norbeck	Smith	Walcott
La Follette	Norris	Smoot	Walsh, Mass.
Lewis	Nye	Steiwer	Walsh, Mont.
Long	Oddie	Thomas, Idaho	Watson
McGill	Reed	Thomas, Okla.	Wheeler
McNary	Robinson, Ark.	Townsend	White
Metcalf	Robinson, Ind.	Trammell	
Morrison	Sheppard	Tydings	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The question is on the amendment proposed by the Senator from New York.

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BINGHAM. Let the amendment be stated, Mr. President.

The VICE PRESIDENT. The amendment will be again reported.

The CHIEF CLERK. In lieu of the committee amendment on page 241, it is proposed to insert the following:

(2) Malt, $1.10 per bushel, provided that there shall be allowed to the manufacturer of malt products sold to a baker for use in baking or to a manufacturer or producer of malted milk, medicinal products, foods, cereal beverages, or textiles, for use in the manufacture of such products, a refund of the amount of tax paid on the malt used in the manufacture of such malt products.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JONES. I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I find, however, that I can transfer my pair with that Senator to the Senator from Colorado [Mr. WATERMAN]. I make that transfer and will vote. I vote "nay."

Mr. FESS (when Mr. MCNARY's name was called). I desire to announce that the Senator from Oregon [Mr. MCNARY] is unavoidably detained from the Senate. He has a general pair with the Senator from Alabama [Mr. BLACK].

Mr. SHIPSTEAD (when his name was called). Making the same announcement as before with regard to my pair, I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR], who is detained from the Chamber on account of illness. Not knowing how he would vote on this question, I withhold my vote.

The roll call was concluded.

Mr. BANKHEAD. I have a pair with the senior Senator from Vermont [Mr. DALE], and therefore withhold my vote. If permitted to vote, I should vote "nay."

Mr. CAREY (after having voted in the negative). I understand the junior Senator from Ohio [Mr. BULKLEY] has not voted. As I have a pair with that Senator, I withdraw my vote.

Mr. WAGNER (after having voted in the affirmative). May I inquire if the junior Senator from Missouri [Mr. PATTERSON] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. WAGNER. I am paired with the junior Senator from Missouri. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and will permit my vote to stand.

Mr. FESS. I wish to announce that the Senator from Minnesota [Mr. SCHALL] has a general pair with the Senator from South Carolina [Mr. BYRNES].

Mr. SHEPPARD. I desire to state that the Senator from Louisiana [Mr. BROUSSARD], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Nevada [Mr. PITTMAN] are detained from the Chamber on official business.

I also desire to state that the Senator from Ohio [Mr. BULKLEY] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 7, nays 68, as follows:

YEAS—7

Barbour	Coolidge	Kean	Wagner
Blaine	Copeland	Lewis	

NAYS—68

Ashurst	Barkley	Bratton	Capper
Austin	Bingham	Brookhart	Caraway
Bailey	Borah	Bulow	Cohen
Connally	Hale	McGill	Smith
Costigan	Harrison	Metcalf	Smoot
Couzens	Hastings	Morrison	Steiwer
Cutting	Hatfield	Moses	Thomas, Idaho
Davis	Hawes	Neely	Thomas, Okla.
Dickinson	Hayden	Norbeck	Trammell
Dill	Hebert	Norris	Tydings
Fess	Howell	Nye	Vandenberg
Fletcher	Hull	Oddie	Walcott
Frazier	Jones	Reed	Walsh, Mass.
George	Kendrick	Robinson, Ark.	Walsh, Mont.
Glass	Keyes	Robinson, Ind.	Watson
Glenn	King	Sheppard	Wheeler
Goldsborough	La Follette	Shortridge	White

NOT VOTING—21

Bankhead	Dale	McNary	Swanson
Black	Gore	Patterson	Townsend
Broussard	Johnson	Pittman	Waterman
Bulkley	Logan	Schall	
Byrnes	Long	Shipstead	
Carey	McKellar	Stephens	

So Mr. COPELAND's amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 241, line 12.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The next amendment was, on page 242, after line 5, to strike out:

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

And in lieu thereof to insert:

(3) Grape concentrate, evaporated grape juice, and grape syrup (other than finished or fountain syrup), if containing more than 35 per cent of sugars by weight, 20 cents a gallon. No tax shall be imposed under this paragraph (A) upon any article which contains preservative sufficient to prevent fermentation when diluted, or (B) upon any article sold to a manufacturer or producer of food products or soft drinks for use in the manufacture or production of such products.

The amendment was agreed to.

The next amendment was, on page 242, after line 22, to strike out:

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

And in lieu thereof to insert:

(4) Crude petroleum, one-half cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, one-half cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound; natural asphalt and asphalt and bitumen derived from petroleum, 10 cents per 100 pounds. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. LA FOLLETTE. 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	Davis	Jones	Robinson Ark.
Austin	Dickinson	Kean	Robinson, Ind.
Bailey	Dill	Kendrick	Sheppard
Barbour	Fess	Keyes	Shortridge
Bingham	Fletcher	King	Smith
Blaine	Frazier	La Follette	Smoot
Bratton	George	Logan	Steiwer
Bulow	Glass	Long	Stephens
Capper	Glenn	McGill	Thomas, Idaho
Caraway	Goldsborough	McNary	Thomas, Okla.
Cohen	Hale	Morrison	Tydings
Connally	Harrison	Moses	Vandenberg
Coolidge	Hatfield	Norris	Walcott
Copeland	Hawes	Nye	Walsh, Mont.
Costigan	Hayden	Oddie	Watson
Couzens	Hull	Pittman	Wheeler
Cutting	Johnson	Reed	White

The VICE PRESIDENT. Sixty-eight Senators have answered to their names. There is a quorum present.

Mr. HARRISON. Mr. President, we have reached that part of the bill which pertains to some tariff items. I had hoped that we might get a unanimous-consent agreement

to defer the consideration of the four tariff items until we had completed the other provisions in the bill; but on conferring with some of the Senators who are interested in these items, I find that they are very much opposed to that procedure and desire that we shall go on as the items are reached in the bill. That being their viewpoint, I recognize that it would be impossible to follow any other course.

In the House a certain rate was placed on crude petroleum. The Senate committee struck that rate out and inserted another provision. I ask unanimous consent that a motion may be in order to strike both the House and the Senate committee provisions from the bill. I make this request in order that we may get rid of the subject in one motion.

The VICE PRESIDENT. Is there objection?

Several Senators rose.

Mr. HARRISON. The bill as it passed the House carried one rate, and the Senate committee fixed another rate. The Senate committee rate is lower than the rate fixed in the House. Some of us are against both provisions, both the Senate committee provision and the House provision; and if a motion to strike them both out is carried, it will eliminate both. Otherwise those who are opposed to both provisions would have to vote first for the rate of half a cent a gallon on crude oil that is found in the Senate committee amendment.

Mr. LONG. Mr. President, I understood the Senator from Mississippi to state in his address yesterday that the committee was trying to have the bill stand as it came from the committee. Was not that the Senator's contention yesterday?

Mr. HARRISON. I am sure that if the Senator got that idea he is the only Senator here who did, because I have voted and I have spoken against tariff items being injected into the consideration of this bill. I think the country understands my position on that question. I am very anxious that the other provisions except the tariff items remain as the committee recommended them. Of course, I am opposed to the tariff items.

Mr. LONG. Did not the Senator say yesterday that if we started tearing up the bill, we would find ourselves in endless confusion?

Mr. HARRISON. Mr. President, I think the Senate understands my position with reference to the tariff items. I have submitted this unanimous-consent request in order to save time and expedite the consideration of the bill. If there is any objection to it, of course we will proceed with the Senate committee amendment.

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

Mr. HARRISON. I yield.

Mr. CONNALLY. I ask the Senator to yield merely in order that I may explain why I am going to object.

Mr. HARRISON. If the Senator objects, that disposes of the request.

Mr. CONNALLY. I think that if I am going to object, I have a right to say why. I do not see any reason why, with all the zeal of the Senator from Mississippi, this particular item should be treated in any different way from the way in which we are treating all other revenue items in the bill. So I shall object to lumping the whole item into one vote.

The VICE PRESIDENT. The Senator from Texas objects.

Mr. ASHURST. Mr. President, I am very glad the Senator from Texas has objected. It is proposed here to raise $15,000,000 or $20,000,000 a year from a tariff on copper. I fail to perceive why in a revenue bill an item that will raise fifteen or twenty million dollars a year should be put over until the last. I am very glad the Senator objected. Let us proceed with the bill as the items appear. There is no reason I can perceive why one item should be postponed until another shall have been considered. Let each one stand on its own merits and be considered when the Senate reaches it. I, too, object.

Mr. HARRISON. Mr. President, I was not requesting that anything be put over at all. We have reached the item now. I was just asking unanimous consent that I might enter a motion to strike out both the House text and the Senate committee provision with reference to crude oil. That is all. If that is objected to, of course the question comes on the adoption of the Senate committee amendment to the House text.

Mr. NORRIS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. If the Senate committee amendment now pending should be agreed to, would it then be in order to strike out the House provision as amended?

The VICE PRESIDENT. The Chair holds that if the Senate committee amendment is agreed to, then it would not be in order to move to strike out the House provision.

Mr. NORRIS. That is the point I wanted to call to the attention of the Senator from Mississippi.

Mr. HARRISON. Yes; I appreciate that fact.

Mr. NORRIS. In order to reach the point of striking both out, the Senator must make his motion to strike out the House provision before we vote on the Senate committee amendment.

Mr. HARRISON. I was trying to strike them both out.

Mr. NORRIS. But the Senator can not do that, because objection is made. I do not want the parliamentary situation to become such that the Senator would be out of order when he undertook to strike out the House provision as amended.

Mr. HARRISON. If I should make a motion to strike out the House provision and the Senate committee amendment, then it is amendable by a motion to strike out and insert the Senate committee amendment.

Mr. NORRIS. If Senators will observe the ruling of the Chair, those of us who are opposed, as the Senator from Mississippi is, to any tariff being levied on this product, will get ourselves into difficulty if we go on and vote for the Senate committee amendment. If it is agreed to, we shall then be bound by that action.

Mr. HARRISON. Under the ruling of the Chair, and objection having been made, the only procedure for those who are opposed to any tax on oil is to vote first against the Senate committee amendment, and then the question recurs on the House provision, and we shall have to vote against that.

Mr. NORRIS. That is all true; but suppose the Senate committee amendment is agreed to and the Senator is in favor of not having any tariff. He would be denied the privilege of even making a motion to that effect.

Mr. HARRISON. Yes; we are up against it then.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. Would it not be in order to secure a division upon the proposal? It is a proposal to strike out and insert. May we not ask for a division of the question and have a vote on the proposal to strike out?

The VICE PRESIDENT. Under Rule XVIII a motion to strike out and insert is not divisible.

Mr. NORRIS. Mr. President, another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Would it be in order, while the committee amendment is pending, to move to strike out the House text?

The VICE PRESIDENT. The committee amendment does that.

Mr. NORRIS. The committee amendment now pending would strike out and insert. Would it be in order now to make a motion to strike out the House provision?

Mr. HARRISON. That is already stricken out.

The VICE PRESIDENT. That is the object of the committee amendment, to strike out the House provision.

Mr. NORRIS. Yes; but the Chair by his ruling is going to get us in a position where we will not be able to make a motion to strike out the House provision which would eliminate any tariff on this product.

Mr. ROBINSON of Arkansas. Mr. President, does not the question first come on the committee amendment to the House text, and does not the question then recur on the committee amendment as amended?

Mr. NORRIS. But it is not an amendment as amended. It is the House text.

Mr. SMOOT. Mr. President, unanimous consent was given to consider all Senate committee amendments first.

Mr. LA FOLLETTE. I beg to differ with the Senator from Utah. I do not think that unanimous consent has been given.

Mr. NORRIS. Irrespective of whether it was given or not, the Chair must not get the Senate in a position so that those Members of the Senate who are opposed to any tariff on oil will be precluded from having a vote on that question.

The VICE PRESIDENT. The only remedy under the rule is to vote down the committee amendment.

Mr. CONNALLY. Mr. President, let me suggest to the Senator from Nebraska that those who are opposed to any tariff can defeat the Senate committee amendment. When that is done, they can then make a motion to amend the House text by striking it all out.

Mr. NORRIS. I understand that.

Mr. CONNALLY. What more does the Senator from Nebraska want?

Mr. NORRIS. Let me explain. The House text provides for a tax of 1 cent, and the Senate committee amendment provides for a tax of one-half cent. A perfectly logical position for Senators to take who are opposed to any tariff would be to get as low a tariff as possible if they can not prevent any tariff. Hence it would be to their interest, believing that way, to vote for the committee amendment cutting the tax down to one-half a cent, but by doing that under the ruling of the Chair they are prohibited from ever having an opportunity to vote to have the entire tariff on oil eliminated from the bill.

Mr. LA FOLLETTE. Mr. President, may I suggest to the Senator from Mississippi that perhaps one way out of the difficulty would be to offer, as a substitute for the committee amendment, an amendment to the House text striking out the numeral "1," in line 24, and inserting "one-half"?

Mr. HARRISON. I was about to make the motion, and I will now make the motion, to strike out everything on page 242, beginning with line 23, and on page 243 down to, and including, line 13. That would strike out the House text and the Senate committee amendment.

Mr. JOHNSON. Mr. President, a point of order.

Mr. NORRIS. I would like to make a suggestion to the Chair. I think it is perfectly plain that if we follow the two rulings of the Chair a Senator will have to vote against his own convictions on the first question in order ever to stand any chance of getting an opportunity to vote his real convictions on the second question. I want to ask the Chair why this rule does not apply. A motion to strike out and amend is subject to a motion that would amend or perfect the text before the question is voted on. In other words, in order to do that why is it not in order now to move to strike out of the bill the House text so there would be no tariff? Then every Senator would have an opportunity to vote his convictions on all the matters involved.

Mr. ASHURST. Mr. President, with other Senators, I am anxious to secure relief for the copper-mining industry, but we scorn and reject a victory obtained by any parliamentary trick. Every Senator has a right to vote on each question fairly and squarely without any subterfuge. So, on behalf of a number of Senators who are trying to secure proper and needed tariffs, we wish it understood that we would not accept a victory predicated upon or arising from any parliamentary sharp practice. Therefore, so far as the ground in a parliamentary sense may be cleared, we wish it to be cleared, and we wish to have a fair and square vote.

I perceive no difficulty in the situation. There is to me no complexity about the question. The question is presented as it has been presented all through the bill and will be after these tariff items shall have been concluded. The question is on the Senate committee amendment. If it be adopted, then the question recurs on the committee amendment as amended by the Senate. What else does the Senator from Nebraska want? What else is there?

Mr. NORRIS. The Senator said the question would be on the amendment as amended. There is no such thing. It is the House text.

Mr. ASHURST. The Senate makes the amendment. If that be adopted by the Senate, then the question recurs——

Mr. NORRIS. Oh, no; there is where the Senator is in error.

Mr. ASHURST. Then I have fallen into a deep sea, parliamentarily.

Mr. NORRIS. I want to submit this to the Chair as well as to the Senator from Arizona. Suppose the Senate committee amendment is agreed to. Under the ruling of the Chair, as I understand it, that ends the matter. It is not subject to another amendment, but that ends it, and there is no possibility of another vote on the question.

The Senator from Arizona, I think, is laboring under a misapprehension that if the Senate committee amendment is agreed to, then we have to vote on the amendment as amended; but that is not true. The Senate committee amendment is an amendment of the text of the bill, and when that is amended then the text of the bill is changed. Under the ruling of the Chair there is no way to change it.

Mr. REED. Mr. President, may I make this suggestion to the Chair? In the way the bill has come to us from the Printing Office it looks as though the whole paragraph of the House text has been stricken out and replaced by committee language. That is not the fact, however, in essence, for if the Chair will look at the bill he will see that the first two words of the House paragraph are not changed. Consequently we have this situation: The paragraph that comes from the House is not entirely stricken out by the Senate committee amendment but is only modified by the committee amendment after the first two words. That being so, and assuming that the Senate votes for the committee amendment, a motion would then be in order to strike from the bill the entire paragraph as amended. I submit to the Chair that that is necessarily so.

Mr. BARKLEY. Mr. President, I am afraid the Senator from Pennsylvania is mistaken, because the language of the House provision puts a tax of 1 cent per gallon on crude petroleum, and so forth, whereas the Senate committee amendment puts an entirely different rate of tax upon those items. It puts a tariff of one-half cent on oil. The language is transposed so that it is entirely different. It is really a striking out of the entire language of the House text and a substitution of new language provided by the Senate committee.

Mr. REED. That is the way the Printing Office has sent it to us; but the first two words of the paragraph and the last sentence of the paragraph remain the same.

Mr. BARKLEY. But the first two words, if left to themselves, make no sense at all.

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FESS. My inquiry is, if subsection (4) is stricken out and a new subsection (4) is inserted by the Senate, is the Chair treating subsection (4) as involved in the amendment to strike out and insert?

The VICE PRESIDENT. That is the position of the Chair. The House text can be amended and an amendment to it is in order first, or the Senate committee amendment may be amended if there is no motion made to amend the House provision. That is the purpose of the rule.

Mr. FESS. Being in the order of striking out and inserting, it can not be divided; otherwise, it would be an easy matter to take care of it. If the Senate votes affirmatively to strike out and insert, it would be the Senate committee provision that would be adopted. If it votes negatively, that would mean both have failed and the part that is reserved would be the House provision. Then it would be in order to move to strike out the House provision.

Mr. HARRISON. Mr. President, does the Chair then hold that the motion I made is not in order?

The VICE PRESIDENT. It is not.

Mr. WALSH of Montana. Mr. President, let me suggest that by unanimous consent the motion to strike out and insert may be divided. That could be done by unanimous consent.

The VICE PRESIDENT. It can be done by unanimous consent, of course.

Mr. WALSH of Montana. Then we would vote on the motion to insert first and on the motion to strike out afterwards.

Mr. CONNALLY. I do not understand that the request was made.

Mr. NORRIS. Mr. President, I should like to submit a request for unanimous consent.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. It seems to me that all Senators want to be fair about this matter and want to give each Senator an opportunity to vote his sentiments, both as to the rate and as to whether there should be any tax at all. Therefore I ask unanimous consent that after the vote is taken upon the amendment it shall be in order to move to strike out paragraph (4), regardless of whether the committee amendment is agreed to or not.

The VICE PRESIDENT. Is there objection?

Mr. ASHURST. Mr. President, only yesterday I announced that he was a poor sportsman who changed the rules in the middle of the game. Let the rules of the Senate apply in this case now as they have uniformly for a score or more of years. Now all of a sudden an effort is made to secure unanimous consent to alter the rules of the Senate, although the proponents of the tariff proposal are not to blame and have done nothing to bring about the parliamentary tangle, if there be one. All we ask is that the Senate proceed under its well-known and usually applied rules.

Why is it necessary now by unanimous consent to have a new rule, in order that Senators, forsooth, may obtain what they believe is an advantage? We, I say, scorn a parliamentary victory obtained by a trick, but we should be lashed from the temple of justice if we should consent that the rules shall be changed to our harm in the middle of the game. I object.

The VICE PRESIDENT. Objection is made. The question is on the amendment offered by the Senator from Mississippi.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Texas?

Mr. HARRISON. I yield.

Mr. CONNALLY. I wish to offer an amendment.

Mr. NORRIS. Mr. President, I desire to submit a motion. I understand the Senator from Arizona objected to my request for unanimous consent?

The VICE PRESIDENT. The Senator from Arizona objected to the request for unanimous consent.

Mr. ASHURST. Respectfully, I objected.

Mr. NORRIS. I move to amend the committee amendment by striking out "one-half cent" and inserting in lieu thereof "one-twentieth of 1 cent."

The VICE PRESIDENT. The question is on the amendment of the Senator from Nebraska to the amendment reported by the committee.

Mr. REED. That is in line 3, on page 243, is it not?

Mr. NORRIS. It is in line 3, on page 243.

Mr. CONNALLY. Mr. President, I do not desire to interrupt the Senator from Mississippi. I am perfectly willing that he should proceed.

Mr. HARRISON. No; I will follow the Senator from Texas.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Nebraska to the amendment reported by the committee. All in favor of the amendment——

Mr. LONG. Mr. President——

Mr. TYDINGS. I ask for the yeas and nays.

Mr. LONG. Mr. President, I was trying to get recognition before the vote.

The VICE PRESIDENT. The Chair recognizes the Senator from Louisiana.

Mr. LONG. Mr. President, we might just as well take this question up now on the amendment of the Senator from Nebraska as to do it later, because what the Senator from Nebraska has moved to do is to strike out any relief for the oil fraternity of the United States; that is what the amendment amounts to. In other words, the Senator, with a very thorough knowledge of the rules of the Senate, has brought to a head the issue whether or not we are going to disregard all relief that is proposed by the bill as reported by the committee.

Mr. NORRIS. Mr. President——

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

Mr. LONG. I yield.

Mr. NORRIS. I want to say to the Senator frankly that I am opposed to any tariff on oil, and the Senator has correctly stated my position when he says the object of the amendment offered by me is to prevent any tariff on oil. I frankly concede that that is what I have in view, and under the ruling of the Chair it is going to be, as I see it, the only opportunity to test that question.

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

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield.

Mr. TYDINGS. Mr. President, a parliamentary inquiry. Would it be in order to offer a substitute for the amendment offered by the Senator from Nebraska?

Mr. LONG. Not while I have the floor. [Laughter.]

Mr. TYDINGS. I would only do it with the Senator's permission; I am not trying to take him off the floor.

The VICE PRESIDENT. Under the rules the amendment proposed by the Senator from Nebraska may be amended.

Mr. TYDINGS. Will the Senator from Louisiana yield to me long enough to enable me to make such a motion, which will not change the situation?

Mr. LONG. Very well, I yield.

Mr. TYDINGS. I should like to offer a substitute by inserting in place of one-twentieth of 1 cent which would be 4 mills or 5 mills——

Mr. LONG. It would be one-half a mill.

Mr. TYDINGS. Yes; my mathematics was inaccurate for the moment. That is a little lower than the rate I had in mind.

Mr. NORRIS. Mr. President, in order to make it perfectly clear, will the Senator yield to me for the purpose of changing my amendment?

Mr. LONG. I yield.

Mr. NORRIS. I will change it and move to strike out "one-half cent" and insert in lieu thereof "one-fourth mill."

Mr. CONNALLY. Mr. President, I make the point of order that the amendment of the Senator from Nebraska is frivolous, and is not made in good faith.

Mr. NORRIS. It is not frivolous, and it is made in good faith.

Mr. CONNALLY. The Senator has said that he does not believe in any kind of a tariff on oil.

Mr. NORRIS. That is right.

Mr. CONNALLY. Yet he is pretending before the Senate to be in favor of a tariff of a quarter of a mill.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. LEWIS. I should like to ask the Senator from Nebraska if this is an effort to strike one Mills out of this whole bill. [Laughter.]

The VICE PRESIDENT. The amendment to the amendment is in order, and the Senator from Louisiana has been recognized.

Mr. LONG. Mr. President, as ridiculous as the amendment may appear, it is, nevertheless, a very frank and honest effort on the part of the Senator from Nebraska to have no tariff on oil.

Mr. NORRIS. That is right.

Mr. LONG. There are Senators who might have objected to that characterization of the amendment, but I am glad it does not offend my friend from Nebraska.

I had gone to the office of the Senator from Nebraska the other day to discuss a number of topics with him, and I had intended to discuss with him this matter; but I believed that it probably might be more effective to have an open, frank discussion here in the Senate on this oil tax than to undertake to discuss it at a time when there would be no one else present to advance, if there are any, arguments to the contrary.

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

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. Yes, sir.

Mr. CONNALLY. Will the Senator yield for a moment that I may make a parliamentary inquiry?

Mr. LONG. I yield.

The VICE PRESIDENT. The Senator from Texas will state his parliamentary inquiry.

Mr. CONNALLY. Would not a substitute for the amendment offered by the Senator from Nebraska be in order?

The VICE PRESIDENT. A substitute would be in order.

Mr. CONNALLY. I offer the following as a substitute.

The VICE PRESIDENT. The amendment proposed by the Senator from Texas in the nature of a substitute for the amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. In lieu of the amendment offered by the Senator from Nebraska it is proposed to strike out "one-half cent" and insert "1 cent," and in line 6, page 243 of the bill, it is proposed to strike out "one-half cent" and insert "1 cent"; in line 7, to strike out "2½" and insert "3"; and in line 8 to strike out "4" and insert "2."

Mr. NORRIS. Mr. President, I make the point of order against the amendment that it is not a substitute for the pending amendment.

The VICE PRESIDENT. Except for the first rate named, it is not a substitute for the pending amendment, and the point of order is sustained.

Mr. CONNALLY. I offer as a substitute to strike out "one-half" and insert "one."

The VICE PRESIDENT. That is in order. The question is on the amendment of the Senator from Texas in the nature of a substitute to the amendment offered by the Senator from Nebraska.

Mr. LONG. Mr. President, I understand the Senator from Nebraska has changed his proposed amendment providing a rate of one-twentieth of a cent to one-fourth of a mill, so that the Senator from Texas can amend his substitute so as to cover that point. So now we are debating the substitute offered by the Senator from Texas to determine whether we will amend the amendment that the Senator from Nebraska has offered to the pending amendment of the Senate Finance Committee amending the House bill.

Mr. President, perhaps the Senator from Texas would like to discuss his amendment first, if he thinks that is necessary, because that is now the question we are fixing to discuss. So I will be glad to yield the floor to him in order that he may discuss his amendment, if he prefers, in that order, because it is now his amendment which we are discussing.

Mr. CONNALLY. I will say to the Senator I expect to discuss it briefly.

Mr. LONG. The Senator can take his time; he does not need to be in any hurry so far as I am concerned. I yield the floor to the Senator from Texas.

Mr. CONNALLY. Mr. President and Senators, this is a bill to raise revenue. The House of Representatives under the Constitution is charged with the duty of originating revenue measures. In the performance of that duty, the House has sent to us a bill which carries an excise tax on imports of petroleum and petroleum products at the rate of 1 cent per gallon, or 42 cents per barrel. The Senate committee, in passing upon the matter, modified the rate and provided for an import tax of one-half cent per gallon on crude petroleum, one-half cent on fuel oil, 2½ cents per gallon on gasoline, and 4 cents on lubricating oil.

Mr. President, it will be urged that this is not a revenue-producing tax. I want to submit briefly the facts. In 1930 we imported into the United States 105,618,000 barrels of crude petroleum or petroleum products. In 1931 in the oil-producing sections of the country there was such a large production of oil that by law various States of the Union had to limit production in order to prevent waste of these great natural resources, and because of that program the States of Oklahoma and Texas put their oil fields under martial law in order to control and to reduce production. However, in face of that fact, in 1931, there were imported into the United States 86,000,000 barrels of oil or oil products, chiefly from Central and South America.

Mr. President, I want Senators who are so sensitive about the mention of the word "tariff" to listen to me. This matter has been exhaustively considered by the Tariff Commission, and the Tariff Commission reports that there is a differential of $1.03 per barrel between the production cost of mid-continent oil and foreign oil when delivered on the Atlantic seaboard.

So, Mr. President, let me remind those who are talking about this item being a tariff item that the full 1-cent rate would be only 42 cents a barrel excise duty at the customhouse, against $1.03 difference in cost of production. Therefore, there is no reason on earth why every barrel of oil that these producers desire to bring into the United States should not be still brought into the United States; and, if that be true, this particular item will produce from thirty to forty million dollars revenue for the Treasury.

Oh, but some gentlemen say, the Department of Commerce has estimated that the revenue would be only $5,000,000. The Treasury Department is not for this tax. The Treasury Department would make no estimates on this tax. They told the Finance Committee that they took the figures from the Department of Commerce. No; the Department of the Treasury is not for this tax, because Mr. Mellon's Gulf Oil Co. is one of the largest importers of foreign oil; and Mr. Mellon and all of his immediate group have fought an excise tax on imported crude petroleum and its products for years.

It is said that this item will produce only $5,000,000. If it produces $5,000,000, that is proof of the fact that some oil will come in. If some oil will come in, why will not more oil come in? If it will admit a single barrel of oil, why should it not admit two barrels, or three barrels, or many millions of barrels?

Mr. President, the estimates in this case have not been fairly made, and they do not reflect the facts.

Let me suggest to Members of the Senate that our domestic petroleum product already bears a heavy domestic tax, while imported petroleum comes in without paying a single cent toward the support of the Government of the United States.

In my State, and in other States where oil is produced, the moment the oil reaches the surface of the earth the State takes a production tax from it. It taxes the gross production of the well. That tax goes into the State's income. Foreign oil comes into the United States without paying a cent of that production tax; and unless we levy an excise tax on foreign oil at the customhouse, we are not only not helping the domestic oil producer but we are penalizing him, because we are permitting the foreigner to bring in his oil and sell it in our markets while we are taxing the domestic producer for the privilege of bringing the oil from the bowels of the earth to its surface.

Let me call attention, Mr. President, that this bill carries a tax on pipe lines. This bill provides that any shipper of oil who transports it through a pipe line must pay a certain percentage of the cost of transportation to the Federal Gov-

ernment. That is a Federal tax, not on the great oil company but on the privilege of transporting the oil, a tax to be paid by the producer of oil.

This bill taxes an oil producer for the mere privilege of sending his oil through a pipe line. That is a Federal tax; and unless we adopt an excise tax on imports, we are permitting the man yonder in Central and South America to bring his oil here in a tanker and sell it to our citizens without contributing one cent to the Federal income. Without an excise tax on crude petroleum and its products in this bill, the policy of our States and our Government is to penalize the domestic oil producer and to give a premium to the foreign producer of oil.

Who are these foreign producers of oil? In the case of ordinary imports it might be said that any merchant could be an importer. Any one could buy from foreign manufacturers. There might be thousands of such importers throughout the United States. When it comes to the importation of oil and petroleum products, however, who are the importers? There are only four. Of course there might be some isolated additional instances; but, generally speaking, there are only four. Who are they?

The Standard Oil Co. of Indiana owns the Pan-American Petroleum Co. The Pan-American Petroleum Co. was the one great oil company that came before the Ways and Means Committee of the House and before the Finance Committee of the Senate and opposed the levy of any sort of an excise tax on foreign oil. The Pan-American Petroleum Co., a branch of the Standard Oil Co. of Indiana, is fighting this tax tooth and nail.

Who are the others?

The Standard Oil Co. of New Jersey is another importer. It is opposing this tax.

Who are the others?

The third is the Dutch Shell Oil Corporation.

The fourth is the Gulf Petroleum Co., Mr. Mellon's company.

So there are four reasons, among others, against this tax. The first is the Standard Oil Co. of New Jersey. The second is the Standard Oil Co. of Indiana. The third is the Dutch Shell Co. The fourth is the Mellon group, known as the Gulf Oil Co.

Mr. President, it may be said, and no doubt will be said, that this is a tariff item, and that Senators on this side of the aisle can not consistently vote for anything in the way of a tax on anything at the customhouse.

Mr. President, the Democratic view of the tariff from the earliest times has been that the chief object of levying duties at the customhouse was to secure revenue and that protection was incidental. On the other hand, the Republican doctrine has been that the primary purpose of levying duties at the customhouse was to secure protection, and that the revenue was incidental. This is a revenue bill. It is avowed that we want to search out all of the available sources of revenue in order that we may balance the Budget. I offer Members of the Senate a source of revenue which I confidently believe would produce $30,000,000 annually; and I want to suggest to Senators that the real question here is whether that $30,000,000 shall go into the Treasury of the United States or whether it shall go into the treasuries of the great oil companies that are importing their own oil.

If this tax is levied its result will be simply to decrease the profits of the four great oil corporations. It will not shut out the oil, because we are levying a tax of only 42 cents, whereas the Tariff Commission says that the average difference in cost of production is $1.03. The great bulk of that oil will still come into the United States and be refined here. The only difference will be that the Standard Oil Co. of New Jersey, the Standard Oil Co. of Indiana, the Mellon group, and the Dutch Shell will receive about $30,000,000 less profit than they have been receiving.

Let us see whether or not that is a fair statement.

Let me remind Senators that all of the other oil producers in the United States except these four great companies have to produce domestic oil, and with that domestic oil they compete with the very four companies which I am describing. The fact that these foreign companies can bring in their oil tax free when domestic companies are being taxed by State, county, and Nation gives these four great monopolistic concerns the power to break the market of domestic oil and ruin the independent producer and the small producer whenever they may desire. That was illustrated last year. In 1931, when Texas had troops in the oil fields to control production, when Oklahoma had the militia in the oil fields to shut down production, when my State was appropriating hundreds of thousands of dollars out of the State treasury to regulate production and to shut down the wells so that they would not drown us in oil, the four great companies owning foreign oil brought in tremendous supplies of tax-free foreign oil and added to our distress and added to the burdens which our States were bearing.

Is it fair? Is it fair to the Texas Co., is it fair to any other great oil company, to force it to compete here in America for our markets and give a premium to these four domestic corporations? The other companies have to use domestic oil. They have to pay State, county, municipal, and Federal taxes on their property. The only difference will be that every dollar that will go into the Treasury under this bill will go into the profits of these four great oil companies unless the bill includes an excise tax of this kind.

Mr. President, I know that Senators are anxious to proceed with the bill. I could consume the rest of the afternoon if I should undertake to quote to the Senate statistics and data with reference to imports and with reference to domestic conditions in the oil fields. Let me remind, Senators, however, that to-day, even as we are sitting here, in my State our citizens, under the lash of the law, have had their oil wells choked down until, though you may have an oil well capable of producing 10,000 barrels a day, under our law you can produce only 67 barrels from an individual well. Sixty-seven barrels a day is all that my State will allow you to produce, though you may have a potential production of thousands. Our citizens are forced to take that action not because they wish it but because the law forces them to take it; and yet has the Federal Government no sympathy with our people? Is it unwilling to aid? On the other hand, is the Federal Government going to insist that to our difficulties shall be added this flood of foreign oil from Venezuela and Central and South America, brought here not for the purpose of giving our domestic consumers lower prices—no—brought here for the purpose of enriching these four corporations; brought here for the purpose of affording them a club whereby they can beat down the small independent producer; and, once securing an absolute monopoly of the oil business, they will then fix their prices on gasoline and other products at such a figure as may satisfy their greed.

Mr. VANDENBERG. Mr. President——

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

Mr. CONNALLY. I yield.

Mr. VANDENBERG. When the question of rates upon oil was pending in connection with the Smoot-Hawley bill, many of us opposed the proposed rates on the theory that there was such insufficient regulation and proration at home that the net value would be negligible, if anything. I want to ask the Senator whether it is not a fact that in the interim that phase of oil-production regulation has been drastic in the United States and that that objection now has substantially disappeared?

Mr. CONNALLY. Let me say to the Senator from Michigan that he is quite correct. Conditions have wholly changed in the matter of production since those items were before the Senate in the last Congress.

Mr. President, I make bold to state that measures which have been adopted in Oklahoma and Texas with reference to the control of oil would not have been tolerated by any free people with regard to any other right which they possessed. If the strong arm of the military had been employed to suppress free speech, the people would have rebelled. If it had been employed to take their private property away from them, they would have risen up in riot. But they submitted because of the dire necessities of the case. It

was either submit or absolutely perish and be drowned in a flood of domestic oil.

Yet, with our States in these conditions of distress, with the oil-producing States going through these terrible times, oppressed and distressed, the United States Government, instead of expressing sympathy for them, instead of lending its aid, has been refusing to place a single dollar of tax upon the importers, and their flood of foreign oil has increased our misery and subtracted from our wealth and from the orderly production of our oil.

Mr. President, the Senator from Michigan also brought out very clearly the fact that two years ago many Senators would not vote for the rates which were then proposed because they thought that they would shut out imports. Let me remind the Senator that we are not now asking in this bill 2 cents per gallon. That would be, in effect, with some grades of oil, probably prohibitive; the oil might not be brought in. But with a tax of only 42 cents a barrel, and with the report of the Tariff Commission of a differential of $1.03 per barrel, I submit that this is not a protective tax; I submit that it is a revenue tax.

Do Senators suppose that the great Gulf Oil Co. will cease to bring its own oil to its own refineries here in the United States when it can do so $1.03 a barrel more cheaply than it can buy domestic oil, because of the payment of a tax of 42 cents? Do Senators suppose that the Standard Oil Co. of New Jersey and the Standard Oil Co. of Indiana will forego their opportunity to make 61 cents a barrel by bringing their own oil into our markets?

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

Mr. CONNALLY. I yield.

Mr. BORAH. Is there any estimate as to how much revenue we would collect by reason of this proposed rate on oil?

Mr. CONNALLY. The only estimate I know anything about, except private estimates, is that of the Secretary of the Treasury, who, when before the Finance Committee, said that the Treasury had made no estimate, but that it had taken an estimate which had been made some time before by the Department of Commerce, and that the estimate was that it would produce $5,000,000.

Mr. BORAH. Was any estimate made with reference to copper?

Mr. CONNALLY. I do not recall that. I do not know what that estimate was. Probably the Senator from Michigan can answer that.

Mr. VANDENBERG. Mr. President, the Treasury has never made an estimate in connection with copper. Those statisticians upon whom we have been relying for information, which has proven itself to be accurate, have estimated an ultimate $10,000,000 a year from the copper rate. But let me repeat that that is ultimate, because of the existing stock on hand, and I suppose it would be safer to say that the current revenue would probably not exceed $5,000,000.

Mr. SMOOT. Mr. President, I have in my hand figures as to importation of crude oil during the years 1929, 1930, and 1931, prepared by the Tariff Commission in a supplementary report. Based on these figures, the importations of crude oil on the average for the years 1929, 1930, and 1931 were 2,636,367,888 gallons, which at half a cent would yield $13,181,839.

Mr. BORAH. Thirteen million?

Mr. SMOOT. Thirteen million.

Mr. BORAH. Is that from the Treasury?

Mr. SMOOT. It is based on the Tariff Commission supplementary report. Then, as to fuel and gas oil, the estimate is 5,013,671,000 gallons.

Mr. CONNALLY. What is the total from all petroleum products?

Mr. SMOOT. The estimate is $31,979,245.

Mr. CONNALLY. That is from the Tariff Commission?

Mr. SMOOT. That is the Tariff Commission's estimate.

Mr. CONNALLY. I am glad to have that. It is a supplementary report, I will say to the Senator from Idaho, only recently sent up.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. THOMAS of Oklahoma. I want to ask the Senator from Utah a question. I understand that he just stated that the yield would be $21,000,000 on a rate of half a cent per gallon. I want to know whether that is correct.

Mr. SMOOT. As to fuel and gas oil?

Mr. THOMAS of Oklahoma. All sorts of imports—crude, fuel oil, and gasoline—at half a cent per gallon, would yield $21,000,000?

Mr. SMOOT. That is on the imports. The report says:

Imports of petroleum, based on the average for three years, 1929, 1930, and 1931, taken from the United States Tarfiff Commission's supplementary report.

Crude oil, 2,636,367,888 gallons, at a half a cent, $13,181,-839. Then for fuel and gas oil, 1,002,734,334 gallons, at a half a cent, $5,013,671. Then as to gasoline and other like products, 551,349,414 gallons, at 2½ cents, $13,783,785.

Mr. BORAH. That is based on the assumption that the same amount of oil will come in after this tariff is levied.

Mr. SMOOT. That is true.

Mr. BORAH. That is a very unsatisfactory estimate, in my judgment.

Mr. CONNALLY. Mr. President, the figures which have now been presented justify the statements which I made earlier in my remarks, that the Treasury and its supposed estimates were unfriendly, and that they did not reflect the real facts.

Mr. SHEPPARD. Mr. President——

The PRESIDENT pro tempore. Does the junior Senator from Texas yield to his colleague?

Mr. CONNALLY. I yield to my colleague.

Mr. SHEPPARD. In reference to the remark of the Senator from Idaho that we could not expect imports to be as large after the tariff is levied as they were before, let me suggest that even if the imports should fall off 50 per cent, under this estimate we would have collected about $15,000,000 in revenue during the 3-year period 1929, 1930, and 1931.

Mr. CONNALLY. I thank the Senator. As was well suggested by my colleague, if imports should decline 50 per cent, we would still receive $15,000,000 additional revenue.

I agree with the Senator from Idaho that any considerable import tax, of course, has a tendency to decrease imports. But the facts still are that at least three of these great companies have their refining establishments in the United States, their home offices in the United States, and it is to their interest and their profit to bring the oil here and refine it here, rather than build and establish new refineries in Central and South America.

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

Mr. CONNALLY. I am glad to yield.

Mr. REED. I am disturbed by the Senator's amendment, because the immediate effect of it would be to make the tax on crude oil 1 cent, and the tax on fuel oil would remain at half a cent.

Mr. CONNALLY. I offered it all the way along.

Mr. REED. I know the Senator did.

Mr. CONNALLY. I shall say to the Senator that for the present I shall withdraw my amendment.

Mr. REED. I am very glad of that, because I do not want to get us put into the position of voting against a tariff in which we believe, merely because it is out of line with the other tariffs.

Mr. CONNALLY. Let me say to the Senator from Pennsylvania that when I offered the amendment I intended it as a substitute entirely for the amendment of the Senator from Nebraska, but the Chair held that it was only in part a substitute and ruled out the remainder.

Mr. REED. I heard that ruling. I knew the Senator meant it quite in accordance with our understanding.

Mr. CONNALLY. I think that at the conclusion of my remarks I shall withdraw my amendment.

Mr. REED. I thank the Senator.

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

Mr. CONNALLY. I yield.

Mr. BORAH. There are two propositions which naturally one considers in regard to a matter like this. The first is the question of revenue and the second is the question of protection.

Mr. CONNALLY. That is right.

Mr. BORAH. I understand that some statistician, some expert, testified before the committee that the revenue from the tariff on oil and coal and copper and lumber, all combined, would amount to about six or seven million dollars.

Mr. CONNALLY. No; there was no expert before the committee except the Secretary of the Treasury, as I recall it. Most of those on the committee and others opposed to these duties poke fun at the idea of their bringing in any revenue, but there was never presented any real estimate until the Senator from Utah produced the one from the Tariff Commission.

Mr. REED. Mr. President, the report of the committee shows that the oil tariff is estimated by the Treasury to yield $5,000,000 a year; the coal tariff, $500,000; the lumber tariff, $1,000,000. There is no estimate as to copper.

Mr. BORAH. There is no copper coming in, is there?

Mr. REED. Oh, yes; there is a lot of copper coming in from Canada. Some 30,000,000 tons, as I recall it, came in last year.

Mr. CONNALLY. Mr. President, I do not want the Senator from Pennsylvania to contradict what I said by quoting the report of the committee. I said the Secretary of the Treasury appeared before our committee and stated the Treasury itself had made no estimate but had borrowed the $5,000,000 estimate from the Department of Commerce. Is not that correct?

Mr. REED. I think that is correct.

Mr. CONNALLY. So the only real estimate, I shall say to the Senator from Idaho, that has been made at the request of the Finance Committee is the estimate which the Senator from Utah has exhibited.

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

Mr. CONNALLY. I yield.

Mr. VANDENBERG. I do not want one observation made by the Senator from Idaho to stand without correction. He intimated by his inquiry that he thought no copper was coming into the United States at the present time, and I want to call his attention to the fact that, at the rate of importation during the last three months, the total importations for this year will be 428,000 tons, which will be the largest figure in the history of copper importations.

Mr. BORAH. Mr. President, I am pleased to have that information.

Mr. CONNALLY. Mr. President, the estimates made by the Tariff Commission are certainly entitled to weight and consideration. The Tariff Commission is better equipped than even the Treasury Department with reference to estimates on imports and exports. So I am glad that the Senator from Utah has submitted the estimates made by the Tariff Commission.

Now, Mr. President, I desire to sum up what I have undertaken to point out to the Senate.

In the first place, this is a revenue bill; and the excise tax on petroleum is a revenue producer and will bring in quite a number of millions of dollars.

In the second place, the domestic petroleum producers are heavily taxed in the States. They are taxed in this bill on the transportation of oil; and unless we levy a tax on imports for the purpose of equalizing competition in some degree, we are going to do the domestic-oil producer a great injustice and visit upon him a great wrong.

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

Mr. CONNALLY. I yield.

Mr. BARKLEY. My information is that in most of the States, if not in all of them, there is what is called a production tax, called in some States a severance tax; but whatever it is called it is levied on the production of crude oil, and the same applies to gas and sulphur and coal, and in many States to other mineral products.

Mr. CONNALLY. That is correct.

Mr. BARKLEY. What is the average tax levied by the States which produce oil, by whatever name it may be known?

Mr. CONNALLY. The rates vary from 2 to 2½ and 3 per cent in some of the States.

Mr. BARKLEY. The Senator would not be able to say, then, on the average what this production tax may be, but in the States it is a percentage based on the sale value of the product when it comes out of the ground.

Mr. CONNALLY. That is correct. It is based on the value of the oil at the moment it reaches the surface of the earth. In many of the States it is either 2 or 2½ per cent. I believe it is 3 per cent in Oklahoma.

Mr. BARKLEY. I think it is 1½ per cent in my State. I believe the general average would be about 2 per cent.

Mr. CONNALLY. I would judge so.

Mr. BARKLEY. That is a State tax, and the revenue goes to the payment of the expenses of State government, but it is a contribution made by this product to government in one form or another.

Mr. CONNALLY. That is true.

Mr. BARKLEY. If I understand the Senator's position, it is that oil brought into this country does not pay that tax.

Mr. CONNALLY. It does not.

Mr. BARKLEY. And in that respect has a decided advantage over domestic oil?

Mr. CONNALLY. That is true. In addition, this very bill which we are now considering taxes the oil producer on his right to transport oil through a pipe line. That tax must be paid by the producer for the privilege of shipping.

Mr. BARKLEY. Of course, that would apply to the imported oil as well as the domestic oil.

Mr. CONNALLY. But the imported oils are not shipped by pipe line. They are unloaded along the Atlantic coast and are consumed there. Of course, if they should be transported by pipe lines, foreign oils would pay that tax as well; but as a matter of fact, the foreign oils are not transported by pipe line. They are landed at Atlantic ports and refined and consumed in those very areas.

Mr. LONG. Mr. President, will the Senator yield now?

Mr. CONNALLY. I yield.

Mr. LONG. The answer the Senator made a moment ago is not exactly correct. I have an analysis of that matter. In some States the tax is as high as 11 cents per barrel on the high grades. At this time some of that oil is selling for less than 75 cents a barrel and paying 11 cents severance tax in some States, so it goes away above the figure stated. In some instances it is as high as 16⅔ per cent at this time.

Mr. CONNALLY. I thank the Senator. I undertook to say it varied in the various States. I did not undertake to cover the whole field accurately and in detail.

Irrespective of the rate, the point I am undertaking to make is that the domestic oil and the domestic producers of oil are heavily taxed in all of the States, while the foreign producers of oil are not. I have statistics available, which I shall not bring to the attention of the Senate at this time, showing the proportion of ad valorem taxes, the ad valorem taxes which the oil producers in America pay toward the State governments, ad valorem taxes on their land, on their oil wells, on their refineries, on their pipe lines, and on every other character of personal and real property which those concerns own. It is a very substantial sum in every State in which there is oil development. The four importing oil corporations pay negligible taxes and negligible burdens in the South American countries where they produce the oil.

Mr. President, let me remind the Senate again that the United States Tariff Commission, set up by this Government for the purpose of ascertaining the differences in domestic and foreign costs, has issued valuable information on those questions. I hold in my hand a supplemental report under date of September 1, 1931. Here is what the Tariff Commission then said:

In contrast with the situation for the Nation as a whole, the State of Texas produced some 331,700,000 barrels in 1931, or 39 per cent of the national total. That is to say, about 35,000,000 barrels more than the State produced in 1929 and over 41,000,000 barrels more than in 1930. The production of the fields of east Texas in 1931, practically all of which was new production, was nearly 108,000,000 barrels. This increase is significant when compared with the total imports of crude and refined oil from foreign sources, which aggregated some 86,000,000 barrels of foreign oil.

In other words, wherever we have an increase in domestic production in our State or in any other State of the Nation it is offset immediately by the foreign oil which those producers bring into the United States and sell in competition. The report of the Tariff Commission also sets forth the difference in the cost of production as being in most grades $1.09.

Mr. President, it is not my desire to discuss the matter at great length. I submit it with these three propositions:

The excise tax is a revenue measure. The official estimates of the Tariff Commission show that we will get $30,000,000. Is that correct, may I ask the Senator from Utah?

Mr. SMOOT. We would have gotten that much in 1929, 1930, and 1931 for the three years.

Mr. CONNALLY. Is that an insignificant sum? Is that a sum which Senators consider of no consequence?

Mr. SHEPPARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to his colleague?

Mr. CONNALLY. Certainly.

Mr. SHEPPARD. That estimate was based on a rate of one-half cent. If the rate had been 1 cent, the revenue for the three years would have been $50,000,000 on crude petroleum and its products.

Mr. CONNALLY. I thank my colleague. The estimate which the Tariff Commission submits is on the basis of one-half cent a gallon. On the basis of 1 cent a gallon the revenue for three years would be an average of $30,000,000. Is $30,000,000 annually insignificant? It will not be a prohibitory tariff. It will be a revenue duty. It will help fill the deficit in the Treasury. The refusal of the Senate to vote for an excise tax on foreign oil will benefit only four concerns—the two Standard Oil companies, the Royal Dutch Shell, and Mr. Mellon. Mr. Mellon may not need the money, but it will benefit those four companies, and I do not believe it will benefit anybody else.

Mr. TYDINGS. Mr. President——

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

Mr. CONNALLY. Certainly.

Mr. TYDINGS. To what extent will it benefit the consumer of oil?

Mr. CONNALLY. It will benefit the consumer by allowing to live the independent oil companies, the independent producers, who are the real competitors of these gigantic oil corporations. Unless these independents do live, unless the competitors of these four great concerns are allowed to live, God help the consumer when the independents have been smothered and strangled, because we shall then be at the mercy of the great oil companies and they will fix the price they desire for gasoline. I am told that in the Republic of Colombia, where oil is produced, they pay for gasoline three times as much as we pay in the United States, because it is controlled there by a monopoly.

Mr. TYDINGS. The Senator is going to be frank enough, of course, as he has been in the past, to admit that this tariff on imported oil is going to raise the price of oil. That is true, is it not?

Mr. CONNALLY. I will answer when the Senator concludes.

Mr. TYDINGS. If we can get that settled I would like to ask the Senator another question. Is that true?

Mr. CONNALLY. I do not want to be catechised back and forth. I would like to have the Senator ask his question and let me answer it.

Mr. TYDINGS. I ask the Senator that question.

Mr. CONNALLY. Then I shall answer the Senator. Of course, it will have a tendency to increase the price of crude oil for the reason that these companies, if they pay 42 cents in the form of a tax to bring the oil in here, will not want to lose any money. But that does not mean that the consumer will pay more for gasoline, for the simple reason that the competitor, the Texas Co., for illustration, which to-day buys domestic oil, manufactures that oil into gasoline, and competes with Mr. Mellon's Gulf Oil Co., sells its gasoline at exactly the same price. But the difference is that Mr. Mellon's oil company, because it can bring in free oil makes more profit on the oil than the Texas Co. does. The only difference will be that instead of the money going into the treasury of Mellon and the Standard Oil Co., a portion of it will go into the Treasury of the United States, and we shall have a more fair competition because the companies will all be more nearly on the same basis, and their raw products will come more nearly costing each one of them the same.

Does that answer the Senator?

Mr. TYDINGS. I think the Senator handled it pretty well from his viewpoint; but if he will permit me, I think that putting a tariff on the product tends to raise the price.

Mr. CONNALLY. I said so.

Mr. TYDINGS. That being so, whatever the independent oil companies will profit will, of course, come out of the pockets of those who consume the oil. In addition to that, three-quarters of one year's supply of the Nation's oil is already in the pipe lines of the big oil companies, so they will overnight add about 2 cents a gallon on every gallon of oil they have stored.

Mr. CONNALLY. Oh, the Senator seems to know what they are doing. I do not know, but let me ask the Senator a question. In Maryland had he rather buy oil from Oklahoma or buy it from Venezuela if it cost the same price?

Mr. TYDINGS. Of course we would rather buy it from Oklahoma.

Mr. CONNALLY. All right; let us see if you had. Down in Oklahoma right now there is plenty of oil which the owners want to produce. They want to bring it out of the ground. They want to sell it to the consumers in the Senator's State and mine, but the law will not let them sell it because, it is said, they are going to overproduce and it is going to be wasted. As a result, instead of buying identical oil from Oklahoma the Senator buys from South and Central America, whereas if we had a reasonable tax on the right to import that foreign oil, so as to make the foreign company pay a part of the burden of government, he could then buy the oil from Oklahoma, in the form of gasoline, without it costing him one cent more.

Mr. TYDINGS. The Senator said a moment ago that the tariff would tend to increase the price of the oil.

Mr. CONNALLY. Of the crude oil; yes.

Mr. TYDINGS. Therefore may I say to the Senator that the people of my State would have to pay more for their oil than we pay now.

Mr. CONNALLY. Do the Senator's people consume crude oil?

Mr. TYDINGS. We take it into Maryland and convert it into gasoline.

Mr. CONNALLY. Who does that?

Mr. TYDINGS. The oil companies.

Mr. CONNALLY. The big oil companies?

Mr. TYDINGS. The Pan-American Oil Co.; yes.

Mr. CONNALLY. The Standard Oil Co. of Indiana does that.

Mr. TYDINGS. Regardless of who does it, the Senator has admitted that we get it more cheaply.

Mr. CONNALLY. No; I have not.

Mr. TYDINGS. The Senator said the duty would increase the price.

Mr. CONNALLY. I said it would tend to increase the price of crude oil which is brought here, which it would.

Mr. TYDINGS. It would actually increase the cost of gasoline if it is made from more expensive crude oil.

Mr. CONNALLY. Not necessarily. Let me ask the Senator if he believes in a tariff for revenue?

Mr. TYDINGS. Mr. President, I have 500 tariff amendments here; if the Senator wants to raise more revenue he can vote for them.

Mr. CONNALLY. But does the Senator favor a tariff law?

Mr. TYDINGS. If the Senator will let me answer his question, I will say—and I think the Senator will agree to the statement—that the tariff as now written penalizes the people of his State, and I have 500 amendments to reduce the tariff so that we can put his State on an equality with the rest of the country.

Mr. SHORTRIDGE. Mr. President, will the Senator from Texas permit me to propound a question to the Senator from Maryland?

Mr. CONNALLY. Let me answer the Senator, and then I shall yield. Let me say to the Senator from Maryland, for whom I have a very high personal regard——

Mr. TYDINGS. And that feeling is reciprocated.

Mr. CONNALLY. That he believes in a tariff for revenue on other commodities, but he does not believe in a tariff on oil, because there are no oil wells in Maryland, but there are oil companies in Maryland.

Mr. TYDINGS. Will the Senator yield?

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. Let me say to the Senator from Texas that I do not think this tariff proposal has any place in this internal revenue bill.

Mr. CONNALLY. If it did have a place here, would the Senator be for it?

Mr. TYDINGS. If the Senator will bring before us a tariff bill I will be very glad, in my individual capacity, to debate it with him and discuss it from every angle, and, if he can make out a case, to support it; but I do not think that we want to go into it now. To prove my statement, let me say that there are advocates here of a tariff on wood pulp, on phosphate, on manganese, on steel, on copper and its translated products, and on a variety of other commodities. Obviously, I do not think that oil ought to have any special privilege. If we are going to take up the whole tariff law and give any of these commodities a run for their money, that is one thing; but I do not think that it is right to pick out two or three, no matter how aggravated the situation affecting them may be, and give them special consideration.

Mr. BROUSSARD, Mr. SHORTRIDGE, and Mr. ASHURST addressed the Chair.

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

Mr. CONNALLY. I yield first to the Senator from Louisiana.

Mr. BROUSSARD. Mr. President, I wish to make this observation: Conceding the situation to be such as it is in the oil industry, with the four largest companies in the world operating here, and with filling stations at almost every corner, is it reasonable to assume that the companies that buy oil more cheaply in foreign countries will cut down their prices when their only competitors are independent corporations that must get out of the business by way of profit sufficient to justify them to remain in it? The result is that the Treasury loses that money and the consumer does not save a copper cent.

Mr. COUZENS. And the four oil companies gain it in the form of profits.

Mr. BROUSSARD. The four oil companies just scoop it up and are in better position to crush any competition that comes up. The result is that in every town one visits, small or large, he will find when one of the independent companies establishes a filling station that the large corporations go there and establish one across the street, until we have such stations at almost every corner.

Mr. CONNALLY. That is right.

Mr. BROUSSARD. And the company that can get imported oil $1.03 cheaper is not giving that benefit to the people at all but is taking it itself.

Mr. CONNALLY. That is right.

Mr. BROUSSARD. And it may reduce the price sufficiently to put the other fellow out of business sometimes.

Mr. CONNALLY. I thank the Senator from Louisiana because he has made a very substantial contribution to this debate. The four companies that are importers of oil, when they can bring it here for $1.03 a barrel less than the cost to their domestic competitors, are not going to give the consumer the value of that $1.03, because if they should do so they would be on a level with their competitors; and, as suggested by the Senator from Louisiana, with four or five other great competitors selling gasoline, who must sell it at a level in order to stay in the business, that fact enables the four great companies to put the particular money that they save in their pockets as profit. The only difference will be that under this amendment a part of it will go into the Treasury of the United States instead of into the treasuries of the four oil companies.

Now, I should like to reply to the Senator from Maryland for a moment. The Senator from Maryland says that he has ready 500 amendments proposing to lower tariff duties. Well, if we lower a duty it means that we are still going to retain a duty; if we lower a duty it means we are still going to levy some kind of a tariff. So the Senator from Maryland is in favor of levying a tariff on at least 500 items, but is not in favor of levying a single cent of excise tax on oil. Why should we discriminate against oil?

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I went to some little trouble to point out to the Senator that, in my judgment, this is not a tariff bill and that it ought not to have tariff items in it. I only suggested that if we are going to take up the tariff we ought to take up the whole tariff so as to treat each product with the same amount of consideration.

Mr. CONNALLY. Oh!

Mr. TYDINGS. Now the Senator's plan is to take only four products, when others may be equally deserving of additional duties or lower duties, as the case may be, and exclude them entirely, so that the products of his community are the only ones that are to receive consideration, except in one or two other instances, in the whole tariff matter. Yet this is a revenue bill.

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

Mr. CONNALLY. I would be glad to yield to the Senator from California.

Mr. SHORTRIDGE. Mr. President, this is a revenue-raising measure, is it not?

Mr. TYDINGS. I thought the Senator was a protectionist; I did not know he was an advocate of a tariff for revenue only.

Mr. SHORTRIDGE. I am for protection also.

Mr. TYDINGS. I knew the Senator was.

Mr. SHORTRIDGE. So was George Washington.

Mr. TYDINGS. I have no quarrel with the Senator; he is perfectly within his rights.

Mr. SHORTRIDGE. George Washington signed the first protective tariff bill on July 4, 1789, as a patriotic act.

Mr. TYDINGS. But this is not a tariff bill, I want to say to the Senator; and, while I respect his view, when I see him for these tariff items I know that it is just another protective tariff measure.

Mr. SHORTRIDGE. Mr. President, will the Senator from Texas permit me further?

Mr. CONNALLY. I yield.

Mr. SHORTRIDGE. I do not wish to enter into a discussion of the tariff at this point, but, with great candor, and not to embarrass anybody here or elsewhere, it is not improper for me to recall that when this revenue-raising measure—not a tariff measure, but a revenue-raising measure—was under consideration by the Committee on Finance, I there again and again remarked that no Democratic Member would be embarrassed in the slightest in considering that some revenue could be derived on imports of oil or coal or copper or lumber, for they could stand and would be standing upon the true historic Democratic doctrine of

a tariff for revenue only. Whether this bill be called a revenue bill or a tariff bill, the placing of some duty on oil, for example, will yield much-needed revenue to the Government; and no thoughtful, sincere, and regular Democratic Member should be in the slightest embarrassed when he takes the stand which has been taken, and now is held by the Senator from Texas, or as will be taken and held by the Senator from Arizona and by other upstanding, thoroughgoing and patriotic members of the Democratic Party. But I wish to emphasize the thought at this juncture that this is a revenue-raising measure and that we can get additional revenue by increasing income taxes or estate taxes or by placing a duty on certain imports.

The amendment offered by the Senator from Maryland this afternoon, for which I voted, would have yielded revenue.

Mr. TYDINGS. I thank the Senator.

Mr. SHORTRIDGE. We are not confined to any given quarter for the raising of revenue. This is not a tariff bill—not at all—it is a revenue-raising measure. I beg pardon for detaining the Senate. I merely wish to add that I support these items—these so-called tariff items—first, because they are revenue-raising items; and, moreover, I am hopeful that they will afford some protection to American industry, whether it be on the farm, in the mine, or in the shop. I am for America and for American industries first, last, and all the time.

Mr. TYDINGS. Later on, in my own time, I think I can convince the Senator that the provision pending is a revenue-raising measure; but it will raise revenue from the consumers of oil and put the revenue in the pockets of the large oil companies, because they dominate the oil fields; and what is now being asked is that they may be put in a position to exact further toll from the consumers of oil all over the country. I think I can almost prove that with the facts I have if I have any audience to listen to me.

Mr. SHORTRIDGE. I beg pardon of the Senator from Texas for having taken so much of his time.

Mr. CONNALLY. Mr. President, let me observe here, in reply to the Senator from Maryland, and in connection with what the Senator from California has said, that until we adopted the internal-revenue income tax in 1913 all our tariff bills were revenue bills, because that was how we raised the revenue for the Government. Every tariff bill was a revenue bill designed to get the money with which to run this Government. Because in 1913 we adopted the income tax as a further means of raising revenue it did not change the fact at all that every tariff bill that is brought into this Chamber is brought in as a revenue producer. The only authority which Congress possesses to levy any tariff duties at all is because of the constitutional grant to Congress which provides that Congress shall have the power to raise revenue, and the tariff is incidental to the raising of revenue. If we did not raise revenue in a tariff bill, we would have no constitutional warrant whatever for passing that kind of a bill.

Mr. SMOOT and Mr. SHORTRIDGE addressed the Chair.

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

Mr. CONNALLY. I must yield first to the chairman of the committee.

Mr. SMOOT. I should like to call the attention of the Senate to the fact that in tariff bills we have at different times included strictly revenue-raising provisions, and vice versa. For instance, the corporation tax was first imposed by section 38 of the tariff act of 1909; the corporation tax was placed in that bill. Then, in the act of 1913, an income tax was first imposed by section 2 of the tariff act of 1913.

Mr. CONNALLY. Why, certainly. Let me say to the Senator that the first income tax bill we have had since the war was passed in 1894, and was held unconstitutional by the Supreme Court. It was contained in the Democratic tariff act of 1894. Let me say to the Senator from Maryland that that was a tariff act in which a distinguished Senator from his own State, Senator Gorman, had a very important and a very potent part; and that is the authority I now give to the Senator from Maryland—the fact that Senator Gorman's tariff bill of 1894 carried an income-tax provision. I have it here before me.

Mr. SMOOT. And the Democratic tariff act of 1913.

Mr. CONNALLY. And the Democratic tariff act of 1913, with which the Senator from Tennessee [Mr. HULL] is fully familiar, because I understand that he had a large part in drafting the income tax of 1913, which is carried in the Underwood Tariff Act of that year. Why was it so carried? It was carried because it was a revenue producer, and it was put in a revenue bill.

Mr. HULL. Mr. President——

Mr. CONNALLY. I yield to the Senator from Tennessee.

Mr. HULL. The Treasury was willing to back up those acts as real, substantial, revenue-producing acts, whereas in this instance neither the Senator from Tennessee nor his colleagues were willing to report out this bill over their signatures with an estimate of but $500,000 for coal and a trivial amount for oil. That is the difference between a substantial, tangible, permanent, revenue-producing proposition, such as the 2 per cent tax on all income of corporations and individuals in the act of 1894, and the 1 per cent excise on corporations to supplement the tariff revenues of the tariff act of 1909, and the graduated rates on individuals and the substantial rates on corporations, which were part and parcel of the almost purely revenue-producing act of 1913.

Since the Senator has personally mentioned me, I want to contrast the good faith that attached to the conduct of the Congress when those really revenue-producing acts were enacted and this pure burlesque and travesty on a revenue measure which the Senator is undertaking to dignify as belonging to the same class.

Mr. CONNALLY. I beg the Senator's pardon for mentioning his name in the discussion. I did so in a complimentary manner. I said that the Senator from Tennessee had a very large part in framing that act.

Mr. HULL. I certainly would not want an income tax that raised $15,000,000 during the war to be placed in the same class with this oil tariff which is called a tax.

Mr. CONNALLY. The Senator from Tennessee suggests that the estimates for the oil revenue are trifling. The Senator from Utah holds in his hands estimates from the Tariff Commission which say that over a period of three years it will produce approximately $60,000,000 at 1 cent a gallon instead of half a cent a gallon. Does the Senator from Tennessee regard $60,000,000 as a trifling item?

Mr. HULL. I want to make up the record.

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

Mr. CONNALLY. I yield to the Senator from Georgia.

Mr. GEORGE. I presume the Senator from Utah has such faith in those estimates that he will be quite willing to strike out some of the excise taxes, which, on the basis of that estimate, I think I shall be impelled to propose later on in the bill.

Mr. SMOOT. I simply called the attention of the Senate to the fact that that is what happened.

Mr. GEORGE. I know; but I assume that the Senator from Utah has such faith in the revenue-producing quality and character of the oil tax and the other taxes imposed here that he will be quite willing to strike out some of the special excise taxes that are particularly burdensome upon other lines of business.

Mr. SMOOT. The Senator from Utah thinks that if this bill were passed just as it is it would not raise enough revenue to meet the deficit of our Government.

Mr. GEORGE. But the Senator knows that when we were considering the bill we estimated the revenue from this particular tariff at around $5,000,000.

Mr. CONNALLY. We did not do that. The Treasury did.

Mr. GEORGE. The Treasury did. So that if we were then mistaken, and we are going to get a much larger sum of money, I am happy to learn it, because we will be able to remove some excise taxes from the bill.

Mr. CONNALLY. I shall answer the Senator from Georgia. If the Senator from Georgia will join in and help

us to secure the revenue of about $31,000,000 from this item, I am sure a number of us shall be glad to help him take out some of the excise taxes; but I do not think the Senator has any intention of doing that.

Mr. GEORGE. I am happy to learn, though, that we shall be able to do it; and I observe that the distinguished Senator from Utah is particularly gratified that the income from these tariffs is going to be very much greater than he first was informed.

Mr. SMOOT. The Senator is wrong on that. I said that they would not be as great as they were estimated to be.

Mr. HULL. Why did not the Senator insert that estimate in his report if he had faith in it?

Mr. CONNALLY. He did not have the estimate then.

Mr. SMOOT. I have not any objection to the Senator referring to the committee report.

Mr. HULL. Why did the estimates stay at the Senator's desk instead of his inserting them in this report if they mean anything?

Mr. CONNALLY. Mr. President, I do not think the estimates from the Tariff Commission were available when the Senator from Utah made his report.

Mr. GEORGE. That was the thing that made me so very happy—because now they are available, and the distinguished Senator from Utah has brought them upon the floor; and I am gratified to know that we are going to be able to eliminate some excise taxes.

Mr. CONNALLY. I shall say to the Senator that both the Senator from Georgia and the Senator from Tennessee are members of the Finance Committee. They know that we had no estimates from the Tariff Commission at the time the bill was reported. I hold in my hand now the estimates from the Tariff Commission, which were furnished the Senator from Utah. On the basis of these estimates it appears that a very substantial amount of revenue will be produced.

The Senator from Tennessee smiles. I do not know whether he means to impugn my sincerity or to draw some unfavorable inference as to these estimates. I do not know where they came from. The Senator from Utah says they came from the Tariff Commission.

Mr. SMOOT. The estimate states plainly where it came from.

Mr. CONNALLY. Why, certainly.

Mr. SMOOT. The figures are for the years 1929, 1930, and 1931, and they came from the Tariff Commission.

Mr. HULL. There is considerable doubt about where they did come from. I think we should have the Tariff Commission brought up here before the committee, and let us run these figures down, and see where they come from.

Mr. SMOOT. There is no question about where they come from.

Mr. CONNALLY. They sent them to the chairman of the committee. The Senator from Tennessee does the Senator from Utah an injustice, I am sure, in suggesting that there is doubt as to where they come from. The Senator from Utah has had custody of them. He turned them over to me a moment ago. If the Senator from Tennessee is doubtful as to the accuracy of them, he may very easily step into the cloakroom and call the Tariff Commission and check up on both the Senator from Utah and the Senator from Texas.

Mr. GEORGE. Has the Senator from Texas the estimated revenue from the other tariff items in the bill?

Mr. CONNALLY. I have not.

Mr. GEORGE. Only as to oil?

Mr. CONNALLY. That is all I have.

Mr. GEORGE. I should be delighted to have the estimates as to all of them.

Mr. SMOOT. This estimate is not based upon what the revenue will be. They do not say how much oil will come into the United States if the tariff is imposed. These figures show what oil came into the country in the years stated; and if the same amount came into the country hereafter, and this rate was imposed, it would raise that amount of money. The Tariff Commission does not express any opinion as to what oil will come in if the rate is imposed.

Mr. GEORGE. I know that; but we have been assured that these are not embargo tariffs; that they are tariffs for revenue. If that is so the imports are still coming in; and I am delighted to know that the revenue is going to be greatly increased, so that it will enable us, for example, to relieve the automobile people to some extent.

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

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

Mr. BROUSSARD. May I ask the Senator from Texas what difference it makes whether the provision brings $500,000 or $500,000,000 into the Treasury? Is it not a question of principle?

Mr. CONNALLY. Certainly.

Mr. BROUSSARD. If we admit the principle that we can tax oil for $500,000, why can we not tax it for any amount that our judgment prompts us to put on it?

Mr. CONNALLY. Even the Department of Commerce made just a rough estimate; and it told the Finance Committee that according to their guess the provision would produce $5,000,000 a year. Five million dollars a year is a considerable revenue, even for the Federal Government.

Now, I want to say something with reference to the Senator from Tennessee [Mr. HULL].

I made a reference to the Senator from Tennessee by name, but I meant no improper reference. The Senator from Utah suggested that the income-tax provision of 1913 was carried in the Underwood Tariff Act. I then turned, the Senator from Tennessee being here, and said that the Senator from Tennessee had a large part in framing the income-tax provision of 1913. I hope the Senator did not conclude from that that I made any unkind reference; but he replied with some heat, apparently because I had mentioned his name.

Mr. HULL. Mr. President, if the Senator will permit me, I came in just as the Senator from Utah and the Senator from Texas were attempting to build up some precedent in support of the insertion of tariff items in a purely internal-revenue bill here upon the theory that they would be substantial revenue-yielding items. I felt that it was entirely unfair to those former acts, the revenue-producing qualities of which were large, and nobody questioned it, to use them to bolster up a proposal here which the Treasury itself refuses to get behind in any sense whatever; and the Secretary, when he was pressed before our committee as to the importance of this item as a revenue producer, said that he was not interested in car fare. That was the answer of the Secretary.

Mr. CONNALLY. I know what the Secretary said.

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

Mr. CONNALLY. I yield.

Mr. SMOOT. I will say to the Senator from Tennessee that the Senator from Utah gave no estimate as to what revenue would be derived if these rates were put into the bill. All that the Senator from Utah did was this: He had here the estimates for the three years from the Tariff Commission. I never intended to bring up the matter at all, but the question arose; and as the Senator was speaking of it, I had the figures and I gave them to him.

Mr. HULL. Mr. President, I have no disposition to debate this matter except to the extent that it is urged as a reason why these tariff items should be brought into this emergency internal-revenue bill.

Mr. SMOOT. That was not my idea at all. I merely stated the facts in the case. The Senate is to decide whether or not the provision shall go in.

Mr. CONNALLY. Mr. President, the Senator from Tennessee said that when he entered the Chamber the Senator from Utah and I were trying to build up some precedent for combining a tariff bill and an income tax bill in the same measure. I shall say to the Senator from Utah that if anybody built up that precedent it was the Senator from Tennessee and not the Senators from Texas and Utah. I was not undertaking to build up any precedent. I was simply quoting the action of the Senator from Tennessee

himself in 1913 in regard to the income tax law, with which he had a great deal to do and for which he received a great deal of distinction and reputation, of which I am proud. I called attention to the fact that that income tax law, upon which his reputation is largely built, was included in the tariff act of 1913. It was sound legislation in 1913 to have an income tax in a tariff bill, or to have revenue tariff items in a revenue bill. It was sound in 1913 when the Senator from Tennessee was building that legislation as a member of the Ways and Means Committee—both building the tariff and building the revenue. It was sound to put them in the same measure then because the Senator was for both of them. Now, when the Senator is not for an item, it is a crime and a sin for a Democrat to stand on the floor and offer the Senator's own precedent in justification for what we are trying to do here now, namely, to put a revenue item in a revenue bill.

Mr. HULL. Does the Senator expect to discuss the emergency condition over at the Treasury which involves the credit of the Government during the coming weeks, facing as we do a deficit running at the rate of two and three-quarter million dollars? If so, does not the Senator think that some of us at least could, without being criticized, object to the insertion in a wholly emergency tax measure for the relief of the Treasury of an indefinite number of promiscuous tariff items which do not particularly relate to the revenue?

Mr. CONNALLY. The Senator says this is an emergency; that we had to have some money; that we had to have it quickly. When we show him how we can get somewhere from fifty to sixty million dollars in three years he says, "Oh, no; we will not have that, because that has something to do with the tariff." That is the Senator's attitude. The Senator will not even consider it, because he is afraid of the tariff phantom.

The question is whether or not it is a revenue producer. I hold in my hand the tariff act of 1913, a Democratic tariff act, for which the Senator from Tennessee voted. How many tariffs are there in it? This act levied tariff duties on hundreds of items, and it was not any crime for the Senator from Tennessee to vote for it because it was a revenue act. It was adopted for the purpose of raising revenue according to Democratic doctrine, and the Senator from Tennessee helped frame that act. And what does it provide? It is a tariff act, "An act to reduce tariff duties and to provide revenue for the Government."

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I think the Senator from Texas wants to be fair.

Mr. CONNALLY. I do want to be fair.

Mr. TYDINGS. I would like to point out, however, that there is this distinction between the so-called precedent set by the Senator from Tennessee and the one now before the Senate. In the other measure every tariff item received consideration, the whole gamut of tariff legislation was considered, whereas in this bill only four items are selected, and the other items are excluded.

Mr. CONNALLY. The Senator has a perfect right to offer any amendment to the revenue bill before us he cares to offer, if it will produce revenue.

Mr. TYDINGS. That is just the point. I have had very great pressure brought on me, and particularly in reference to wood pulp, but may I say to the Senator that if each of us offered such amendments, the Budget would never be balanced, the revenue would never come in, and the country would be gone before we could straighten it out.

Mr. CONNALLY. The Senator is getting in an awful hurry. The Senator from Maryland is in a terrible hurry now. He consumed nearly all day here debating an item proposed to be inserted in this bill which he knew had no chance whatever of being adopted. But when we get to the subject of oil, the Senator does not favor an excise tax on oil, and he gets in a terrible hurry, and we have to vote to save the Government. And the Senator from Tennessee is in a tremendous hurry, too. If this bill is delayed, it is because of those who want to sidestep this issue.

I have no objection, if gentlemen are against this duty, to their voting against it, but let them not try to flank us by such a pretense as, "Oh, well, this has no place in the bill." Face the issue, whether it has a place in the bill or not. Do not try to sidetrack it. If Senators are against it, let them vote against it, and say they are against it, but let them not say, "Well, I might be for it, but this is the wrong place to put it." That does not go. Nobody believes that sort of statement. Nobody believes that either one of these Senators would vote for an excise tax on oil, no matter what kind of a bill it was in, because they are perfectly willing not to tax what their people consume, but probably would be willing to levy duties on what their people produce.

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I think the debate on the so-called beer proposition was very short. At least it had the merit of being debated in a very short space of time and fought to a conclusion. I certainly did nothing to prolong it. Already we have taken up one day, with no prospect of a vote, on one single part of the tariff on oil, and the Senator has at least five other amendments dealing with this paragraph. So that if we consumed the same amount of time on the remaining amendments we have consumed on this amendment, it will take at least a week to act on the tariff on oil alone.

Mr. CONNALLY. Let me say to the Senator from Maryland that I should have concluded long ago but for the interruptions of himself and other Senators who were not in favor of the excise tax on oil, of course, but were trying to argue with the Senator from Texas that the item ought not to be in this kind of a bill. Of course, if it were in any other kind of a bill they would still be against it.

When the amendment of the Senator from Maryland came up to-day, I did not rise and, with a lot of pretense, say, "Now, let me suggest to the Senator from Maryland that his beer amendment has no place in this taxation measure." No; I walked up and faced the question, and voted on it. I did not try to sidetrack the issue. I did not try to lead it down a blind alley and assassinate it for some other cause than the one I professed to entertain.

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

Mr. CONNALLY. I yield.

Mr. VANDENBERG. Before the Senator permits himself to be convicted by the Senator from Maryland of having exhausted the entire afternoon on one tariff item, may I suggest to him that I find by reference to the record at the desk that he began speaking about 4 o'clock, and has been speaking less than two hours on one tariff item.

Mr. CONNALLY. I thank the Senator, and I am going to conclude. Of course, the Senator from Maryland was talking in favor of an item that he was strongly for, and he was perfectly willing to consume as much time of the Senate as his audience would enjoy. Now that I am talking about an item he is not in favor of, of course he is for speed, he is for hurrying up; and I say that in all kindness to the Senator. I do not think the Senator from Texas has consumed as much time of the Senate during his entire service here as has the Senator from Maryland on the one subject of liquor. Just on that one subject alone I believe the Senator from Maryland has taken up more time of the Senate since the Senator from Texas has been here than the Senator from Texas has taken up on discussing food, drink, clothes, and everything else.

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I think the country is equally considering using more time in considering the liquor problem than the tariff on oil. I think that will be very evident after the next election.

Mr. CONNALLY. That is evidently the reason for the Senator's enthusiasm, then, in opposing the tariff on oil and

being for a tax on beer. He thinks the country's inclinations are along that line, which probably explains some of his enthusiasm.

Mr. LEWIS. Mr. President, may I add that I think the difficulties and complications have arisen from the failure to realize that in the beer controversy there was a desire to get more strength, while in the oil matter things are a little slippery. [Laughter.]

Mr. CONNALLY. I thank the Senator from Illinois. He always contributes to the brilliance and interest of any debate in which he takes part.

Now, I want to say to the Senator from Tennessee that I hope I have manifested no unkindness and no ill will in any reference I have made to him, and I likewise want to assure the Senator from Maryland that I meant no unkindness toward him.

Mr. President, this particular matter was provoked by the fact that Senators have been filling the public prints with statements to the effect, "Oh, no; these tariff items," as they call them, "have no place in a revenue bill."

Practically every revenue bill the Congress ever passed up to 1913 was in effect a tariff bill, because that was the way we raised the revenue. The first income tax bill the Government ever adopted since the Civil War was in 1894, when the income tax was carried in the Democratic tariff bill of that year. In 1913, with all branches of the Government in control of the Democrats, the tariff act of 1913 carried the income tax, and probably other internal taxes, to raise revenue.

That was good Democratic doctrine in 1913, and when did it become heresy to put two things into a bill when both of them ought to be there? This is a revenue item. The Senator from Tennessee and others say that it will not produce revenue. The Treasury itself admits that it will produce $5,000,000 a year, and the facts will disclose that it will come nearer producing $30,000,000 a year. If Senators are sincere, if they want revenue, here is one item on which we can get it.

I ask, Mr. President, in conclusion, that Senators bear in mind that this duty will put money into the Treasury, and that unless that money goes into the Treasury it will go into the coffers of four great importing oil companies, the Standard Oil Co. of New Jersey, the Standard Oil Co. of Indiana, the Royal Dutch Shell, and the Mellon companies of Pennsylvania.

Let me say to Senators that the people of my State and of Oklahoma are being almost drowned in oil. Wells are shut down, and one of the reasons why we are not being able to produce oil is because the importers are bringing in a flood of foreign oil, paying not one cent to the Federal Treasury and paying not one cent to the States, except the gasoline tax.

In the interest of the American producers it is unfair and it is unjust. The other oil companies in this country have to produce domestic oil, and they compete with these four great companies. This tax is justified, this tax will raise revenue, and it will more nearly equalize the conditions of competition between these four great companies and the hundreds of small independent companies.

I submit the amendment to the Senate with the confident belief that it will produce revenue, and ought to be adopted.

Mr. CAPPER obtained the floor.

Mr. LEWIS. Mr. President, will the Senator from Kansas permit me to call for a quorum, if it will not disturb him?

Mr. CAPPER. I yield.

Mr. LEWIS. I make the suggestion of the absence of a quorum.

The PRESIDING OFFICER (Mr. AUSTIN in the chair). The Secretary will call the roll.

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

Ashurst	Blaine	Carey	Cutting
Austin	Bratton	Cohen	Davis
Bankhead	Brookhart	Connally	Dickinson
Barbour	Broussard	Coolidge	Dill
Barkley	Bulow	Copeland	Fess
Bingham	Capper	Costigan	Fletcher
Frazier	Johnson	Norbeck	Smoot
George	Jones	Norris	Thomas, Idaho
Glass	Kean	Nye	Thomas, Okla.
Glenn	Keyes	Oddie	Townsend
Hale	King	Reed	Trammell
Harrison	La Follette	Robinson, Ark.	Tydings
Hatfield	Lewis	Robinson, Ind.	Vandenberg
Hayden	McGill	Sheppard	Wagner
Hebert	McNary	Shortridge	Watson
Howell	Moses	Smith	White

The VICE PRESIDENT. Sixty-four Senators have answered to their names. A quorum is present.

Mr. TYDINGS. Mr. President, I ask permission to have printed in the RECORD at this point, as bearing on the subject matter now before the Senate, a short article appearing in the Washington Daily News of to-day entitled "Oil Men Plan to Pass Tax Levy to Consumers."

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

The article is as follows:

OIL MEN PLAN TO PASS TAX LEVY TO CONSUMERS—CONSUMERS IN DISTRICT OF COLUMBIA WILL BEAR BURDEN IF TARIFF PASSES—NEW JERSEY STANDARD NOTIFIES CUSTOMERS PRICES WILL BE INCREASED TO CARE FOR LEVIES—AFFECTS OTHER DISTRICTS—NOTICE IS GIVEN IN CONNECTION WITH USE OF FUEL-PETROLEUM CONTRACTS FOR NEXT WINTER

By Leo R. Sack

Anticipating approval by Congress of an oil tariff in the new revenue bill, distributing companies serving the Washington territory already are indicating that the burden will be passed along to the consumer. It is understood that a similar increase will follow in all Atlantic seaboard communities.

In contracts being mailed to customers, old and anticipated, for their fuel-oil supplies for next winter—both residential, apartmental, and business—Standard Oil of New Jersey is attaching this proviso:

"It is agreed that the maximum prices quoted shall be increased by the amount of taxes, duties, and other charges Standard may be required by any governmental authority to collect or pay with respect to importation, manufacture, transportation, sale, delivery, and/or use of the fuel oil covered hereby."

FIX LEVY AT 21 CENTS

The proposed tariff, as reported to the Senate, is 21 cents a barrel. The tax bill as it passed the House authorized a 42-cent tax. Senate advocates of the tariff hope to restore the House rate. On a basis of 42 gallons to a barrel this means a 1-cent-a-gallon tax.

Most inside residential oil-storage tanks hold 275 gallons. This will be an increased cost of $2.75 every time the tank is filled.

The tariff proviso, in language identical with that used by Standard, is contained in oil contracts mailed to Washington consumers by other distributors.

In addition to the anticipated tariff increase new contracts also contain a flat price increase of three-fourths of a cent a gallon over the maximum price for last winter. This increase, it is explained, is traceable to the boost in mid-continent field prices, an increase which closely followed passage of the oil-tariff plan by the House.

NOT AIMED AT CONSUMER

Senator THOMAS of Oklahoma, chief Senate advocate of the oil tariff, said to-day that the plan never contemplated a boost in price for consumers, but was intended chiefly as a competitive measure in order to increase consumption of American production and decrease foreign consumption.

At local headquarters of Standard of New Jersey it was not known definitely whether the oil sold to Washington consumers was of American, South American, or Mexican origin. It was suggested that production from all fields is refined in Baltimore and Bayonne, N. J.

Other Washington distributors thought Texas and Oklahoma oil was being refined for furnace purposes at Baltimore, but they were not sure.

COVERS WIDE FIELD

Under terms of the Standard proviso the tariff, or other taxes to be levied, can automatically be added to the bill regardless of whether the crude is produced in Oklahoma or Venezuela, unless extreme care is employed to prevent unlawful charges.

Senator THOMAS announces that he will investigate to determine how consumers in Washington and other Atlantic seaboard cities will be affected.

Mr. CAPPER. Mr. President, it is not my intention to consume much of the time of the Senate in discussing the proposed excise taxes on petroleum imports. It is highly important that the Senate complete its work of writing the tax bill at an early date. Business all over the country is at a standstill, waiting to see what Congress is going to do about balancing the Budget.

The country, to put it mildly, is out of patience with Congress for not making better speed in balancing the

Budget. The country expects Congress to pass a tax bill, and do it at the earliest possible moment. I would urge upon Senators to accept the 1-cent-a-gallon tax provided in the bill as it came from the House, in the interest of the economic welfare of the country and in the interest of an early adjournment of Congress.

Mr. President, the imposition of this proposed excise tax is simply a matter of delayed justice to the third greatest industry in the United States. Petroleum should have been granted an adequate degree of tariff protection when the revenue act of 1930 was enacted.

I am not exaggerating in the least when I say that the domestic oil industry in facing ruin unless these importers of cheap foreign oil are made to pay their share of the cost of government and compete with the producers of domestic oil on comparatively equal terms.

The ruin of the independent oil industry, Mr. President, means business stagnation, lack of purchasing power, continued unemployment, and poverty for hundreds of thousands of people in the Southwestern and other oil States.

Unless Congress acts I fear that thousands of small wells in my own State of Kansas and in other States will be shut down. Four thousand are now shut down. These small wells on the pump, producing only a few barrels a day, are the backbone of the industry and truly conserve our oil supply. Once closed down, they can not be reopened. Salt water takes them, and we will have to depend upon flush fields, upon gambling, in other words, for petroleum for the people of the United States.

In Kansas to-day 12,000 oil workers are out of employment. Whole communities are practically idle, facing ruin, the citizens of these communities facing, many of them already enduring, actual poverty. And it is unnecessary. Enough of an excise tax to end the use of imports as a club to beat down the independent oil producers would restore the purchasing power of the oil States.

And while their own oil, produced by American labor from wells on which they took a chance when they drilled them, is unmarketable, these same oil communities, these oil States, this great oil section, see themselves ruined by sales of foreign oil, cheaply produced by underpaid foreign labor, run into the country without paying a cent to the cost of government.

The four big importers are not only selling foreign oil in most unfair competition with American labor and American capital, they also are selling out the people of the oil States of America. They are driving out of business the independent oil producers of the United States, the independents who are the only protection of 120,000,000 people from the exactions of a grasping oil monopoly. They are driving these independents into bankruptcy so they can buy the American oil reserves at bankrupt prices. Then the monopoly will be complete.

These importations are ruining the domestic producers, and the consumers are not getting any permanent benefit from that ruin. Gasoline prices are held up to the price justified by the American costs of production, but the prices paid for crude oil are held down to the cost of foreign production—foreign production with cheap labor and with practically no taxes to pay.

There is one other feature. When the oil reserves have been gobbled up by the big integrated companies the Government will be at the mercy of an oil monopoly in times of emergency, and again the people of the country must pay.

Adequate tariff protection for the oil industry should provide a tariff of at least $1 a barrel on crude and fuel oil.

I will say at this point that in my judgment a tax of 3 or 4 cents a gallon on gasoline would be justified even in a revenue measure if the American labor in American refineries along the Atlantic coast in the United States is to be protected against the products of cheap foreign labor employed in Venezuela. It seems to me, however, that the size of the excise tax on gasoline should be a matter of more direct concern to Senators from the seaboard States; that in the interest of American labor in their own States they should be lined up for the higher tax on imports of gasoline from abroad. But that is aside from the main question.

The point I desire to make in this connection is that the proposed rates of 1 cent a gallon on crude and fuel oil do not afford adequate tariff protection at all. If this were a tariff bill before us, we should be insisting upon a protective duty of at least $1 a barrel instead of 42 cents a barrel, the excise tax proposed to be levied in this bill.

In other words, the 1-cent-a-gallon excise tax—or 42 cents a barrel—is a tax for revenue, not entirely a tariff for protection.

The proposed excise tax of 1 cent a gallon, according to the estimates from the oil industry, will produce an annual revenue of around $43,000,000. I am aware there is a difference of opinion on this point. I have every confidence in those who have presented me with this estimate.

The independent oil producers also admit frankly that this measure, with the extremely low excise tax of 1 cent a gallon, or 42 cents a barrel, will probably not prevent the importation of one gallon of Venezuelan oil. It is not in the slightest degree an embargo.

The truth of this statement I believe is amply confirmed by the report of the Tariff Commission to Congress made last December. Without cumbering the RECORD with all the statistics and analyses of the Tariff Commission, I will simply refer to the statement made therein that the difference in cost of petroleum laid down at Atlantic seaboard ports was $1.03 a barrel. The cost of mid-continent oil at Atlantic ports, according to the Tariff Commission, is $1.90 a barrel; the cost of Venezuelan oil is 87 cents a barrel, a difference of $1.03 a barrel. In other words, a protective tariff duty on petroleum products would be $1.03 a barrel instead of 42 cents a barrel, if that duty were levied to cover the differences in cost of production.

It is a natural question, in view of this difference in production and delivery costs, to ask what benefit will the American producers of domestic petroleum get from an excise tax of 42 cents a barrel, if it is not a protective tariff, if it will not result in shutting off the flow of imports of cheaply produced foreign oil.

Mr. President, I believe I can show how the domestic oil producers, and, in the long run, the consumers of gasoline in the United States, will benefit by this excise tax, though not to the extent they would if we were in position to give the oil industry the tariff protection to which it is justly entitled by any reasonable theory of tariff protection.

Mr. President, this question of oil imports is considerably more than a battle between domestic producers and the importers of cheaply produced foreign oil. The real question is whether or not a few big integrated oil companies are to have a monopoly of the petroleum industry in these United States.

Mr. President, the oil industry is one of the major industries of the country. It represents a capitalization of some twelve thousand millions of dollars. Probably 20 large companies, of the thousands of oil companies in the United States, have 80 per cent of this capitalization. Ten Standard Oil groups' companies, plus 10 non-Standard companies, today have practically a nation-wide monopoly of all branches of the oil industry except the production of crude oil.

These 20 companies, I might say—and there are figures in the record of hearings before the House Interstate Commerce Committee on a proposed pipe-line regulation bill to substantiate this statement—produce a little less than half of the crude oil produced in the United States. They do not, as yet, control the oil reserves of the United States, nor the producing wells.

These 20 companies, however, own practically three-fourths of the refining capacity of the United States, more than 90 per cent of the cracking capacity, more than 90 per cent of the transportation pipe-line facilities, nearly 100 per cent of the storage facilities, and about 85 per cent of the distribution facilities.

All these few big integrated companies need in order to have a complete monopoly is to bankrupt the independent

oil producers, who still produce one-half the crude produced in the United States.

Mr. President, it is this threat, a threat that is almost a promise to-day, of a complete monopoly of the petroleum industry, that makes this excise tax we are considering of such vital interest to the entire country. We are not waging a fight here for the independent oil producers, nor for the oil States and their peoples alone. We are fighting right now to win the first in a series of battles to protect the people of the entire country from the grasp of this petroleum monopoly.

I want to say right now that when this monopoly is extended to the production of oil, to the control of the oil reserves, then the consumers of gasoline in this country, the industries that require fuel oil for power, will pay "through the nose" for petroleum products. In countries where the monopoly has been completed, gasoline prices are to-day twice as high, sometimes three times as high, as in the United States.

I say the only protection the public has against monopoly and the high retail prices that monopoly will bring are the independent producers of petroleum.

Congress can take a step toward preventing the destruction of these independent producers, and averting national economic slavery to an oil monopoly, by levying the proposed excise tax on imports of cheaply produced foreign petroleum and its products.

Mr. President, I would again call attention at this point to the fact that the independent oil producers, who are asking protection against the threatened oil monopoly through an excise tax on oil imports at this time and in this bill, now produce half the crude oil produced in the United States. As long as these independent producers can sell crude oil at a profit they can stay in business, and the oil monopoly can not become an accomplished fact. But, Mr. President, if the independent producers continue month after month, year after year, to do business at a loss, it is only a question of time—and not a very long time now—until they will be forced to sell their properties, dispose of their leases, take themselves clear out of the picture.

Who will take over the oil properties of the independents when they shall be forced to liquidate their holdings? The answer is self-evident, Mr. President. The big integrated companies, which already have a practical monopoly on refining, on transportation, on distribution of petroleum and its products, will then complete the link in the chain of oil monopoly, and control petroleum from the ground to the gasoline tank. The consumers of gasoline and the industries which depend upon petroleum for fuel will be helpless in the grasp of the oil monopoly.

Now, Mr. President, neither I nor any of those others making this fight for justice to the oil industry and for economic freedom for the people of the United States, so far as petroleum is concerned, claim that protection from the demoralizing effects of unrestricted importations of foreign oil alone will solve the problems of the domestic oil industry. We do not claim that this protection alone will prevent the threatened oil monopoly, but we do claim that without taxation of imports of foreign oil the monopolistic group of oil companies—and they own the companies which are engaged in importing foreign oil—these big companies can beat down the prices for crude oil, ruin the independents, take over the oil resources of the Nation nearly 100 per cent, and make their monopoly complete.

It has been claimed by those opposing the oil excise tax—and these are the same interests which are opposed to tariff protection for oil—that the foreign oil does not come into competition with that produced in the United States. Such a claim is preposterous, ridiculous, entirely at variance with the facts in the case.

The fact is—and I do not believe it can be successfully refuted—that every barrel of foreign oil actually displaces a barrel of domestic oil.

But, Mr. President, the damage to the domestic oil industry, the threat of monopoly contained in the untaxed importation of foreign oil, goes further than that. The competition of foreign oil goes further than actual displacement of domestic oil that otherwise would be used. The competition of this foreign oil reduces the price of domestic crude oil to the price at which foreign-produced crude oil can be delivered and sold in the United States, entirely regardless of the relatively small amount of such imports of foreign oil.

Here is what happens: Much of our domestic production is refined near the fields in which it is produced; some of it is pipe-lined long distances to other States to be refined. But in either case the marketing areas have their choice of using domestic products or using foreign products to supply local demand.

A great amount of oil is sold through brokers, and the fact that the independents still produce half the domestic production of petroleum creates a partially free market, in spite of the monopoly of refining, transportation, and distribution of refined products.

It is well understood to the oil trade that a very small amount of gasoline will break the market for all that is offered in that area for the same day.

Here is an example of how the thing works as explained to me by the independent oil producers: When gasoline is offered from Baltimore to the Great Lakes territory—or suppose we say from Russia, as Russian oil has been delivered within the last few months at Detroit at very low prices—then that gasoline comes into direct competition as a price-fixing element with all the other gasoline offered for the same trade area. The mid-continent producer must meet the Baltimore price—depending on Venezuelan oil costs—or the Russian price, depending upon we do not know exactly what kind of labor in Russia. The domestic producer, therefore, finds his market price determined, in the last analysis, very largely by the price at which Venezuelan or Russian oil can be offered, even though that foreign oil may not actually be delivered in the trade territory affected.

What I have just stated, Mr. President, is the reason why even the 42 cents a barrel import tax proposed, even though it did not shut out a single barrel of foreign oil from the Atlantic seaboard, would help the domestic producer of oil to keep out of bankruptcy and stave off the threatened complete oil monopoly.

There would be that 42 cents a barrel import tax, which would afford a cushion for the domestic crude market. This 42 cents a barrel excise tax, while it would not prevent the importation of foreign oil, while it would give the Federal Treasury the benefit of revenue, at the same time would protect the interior market from price-fixing competition of foreign oil.

What I have just shown, Mr. President, is that even the 42 cents a barrel tax on imports of foreign oil, while it will not shut out imports and therefore will be a revenue-producing measure for the Federal Government, still will afford a protection of 42 cents a barrel for the domestic producer in the interior marketing areas of the country.

I do not believe it necessary for me to argue the point that an increase in the price of crude oil means a corresponding increase in gasoline prices to the consumer. Certain industries along the Atlantic seaboard, notably in New England, may have to pay higher prices for fuel oil. But, Mr. President, it seems to those of us who come from the West and Southwest that it comes with poor grace for eastern manufacturing States to protest against a small amount of protection for an American industry. For 100 years New England has enjoyed the benefits of tariff protection.

The West and Southwest, Mr. President, have been good customers of New England. We have paid the prices for the benefits New England has derived from the policy of tariff protection. We have received little of its benefits. I say if this proposal were a protective-tariff measure in fact, if it would increase the cost of crude and fuel oil to New England industries 85 or 100 cents a barrel, still New England, in all fairness, should not object.

It is not only the principle involved, Mr. President, but as a matter of principle, of consistency, I would say that Rep-

resentatives from New England ought to be lined up solidly for tariff protection for oil. They ought to be willing to grant to the West and Southwest, when this industry is languishing, a small measure of the tariff protection which they praise so highly and from which they have derived the benefit. I say New England should be united for oil protection, even if the bill went to the extent of actually affording tariff protection by curtailing imports of oil, which this small excise tax of 1 cent a gallon will not do.

But, Mr. President, if New England is willing to abandon her principles if those principles affect her pocketbook, there still is a good pocket reason why the Atlantic seaboard should not oppose this excise tax on foreign oil. Most of the 20 oil-producing States, certainly those in the mid-continent field, are good customers of New England manufacturing industries. When we have purchasing power, we buy liberally, and, thanks in large part to tariff protection accorded New England during the last century, we buy largely of New England. But a customer without purchasing power is a poor customer to have, and that is the situation the oil States are in to-day. They do not have purchasing power. They can not buy as they would like to buy from New England.

If this excise tax would help the oil industry, Mr. President, it would help the entire territory in which the oil industry vies with agriculture in being the main source of community prosperity; and that would mean lessened unemployment, more business, more purchasing power, for nearly a score of States in the Union. As I stated before, most of these States are so situated that they can be good customers of New England's manufacturing industries. For that reason I say, Mr. President, that it is to the selfish interest of New England to support this oil excise tax; and I am glad to believe that a number of Senators from New England realize both the principle of equity and the principle of economics involved.

Mr. President, I could proceed for some time portraying the plight of the oil industry; but I do not believe there is any question in the minds of Senators—nor anywhere in the country—as to actual conditions. Opponents of this excise tax do not question the plight of the oil industry, nor its effect on the entire economic structure of the country. So I will not go into that phase of the situation at this time.

In closing, I want to appeal to the Senators to consider this question from the larger viewpoint of the national public interest. Here is a basic industry which can be assisted by this small tax. When the oil industry starts back on the road to prosperity it will bring prosperity and buying power to a large section of the country, for much of the oil territory can not have purchasing power until the oil industry gets back on a living basis.

I would repeat also that the levying of this tax will be of material assistance in preventing a complete oil monopoly

Those of us supporting this oil tax are perfectly well aware that protection alone will not cure the ills of the oil industry. The domestic industry has a big job ahead of it to control production and to put into effect a real conservation program. But all efforts to curtail production in this country will fail if something is not done to regulate importations. The independent producers are going to have to turn their properties over to the big integrated oil industries unless these big companies are prevented from using imports of foreign oil to bankrupt the independents. That comes back again to what I consider the most important object of this legislation, namely, to prevent a monopoly of the entire oil industry. As I see it, a vote for the oil excise tax is a vote against a threatened oil monopoly that will cost the people of this country thousands of millions of dollars within the next few years if it is not prevented. I sincerely trust that a majority of the Senate will take the same view that I do and vote for the oil excise tax of 1 cent a gallon on crude and fuel oil.

BUSINESS CONDITIONS AND LEGISLATION

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an interview with Mr. Owen D. Young on the depression, written by Mr. John W. Owens, editor of the Baltimore Sun.

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

The interview is as follows:

[From the Baltimore Sun, Wednesday, May 18, 1932]

RADICAL RELIEF PLAN URGENT, SAYS YOUNG; DELAY CALLED UNWISE—UNITED STATES MUST ACT TO SET WHEELS GOING AT ONCE—BUSINESS CONDITIONS CALL FOR EXTRAORDINARY EFFORTS, HE INSISTS—CREDIT OF UNION IS NOT INVOLVED—PORK-BARREL LEGISLATION NOT INTENDED IN PROGRAM

NEW YORK, May 17.—Owen D. Young to-day explained in detail the reasons for his support of the radical relief program offered by Senator ROBINSON, Democratic leader. The presentation of that plan, involving $2,000,000,000 of construction projects led almost instantly to one of similar outline from President Hoover.

Briefly, Mr. Young's position is as follows:

That it is possible to carry forward such a plan without its degenerating into an orgy of pork-barrel expenditures.

That it is not based on any philosophy of spending ourselves into prosperity or of getting rich through extravagance.

That it can be executed on economically sound lines and with fruitful results.

That it has the same justification as the Reconstruction Finance Corporation.

That it is, in fact, the affirmative, onward-moving, trade-producing complement of that institution, which was created to arrest decay of financial and industrial enterprises.

NOT SAFE TO DELAY LONGER

"It is a question of the facts and of one's judgment on the facts," said Mr. Young in summing up his position, "and the facts as I judge them are such that it is not wise and not safe longer to defer this action.

"I am willing to take my share of the responsibility for a course which may be called bold and may be called radical and which most of us would prefer to escape. It is necessary, and it can, with intelligence and good will, be successfully consummated."

FOLLOWS REFUSAL TO BE CANDIDATE

The statement to-day follows publication yesterday of Mr. Young's letter to the publisher of the Little Falls Times, printed in his home community, in which he said "definitely and finally" that he could not accept the Democratic nomination for President. His part in producing the Robinson plan and his public indorsement of it had immediately placed his name in the forefront of presidential politics.

To be fully effective in the public emergency, Mr. Young believed he had emphatically to reiterate his unwillingness and inability to be considered for the nomination.

MUST HELP MAN IN DISTRESS

"Let me say, in the first place," he said to-day, "that I often wonder what the man who has lost his job, the man on part time, the man whose home or farm is being taken under the mortgage, thinks when he hears people in authority talking about such impersonal things as balanced Budgets, protection of national credit, maintenance of financial institutions through organization of the Reconstruction Finance Corporation, and so on. I imagine that men in any such plight must feel that the discussion is all very far removed from them.

"All that is in the plan offered in Washington, all that I am about to say, means nothing if it does not help the man whose job is gone, the man on part time, the man now losing out in the struggle to keep his home or his farm. It means nothing if it will not serve to bring back jobs, or at least to start the process of bringing back jobs.

"It means nothing if it will not help to restore security to the obscure individual who has been overtaken by misfortune, to restore his family in the possession of the means of wholesome life, to restore peace of mind.

"What I am advocating is intended to accomplish those ends. If I seem to be talking about other things, about governmental policy, about great public and private enterprises, it is because we must work back through those institutions and instrumentalities to reach the individual.

HOLDS FOR BALANCED BUDGET

"Now about the proposals that have been made by Senator ROBINSON. Before all else I wish to say that it is absolutely essential that the Government's Budget shall be balanced. Preservation of the Nation's credit is, in this time of crisis, our sure bulwark. Under no circumstances must that bulwark be weakened.

"This calls for new taxes. They must be levied. It also calls for economies in the administration of the Government. They must be enforced. The relief plan does not invade the Government's credit, as I shall explain.

SPEAKS WORD FOR CONGRESS

"But here I want to stop and say a word for the Members of Congress. It doubtless is confusing to have many persons insisting that economies must be enforced and many persons, often the same persons, insisting that employment should be provided. It should not be surprising if, in the midst of the tumult, Members of Congress feel that in voting against economies they are saving

jobs and making the best of an extraordinarily tangled business. They may vote wrong in entire good faith.

"The point to be kept in mind is that we accomplish nothing by waste. We need to eliminate waste and to conserve all of our resources for employment in constructive effort. In one aspect of the matter, waste in the Government means reduction of resources out of which direct relief must be granted.

"It is not just to keep one man in a useless job when that may result in insufficient aid for many men who have no jobs at all and simply must be helped. In another aspect of the matter, waste in the Government means reduction of resources with which to carry on productive enterprises which will provide many jobs.

TIME TO STOP BORROWING

"We must get this Budget balanced, by new taxes and by economies, else our best efforts in other directions will go for naught. It is no use now to argue whether we should have balanced a year ago or two years ago, instead of borrowing. It is no use to argue that because we did borrow we may keep on borrowing.

"The time is plainly here to stop borrowing for current operations and current expenditures, and to make our national credit absolutely secure. We have need of it for vastly more important things than the ordinary operations of the Government.

"On the same principle we must turn our backs on all proposals to issue fiat money. The experience of the world shows that policies of that character lead to national bankruptcy. We do need more money to carry on the business of the country, and, of course, I do not mean merely currency.

"I also mean credit dollars and all the forms in which money is provided by our banking system in normal times. The terrific downward spiral of liquidation shortened the supply disastrously. But the increase of the supply can not be governed by political machinery. It must be governed by duly constituted financial authority.

MUST AID IN WORLD SITUATION

"Now, with that much said about our basic policy in Washington, I come to the relief plan. When I was asked down to Washington to talk with some of the leaders, I said to them that I believed we could, by courageous and consistent effort, increase our prosperity in a degree, which I shall call X, without regard to developments in other nations.

"I also said that I believed that to attain the full degree of prosperity to which our resources entitle us we should have to do our part in accommodating and composing the world situation. That further and full degree of prosperity I called Y.

SHOULD SEPARATE PROBLEMS

"I suggested that we cut straight through the tangle of problems and of possible remedies, putting everything that had to do with X on one side and everything that had to do with Y on the other. And I further suggested that we then concentrate on X.

"I make that proposal with clear realization that we may not hope to restore full prosperity until we settle the Y problems. But our form of government is such, our conditions are such, our present popular moods are such, and the state of international affairs is such, partly due to our own policies, that no instant relief is in sight in the world situation.

QUICK ACTION NECESSARY

"And we must have instant relief. I am convinced that in these months that are just ahead we must move quickly and firmly to utilize every resource that lies in our own hands, and I am convinced that one of our most effective resources is the power of the Government to stand as a temporary credit bridge between, on the one hand, the materials and the human labor that are idle and, on the other, numerous enterprises that are meritorious, that would be financed and pressed to completion without question in normal times and that to-day are helpless because investors have suffered so greatly that they have become terrified.

"You see, I am not thinking at all of pork-barrel construction. I am not trying to have the Government run up post-office buildings for which there is no real use, dredge creeks where a commercial vessel will never venture, build roads in places where the surrounding land is not worth as much as the modern roads.

PROJECTS MUST HAVE ACTUAL MERIT

"And I am not trying to have the Federal Government tempt the States into that kind of activity for activity's own sake, that kind of spending for spending's own sake.

"Public construction by Federal, State, and local governments that has actual merit; yes, but no more, and I want honesty and courage in drawing the line. Direct grants to the unemployed would be cheaper than spending on construction merely for the sake of construction; the same amount of money would take care of many more people and probably would result in wider purchases of commodities.

"Besides, construction merely for the sake of construction would give the country a great mass of white elephants, scattered all over the land, that would call for a heavy maintenance bill in the future.

WOULD INCLUDE PRIVATE ENTERPRISES

"I say, take the projects of the Federal Government, of the State governments, and of the local governments which, after investigation and study, have been found worthy and which would be built were credit conditions normal. Start on them. At the same time, go on to private construction enterprises which have been found worthy and which would be built were credit conditions normal. Start them. In the aggregate a very large program of construction could be put under way within a comparatively short time.

POWER TO EARN WAY AS BASIS

"Please note that all of the projects I have in mind, whether public or private, are to be based upon their power to earn their own way. It is possible, in some of the cities, to build new post offices that would save the Federal Government enough, in comparison with existing antiquated structures, to defray the cost of the new outlay.

"There is an immense difference between building a post office under those conditions and building a post office in some other place for no purpose other than to satisfy local pride, or, in such times as these, to serve the mistaken idea that any kind of activity at all is good.

THEN ONLY CONTINGENT LIABILITY

"Well, if these projects, whether public or private, are to earn their own way, if they are to be self-liquidating, then the provision of $2,000,000,000 of credit by the Government represents only a contingent liability. If we provide $2,000,000,000 for that purpose, we are not unbalancing our Budget. We are not in any sense falling into an error comparable to borrowing for current operations of the Government. We are getting a permanent, self-sustaining value which will carry the expenditure.

"If a mistake is made in embarking upon a given public enterprise, a loss may fall back on the Government. If a mistake is made in financing some industrial enterprise, a loss may fall back on the Government. But that is a contingent liability. It is not an absolute one.

"I think this difference was overlooked in the stock and bond markets here when they first reacted adversely to the proposal of a $2,000,000,000 program to be financed by the Government. It is overlooked by others.

WARNS OF TOO MUCH RED TAPE

"Now, there are several observations that are in order at this point. It is obvious, in the first place, that there must be machinery of some sort in the Government. Existing machinery may be found or new machinery may have to be created which can control this great expenditure freely, quickly, and directly.

"It is dangerous and probably futile to embark upon such an undertaking, and then to tie it in a maze of red tape. Responsibility must be concentrated and authority must be granted equal to the responsibility.

CAN RISE ABOVE FACTIONALISM

"I believe that if we look straight at this thing, if we look straight at the conditions and the measures that are available at the moment, we can rise above factionalism and above partisanship at Washington; we can agree to set up the right kind of machinery; we can agree on the right kind of men to run the machinery, and we can get the men. We can do that with clear understanding that some mistakes will be made, but we can also do it as men of backbone who prefer risking mistakes in action to yielding to the major, the perhaps fatal, mistake of inertia and inaction in a crisis.

ALLOCATION WILL REQUIRE CARE

"Another observation grows out of the first. It is that great care should be taken to guard against efforts to allocate the construction fund between the States upon any rigid basis. If we lean far in that direction, we may find ourselves making mistakes that otherwise could easily be avoided.

"There are some States in which there may be relatively little public work that could be economically done and relatively few private projects that lack deserved capital. There are others where one could quickly turn the wheels moving on a very large number of enterprises which would draw materials from all parts of the country.

EFFECT WILL BE WIDESPREAD

"We need to keep constantly in mind that it is the repercussions of an undertaking, not the undertaking itself, that matter chiefly when we come to measure values. A big piece of construction in a great industrial center can be far more fruitful to distant agricultural areas than unnecessary construction in those areas.

"When construction is started in the great industrial center it immediately begins to be felt in remote areas, which are called upon for raw materials to be used on the job itself. And the remote areas also benefit in the production of things that go to make the food and clothing of the men who work in all the links of the long chain of labor and transportation.

TIME FOR GOVERNMENT TO ACT

"Another point that we should be at pains to remember is that self-liquidating public enterprises, whether of the Federal, State, or local governments, may not quickly absorb the $2,000,000,000. In that event, I am not in favor of pressing the money on any governmental agency. I am in favor of turning to private projects that have merit and getting the money out to them.

"I distinctly want this money used for self-liquidating things. But I want to get it out. I want it used. I think the time has come when the Government must step in. And when it steps in, I want it to step in in no half-hearted manner. I do not want it to be scared to death at the thought of financing a private project.

"Finally, a brief comment is in order on the effect this $2,000,000,000 construction proposal will have on the supply of credit for private business. Intelligent people are bound to ask that question. My answer is that $2,000,000,000 put into self-liquidating projects wastes no credit and deprives private business of none of its usual resources.

PROPERLY PLACED CREDIT NOT WASTED

"Credit placed in meritorious public enterprises is not wasted. If the Government builds a modern and efficient post office in an important city, saves money in operation and serves the interests of business, the money used, the credit employed is no more wasted than is the credit employed in making a necessary utility extension. And, of course, to the extent that the $2,000,000,000 loan is used to finance meritorious private enterprises now held up for lack of capital the use of credit is identical with that which would occur in normal times. Only the conduit through which credit flows has been changed.

"In a word, we are not starting a new and sterile consumption of the Nation's credit supply. We are creating a new channel through which credit may move from the reservoirs to the industry and trade of the Nation, and we are compelled to create this new and temporary channel because the old and familiar ones of private enterprise have collapsed at vital points.

OTHER INDUSTRIES WILL REACT

"Now, if we conceive this thing boldly and resolutely; if we then move to carry it out by cutting through the red tape of officialdom; if we put the enterprise in the hands of capable men and give them the authority to act, what will follow?

"Some mistakes, of course; but if construction does start, mines and lumberyards and quarries and brickyards must start; if construction does start, railroads must increase their car loadings and bring out of idleness their workers; mechanics in the cities must put on their overalls and get down their tools. If construction does start, more groceries must be bought, more shoes, and more clothes.

ACTION REVIVES CONFIDENCE

"What then? We all say that revival of confidence is our greatest need, our greatest problem, and we tell the truth. But what is it that revives confidence? What save action? Give a man all the resources in the world, and if he broods and drools he is beaten. Give a man all the burdens in the world, and if he gets on his feet and faces front and starts on his way, courage and faith mount in his breast. I say, make the start!

"Do I like this idea of the Government making the start by setting up a credit bridge by which idle labor and idle material may pass over into new undertakings? Of course I do not. I have spent my life in private business and I have believed that private business could operate the great machine by which our labor and our materials are exchanged and converted into things of use for all of us.

CITES ACTION ON SECURITIES

"But I am not willing to sit idly by, my hands in my lap, when things crumble and crumble and crumble, and finally the point is reached where further crumbling may cause such disaster as this Nation has never known.

"If we are too confused and too terrified to act individually, then I say close up ranks and act as a body—which is what happens when the Government steps in. We did it when the collapse of security values ran beyond reason and the market prices lost all relation to intrinsic worth. We stepped in as a body, as a Government, and organized the Reconstruction Finance Corporation, and we make its capital, provided from public funds, a barrier and a brake against that unreasonable market situation.

"We organized our collective strength to withstand that strain, and bank failures have been reduced to a minimum. I say that the time has come to step in as a united body, as a Government, and take risks in starting business, in doing business, that individuals fear to bear.

EXPLAINS NEED OF SPECIAL TAX

"There are one or two subordinate features of this plan which seem to have led to some misunderstanding. One is the special tax. It is asked: Why a special tax if the projects are to be self-supporting? The explanation is that, as in nearly all enterprises, we may expect a period in which money will be going out and no returns coming it. We must take care of interest during construction. It seemed wise to me to have a special tax to sustain the loan in this respect. I suggested a special tax on corporations, since they will directly benefit from the program. The tax for this purpose would not be especially heavy.

"The recommendation of the 30-hour week also seems to have led to some misunderstanding. Of course, no one had in mind any measure which would attempt to tell all the business concerns in the country to go on a 30-hour week. What we had in mind was that, in this $2,000,000,000 construction program, the Government should require all contractors to operate on a 30-hour week in order to stagger employment and spread it out as far as possible.

TAKES UP AID TO STATES

"Now, a final word on these questions—these questions which relate to problems that are entirely within our borders. Precisely as it seemed wise to have a special tax which would cover interest during construction, it seemed wise to have some fund in the Federal Government which could be used to aid the States in giving out-of-hand relief until the construction program begins to be felt and to restore the confidence of private business.

"I know there are some States and cities which have been able to care for their own unemployed and are not disposed to ask the Federal Government to aid. I have nothing but admiration for that method. I wish it could be followed in every State, in every city. But my information is that in some of the States, especially the very populous States which have great industrial cities within their borders, the volume of unemployment has become so great and the complexities of local credit conditions have become so acute that it is extremely doubtful that local authorities will be able to cope with the situation.

FEARS SITUATION IS GROWING WORSE

"Again, it is a question of the facts. If people are hungry, and if their local authorities can not relieve them, I am in favor of the Federal Government lending the necessary money. And my information is that those conditions are likely to be reached very soon in a number of the most important centers.

"That's my story. We have reached the stage, I believe, where we are confronted with the choice between trusting that the crumbling process has reached its end (risking absolute national disaster if it has not) and turning around the emergency with emergency methods. For my part, I prefer to chance the making of mistakes in trying to pull myself out of this calamity rather than to chance the calamity's becoming complete. I want to move; I want to fight.

MUST TAKE UP TARIFF AND DEBTS

"Now, let me say a word in conclusion about those questions beyond our borders that must be settled before we can achieve the full measure of prosperity to which we are entitled. We must get hold of this tariff question, of this debts question, of this disarmament question. But it seems to me that we can not get hold of them until we establish a strong liberal leadership, which will see the foreign questions as a whole, which will educate the people of our country to an intelligent and generous attitude, and which will summon to our aid the intelligent and the generous in other nations.

"In the field of tariffs our enactment of the Smoot-Hawley law has been followed by reprisals and retaliations, or, if you prefer, imitations by all the other nations of the earth. Every nation has now got itself into a position which its more competent leaders know is a disaster, and yet all of the nations are so murderously armed in an economic sense that not one of them dares to turn back lest it be overwhelmed.

MAY BE ABLE TO START BALL MOVING

"That is a well-nigh hopeless situation, and yet its very hopelessness, its very erection of disasters common to all, does produce the possibility that if we can evolve strong, determined, liberal leadership we can start the ball rolling toward correction through reciprocal adjustments.

"And similarly we must have a sense of the interdependence of nations in the modern world, of the unity for good or for evil that is a condition of our times before we can establish reason in the treatment of the debts and of armaments. The latter is at once a grave economic burden and a potent cause of the political and economic tension that makes reason so difficult to follow in international affairs.

TAKES UP FARMERS' PLIGHT

"We must get on with these matters as soon as possible. For five years before the collapse I urged that we were not safe in this Nation so long as the immense farming population was selling in an open world market and being compelled to buy in a protected home market. The efforts to correct that condition by lending the farmer money from land banks, from intermediate-credit banks, from farm boards only served to disguise the true situation.

"The farmer borrowed and he bought automobiles and tractors and radios and what not, as the balance of the country was doing. And then one day he was forced to the realization that he had to begin paying something on his notes. So he stopped buying, being further impelled to that course by the swift decline in his prices.

"And very soon after he stopped buying, factories began to cut down production and workmen began to lose their jobs. Then started the downward spiral of ever-narrowing consumption. We have had it proved that industry can not live in one economic world and keep the farmer in another.

WOULD TEST EQUALIZATION FEE

"We must take hold of these matters of the tariff and debts and armaments. I have suggested that a test of the equalization fee be made in the case of wheat, not because I like the idea but because I felt that until we could get a grip on the fundamental evils which weaken and destroy the farmer we should do what we can to pull him up by any remedies that might be workable. So I think it would be worth while to experiment in one crop with the equalization fee—pending the day when we may attempt more far-reaching cures, aimed at the cause of the disease.

"My argument for the program offered in Washington is then, in brief, that we must revive that measure of prosperity, represented by X, which lies entirely within our own borders. Our condition is such, in my opinion, as to make that imperative.

TAKE UP OTHER PROBLEMS LATER

"When we are a little steadier and a little calmer, I hope we can go on to deal with the Y questions, whose solution is required before we can have all that we could have if we were intelligent

enough to make the best use of the men and the materials that nature has given us."

It is understood here that progress is being made in Washington in the negotiations on the Robinson plan and on the alternative which President Hoover announced on the day after Senator ROBINSON spoke. It appears to be possible that a substantial measure of agreement will be worked out between the leaders of the two parties.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, the farmers of this country for the past decade have scarcely been able to earn a wage equal to the lowest paid, the common laborer, leaving them with little or no return, and in many cases actually losses on their capital investment.

On May 16 the United States Department of Agriculture issued a statement showing that the price level of farm commodities is still going downward, having reached the low point of 59 per cent of the pre-war level. The prices paid by farmers for articles which they have to buy are still 117 per cent of the pre-war level.

The average effective income received per farm family in 1930 was $598. This is the total average for operator's capital, unpaid labor of the operator and his family, and management of the operator. If a salary of $15 a week is allowed for the farmer's labor, not counting the labor of his family, the income would not have been sufficient to have paid his wages, and the total operations would have shown a loss of $182, with no payment for interest on investment. Such an allowance for salary is obviously a mere pittance and is insufficient to provide an adequate standard of living for the family. The Department of Agriculture estimated that in 1930 farmers lost a total of $346,000,000. They actually lost that amount. Their farm operations cost them that much more than they received, and this after allowing for the labor of the operators and their families.

It ought to be clearly understood that the farm family is of tremendous importance as a labor factor on the farm, and their time to a certain degree has to be taken into consideration when we are considering the expenses of operating a farm.

Such was the estimated loss incurred by farmers in 1930. Since then the prices of farm commodities have declined very greatly. The average price of farm commodities in 1930 was 117 per cent of the pre-war level, whereas to-day it is 59 per cent of the pre-war level; therefore, the losses this year obviously are much heavier than they were in 1930, as such prices are far below present costs of production.

I ask unanimous consent to insert in the RECORD at this point a table showing the average income of farmers for the past seven years, as estimated by the United States Department of Agriculture.

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

The table is as follows:

Reward per farm family for labor and management and farm wages per year, without board, 1924–1930 [1]

Year	Income available for operator's capital, unpaid labor, and management	Reward for labor and management per farm family [2]	Farm wages per year without board [3]
1924	$862	$668	$567
1925	903	707	574
1926	874	683	586
1927	880	685	584
1928	866	665	584
1929	887	685	589
1930	598	425	535

[1] Table 8, p. 399, Crops and Markets, September, 1931, vol. 8, No. 9, by U. S. Department of Agriculture.
[2] Column 1, less 4.5 per cent interest allowance on operator's net capital investment.
[3] Farm wages per month without board multiplied by 12.

Mr. HOWELL. Mr. President, agriculture represents more than a third—in fact, in the neighborhood of 44 per cent—of our total population. Is it any wonder that the buying power for the products of industry has dried up, when we consider these facts? For a decade the low prices of farm products and agriculture's disastrous condition have steadily reduced the buying power of nearly 44 per cent of the population of this country until it has reached a point where this great consuming group is unable to buy even the necessities of life, much less the large group of luxury and semiluxury products upon which many of our industries now depend.

How can this Congress adjourn without at least attempting to provide some real remedy for this distressing situation? How can Senators and Members of Congress face their rural constituents with the confession that they have done nothing to provide real relief for their distress?

Congress has the power to act. The events of the next few weeks will determine whether it has the will to act.

Mr. President, agriculture must be rescued.

REVENUE AND TAXATION

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

Mr. VANDENBERG. 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:

Austin	Davis	Keyes	Shortridge
Bankhead	Dickinson	La Follette	Smith
Barbour	Fess	Lewis	Smoot
Barkley	Frazier	Long	Steiwer
Bingham	George	McNary	Thomas, Idaho
Blaine	Hale	Metcalf	Thomas, Okla.
Bratton	Harrison	Morrison	Townsend
Brookhart	Hatfield	Moses	Trammell
Bulkley	Hayden	Norbeck	Tydings
Bulow	Hebert	Norris	Vandenberg
Capper	Howell	Nye	Walcott
Carey	Hull	Oddie	Watson
Cohen	Johnson	Pittman	White
Connally	Jones	Reed	
Copeland	Kean	Robinson, Ind.	
Cutting	Kendrick	Sheppard	

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

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of the day's business the Senate take a recess until 11 o'clock to-morrow.

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

Mr. HARRISON. Mr. President, may I ask the Senator from Utah and other Senators who are interested in this provision if it is not possible for us to get a unanimous-consent agreement that the debate on the oil provision of the bill will close at some time to-morrow, say at 2 o'clock?

Mr. LONG. Mr. President, if the Senator will yield to me, I think we are going to be able to get through with this debate a whole lot quicker than that. I think we will be able to vote to-night on this item.

Mr. HARRISON. I will say to the Senator that I am informed that there is one Senator who is very much interested in this provision, who wants to vote for it, but who will not be here until 1 o'clock to-morrow.

Mr. LONG. Does the Senator refer to the junior Senator from Oklahoma [Mr. GORE]?

Mr. HARRISON. Yes.

Mr. LONG. We think we can probably have him paired.

Mr. HARRISON. We are perfectly willing to fix a time if that is agreeable to the Senators who are interested.

Mr. TRAMMELL. Mr. President, I would suggest an agreement to vote not later than 3 o'clock to-morrow. It is possible that some Senator might wish to offer an amendment to the amendment.

Mr. HARRISON. Oh, yes.

Mr. TRAMMELL. If we close the debate too quickly, some Senator may desire to offer an amendment to the amendment, which could only be offered, without an opportunity on the part of its author to address himself at all to his own amendment.

It is possible I may wish to propose an amendment to the amendment, and I would like to have 10 or 15 minutes at least. I would not want more than that length of time, if I desire to offer an amendment. The trouble with these unanimous-consent agreements so often is that two or three

Senators take all the time, and no other Senator gets an opportunity to say anything. I suggest the hour of 3 o'clock. I will not object to the request if the hour is made 3 o'clock.

Mr. TYDINGS. Mr. President, let me ask the Senator from Mississippi whether his contemplated agreement embraces only the pending amendment?

Mr. HARRISON. No; the request I had in contemplation was that debate close on the oil provision to-morrow at, say, 2 o'clock. I am not offering that suggestion now, in view of what the Senator from Florida has said. Then I would suggest that to-morrow Senators be recognized who are in favor of the proposition for half the time, and those opposing it for half the time. Of course, that would preclude anyone offering another amendment to the pending amendment or any other amendment after that, but the debate would close at 2 o'clock.

In view of what the Senator from Florida has said, I offer this unanimous-consent request, that general debate on the oil provision, the pending amendment or any other provision which may be offered, close at 2 o'clock, and that on any amendment which may be offered after that no one shall speak longer than 10 minutes.

Mr. LONG. Mr. President, it is not going to be necessary for the Senator to put any time limit in the agreement. In my opinion, if we do not vote on the amendment to-night we will vote on it at an early hour to-morrow, and I am anxious to have an early vote on it. I do not think there is going to be prolonged debate. I think the Senator will find that we will be ready to vote earlier than the hour he has suggested. It is not going to be necessary to limit debate on the amendment.

Mr. TYDINGS. Mr. President, I am very anxious to go along, if I possibly can, with the consent arrangement of the Senator from Mississippi, but I myself would like to speak about three-quarters of an hour or an hour.

The only reason why I want to speak on the question is because the people of my State are vitally interested in it and have asked that I speak on it. I want to accommodate myself in every way I can to facilitate matters, but I do not want to agree to something and be frozen out, so that I can not state what I think is the viewpoint of my people.

Mr. SMOOT. Would the Senator like to speak to-night?

Mr. TYDINGS. The Senator knows that I spoke for two hours last night, and that I spoke a little while to-day, and I would not like to go on to-night.

Mr. HARRISON. I ask the Senator this question: Could we get an agreement that no Senator shall speak longer on any amendment or on the provision itself than 30 minutes?

Mr. TYDINGS. I think that if the Senator would make his proposition in this form—to close the debate and have a vote, say, at 2 o'clock to-morrow, or at 3 o'clock, whatever time is satisfactory, and that each Senator who wants to speak not to speak over 30 minutes or three-quarters of an hour, or, if he does not want to fix the time, that he would say that no Senator shall speak over three-quarters of an hour on the proposition—that will give me a reasonable chance to present the viewpoint I want to express, and I certainly will do my utmost to cut my remarks to the bone in the interest of the economy of time.

Mr. HARRISON. Then, I ask unanimous consent that we vote at not later than 2 o'clock to-morrow on this amendment or on any other amendment which may be offered to the bill.

Mr. WATSON. What does the Senator propose that we do to-night?

Mr. HARRISON. I think we might go on, or if Senators want to adjourn, we might adjourn.

Mr. WATSON. In view of the conditions that confront us in this country, does the Senator think we ought to adjourn now? It seems to me we ought to go on.

Mr. HARRISON. May I say to the Senator from Indiana that it is stated by some of those who are in favor of this legislation that there can not be a vote taken to-night and that there will not be a vote taken before to-morrow, about 1.30 or 2 o'clock. It was merely to make the time of voting certain so that Senators might adjust themselves to the uncertainties of the situation that I offered the suggestion.

Mr. LONG. I will object to that.

The VICE PRESIDENT. Objection is made.

Mr. LONG. I would like to tell the Senate why I object. We are not going to lose any time if we go ahead with this proposition to-night. We have had two of these night sessions, and we might as well have a night session to-night, and to-morrow night, and the next night——

Mr. SMOOT. Until the bill passes.

Mr. LONG. And get through with these tariff items. Whether anyone wants to be here and listen to speeches or not, is all right. I came back last night and listened to the Senator from Maryland, and somebody else might come back to-night.

Mr. WATSON. Or not go away. [Laughter.]

Mr. LONG. Or not go away.

Mr. HARRISON. If we do not get unanimous consent, we shall have to go on to-night. I withdraw my request.

Mr. TYDINGS. Mr. President, I certainly want to go on to-night just as much as anybody does. However, I do want to point out that if we could agree—and, representing the opposition, I will do my utmost to agree—on some hour to-morrow, I say to my friend from Louisiana that, in my judgment, the advantage is all with him, and we will vote that much more quickly and have it over with. I want to do that, because he wants it done.

May I therefore propose this agreement, that the debate on this entire section dealing with oil close at 3 o'clock to-morrow afternoon, and that the time intervening between now and 3 o'clock to-morrow afternoon be divided equally between those for and against any of the amendments; that no Senator shall speak longer than a half hour or more than once upon the section; and that after 3 o'clock, if subsequent amendments thereto are offered, no Senator shall speak longer than 10 minutes on any amendment?

That is certainly fair to the Senator from Louisiana, and I am trying to make this agreement to favor him in every way I can.

Mr. LONG. Mr. President, the reason why I object to this, may I say, is this——

The VICE PRESIDENT. The Senator objects.

Mr. LONG. We are not going to gain any time by limiting debate and dividing the time up. I think we shall probably reach a vote on this matter earlier than the time suggested. I have not had a chance to confer with the Senator from Texas and the Senator from Oklahoma, but I think I can soon show them why we have no reason for waiting beyond to-night for a vote on this section.

Mr. BARKLEY. Mr. President, I want to propose a unanimous-consent request that from now on no Senator shall speak more than 30 minutes on the pending amendment, or on any amendment thereto.

Mr. LONG. I object to that, for the reason that some of the Senators have already made their two and three hour speeches, and it is not fair to cut out the others.

SEVERAL SENATORS. Regular order!

The VICE PRESIDENT. The regular order is a vote on the amendment of the Senator from Texas [Mr. CONNALLY].

Mr. CONNALLY. Mr. President, I express the desire to withdraw that amendment.

The VICE PRESIDENT. The Senator withdraws his amendment. The question now is on the amendment proposed by the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee.

Mr. THOMAS of Oklahoma rose.

Mr. HARRISON. I ask for the yeas and nays.

Mr. LONG. Mr. President, I want to discuss this matter. I thought the Senator from Oklahoma had risen to discuss it. I am perfectly willing to yield the floor to the Senator from Oklahoma.

The VICE PRESIDENT. The Senator from Oklahoma is recognized.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. It occurs to me that it would be of advantage to have the yeas and nays ordered on this amendment at this time. Would the Senator yield for that purpose?

Mr. THOMAS of Oklahoma. I ask that the pending amendment be stated.

The VICE PRESIDENT. The clerk will report the pending amendment.

The CHIEF CLERK. On page 243, line 3, in the committee amendment, the Senator from Nebraska moves to strike out "one-half cent" and to insert in lieu thereof "one-quarter mill," so as to read:

Crude pertoleum, one-quarter mill per gallon.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. All the Senator from Pennsylvania wants, as I understand it, is to have it agreed that when we vote on this amendment we shall have the yeas and nays—not to vote on it now. I hope I understand the Senator correctly.

Mr. REED. That is exactly it. Some of the Senators present might want to go downstairs for dinner, and they would do it with more assurance if they knew there was to be a roll call when the amendment was voted on.

Mr. THOMAS of Oklahoma. I yield for that purpose.

Mr. REED. I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered.

Mr. REED. I thank the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, this is a revenue bill; it is not a tariff bill. On former occasions some of us have taken time to discuss this item from a tariff standpoint. It is not now before this body as a tariff item. If it were, we certainly would not be discussing it from the standpoint of one-half a cent per gallon. We would not be discussing this item from the standpoint of even 1 cent per gallon. The record shows that there is a differential between the cost of producing oil in this country and abroad of more than a dollar per barrel. If we were discussing this matter from the standpoint of tariff, we would certainly ask a full consideration of the differential. That is the historic policy of the party to which I owe allegiance. The Democratic Party is not now and has not been a free-trade party.

In the early days the Democratic Party stood for a tariff for revenue only. To-day the party stands for a tariff to make up the difference between the cost of producing an article at home and the cost of producing similar articles abroad. The Houston convention so declared in 1928. Were this a tariff item, and, being a Democrat, were I presenting it from the Democratic standpoint, I certainly would present it on that basis, asking for the full differential of $1 per barrel.

Mr. President, I read from some of the pronouncements and platforms of the Democratic Party as a justification for asking for this revenue upon this meager basis of 1 cent per gallon.

I advised the Senate two years ago what would happen, in my judgment, if some protection was not given oil. My prophecy, unfortunately, has come true. In the last year oil has sold in the central part of the United States for as low as 5 cents a barrel. In some sections it has sold for 10 cents a barrel, and in my State much oil has been sold for as low as 18 cents a barrel. Yet when we drove to a filling station and asked for gasoline, we had to pay from 16 to 20 cents a gallon, when the oil was selling for even below that price per barrel.

The suggestion has been made that if we increased the price of oil gasoline would necessarily increase in price. The distinguished Senator from Nebraska knows that the price of bread does not come down when the price of wheat comes down. Only a few years ago wheat was selling at $1.50 a bushel, and bread was selling for something like 10 cents a loaf. Now wheat is selling at below 30 cents a bushel, and still bread is selling for 10 cents a loaf. There is just as much relation between the price of bread and the price of wheat as there is relation between the price of gasoline and the price of crude oil.

In 1876 the Democratic Party in its platform declared as follows:

We demand that all customhouse taxation shall be only for revenue.

In 1888 the Democratic Party in its platform declared as follows:

A fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor.

In 1896 the Democratic Party declared as follows:

We hold that tariff duties should be levied for purposes of revenue.

In 1920 the Democratic Party declared as follows:

We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only.

At New York in 1924 and at Houston in 1928 the Democratic Party changed its platform declarations from a tariff-for-revenue-only to a competitive tariff, and now my party stands before the country for a tariff sufficiently high and sufficiently low to make up the difference in the cost of producing an article in the United States and a comparable article abroad. The platform declaration at Houston was as follows:

Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of the Government.

Mr. President, this bill is intended to be a revenue-producing measure. If it is not a revenue-producing measure it has no place in the Senate of the United States. Its sole purpose is to raise money to reimburse the Treasury, first, for the deficit that exists there; and, second, to help bear the burdens of the Government. Unfortunately we find ourselves in possession of a $4,000,000,000 Government with only a $2,000,000,000 income. The problem before the Congress is to balance these two figures. It can only be done by two forms of procedure: First, to reduce the expenses of government on the one hand; and, second, to increase the revenue on the other hand. Either of these proposals is hard to accomplish. It is difficult to reduce the expenses of government. Fixed charges are with us. We can not reduce the interest upon bonded indebtedness. We can not reduce the compensation due the soldiers. We can not reduce the amount due on pensions. There are only a few places where it is possible to reduce the expenses of national government. An honest effort is being made to find those places and to bring in an economy bill that will reduce materially the expenses of government.

On the other hand, we are trying to increase revenues. Whence will we get those revenues? Some might say we will get such revenues from income taxes, but under the law, without the individuals earn money and receive incomes, they are not legally liable to pay income taxes. The people of the country must have incomes before they can be taxed on those incomes. At the present time but relatively few people are making any incomes to speak of, and because they are not making incomes the income taxes are now exceedingly small. I prophesy that the income taxes next year will be much less than they are now. Income taxes have almost faded away. They will be less next year than they have been this year and much less than they were last year.

On the other hand, take corporations, for illustration. Unless corporations make money they are not obligated to pay corporation taxes. They are paying a certain percentage of tax upon their net incomes at the present time. Unless the people make money they are not going to pay income taxes. Unless the corporations make money they likewise will pay no corporation tax. At the present time the incomes of the people are practically nothing. At the present time the incomes of the corporations have dwindled. From those two great sources, income tax and corporation tax, I fear that next year our revenues will be exceedingly small.

The oil item in the bill is not predicated upon the theory of a protective tariff tax. It is predicated upon the theory

solely of revenue, and the item has been fixed so low as not to interfere with or prevent the continuing importation of oil.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. Certainly.

Mr. CONNALLY. Would it be an interruption to the Senator, while talking about excise taxes, for me to call attention to the fact that all of the excise taxes levied in the bill are taxes on the privilege of doing something, for instance, on the sale of an article, on the privilege of attending a moving-picture show. Why is it not just as consistent to levy an excise tax on the privilege of selling in this country oil from other countries as it is to place a tax or excise tax on the other privileges which we are putting upon the backs of our own people?

Mr. THOMAS of Oklahoma. I agree with the statement of the Senator from Texas entirely. Unless the trend changes the bill will probably not raise very much revenue. I regret to know that times are not better to-day than they were last week. I regret to know that the business tendency and trend is downward. Instead of times getting better, times are getting worse. I exhibit to the Senate a chart taken from the New York Times. This chart shows a gradual downward tendency, a gradual downward trend. Times were worse last week than they were the week before. I hope the trend will turn this week, but until we see the figures we can not tell. So far as the record is concerned, times are getting worse, prices are falling lower, and that means that people are making less money and that likewise means that corporations are making less money.

I desire to read one or two statements from the New York Times of May 15. That is the most recent Sunday issue:

> The New York Times weekly business index is at a new low level.

Again said the Times:

> Bank failures were cut down very sharply in March, though there was an increase last month, in April.

The record is that during March bank failures for the time being were checked somewhat. That came about through the passage of the Reconstruction Finance Corporation act. But during the month of April bank failures started to increase again. I do not know whether bank failures are increasing now or not, but here is the record for the month of April.

Again said the Times:

> There is still complaint, however, that proper accommodation at the banks is still difficult to obtain. The reply of the bankers is that safe loans are scarce.

I am calling these facts to the attention of the Senate and, through the RECORD, to the attention of the country in an effort to show that next year corporation taxes are going to produce less than they did last year. Next year income taxes will produce less than they did last year. What does that mean? It means that Congress must find sources somewhere from which to raise money by taxation to support the Government. Here we have found a source for taxation which as yet has not been touched; we have 100,000,000 barrels of imported oil; oil produced in foreign lands by the cheapest labor in the world; oil produced from cheap leases and by cheap machinery purchased in foreign countries, on which no tariff was paid. This foreign oil is brought to the United States in tankers at a low cost of transportation and delivered to the Atlantic seaboard for $1 less in price than the oil can be produced in the United States. Yet when we see 100,000,000 barrels of this foreign oil coming from Venezuela, produced with cheap labor and material and delivered on the American coast for $1 less per barrel than it can be produced here, we find objections in the Senate to the taxing of such foreign oil.

When the tariff act was passed during the Seventy-first Congress the bill contained an item directing the Tariff Commission to make an investigation of the cost of producing oil in the mid-continent field and the cost of producing oil in Venezuela. I exhibit a copy of that report. It is Senate Document No. 267. I read from page 1 of this report, as follows:

> The average cost of production of crude petroleum at the well, for 1927, 1928, and 1929, in the States of Oklahoma, Texas, Arkansas, Kansas, Louisiana, and New Mexico, from which States is obtained the great bulk of the domestic oil refined along the Atlantic seaboard, was $1.10. The cost of transporting this oil to the Atlantic seaboard was 88 cents, including pipe-line charges to Gulf ports, a purchasing charge of 10 cents per barrel, and tanker charges from Gulf ports to the Atlantic seaboard. The total cost of the oil delivered at Atlantic seaboard was, therefore, $1.98 per barrel. This cost is computed on the basis of "company interest oil," i. e., royalty oil has not been included in total production, and includes interest at 6 per cent on the investment of the companies.
>
> The cost of production of oil in the Maracaibo Basin of Venezuela, in 1929 (section 332 (f) calls for "present" cost and 1929 is the latest year for which costs were available), was 56 cents at the point of transfer to ocean tankers. Transportation and other charges necessary to deliver the oil to the Atlantic seaboard were 23 cents, making a total of 79 cents, cost delivered at Atlantic seaboard refineries. This figure also is computed on the basis of company interest oil and includes interest at 6 per cent on the investment of the companies.

These are the figures given by the Tariff Commission in response to a requirement of law. It costs $1.98 a barrel to produce oil in the mid-continent field and transport it to the Atlantic seaboard. On the other hand, companies can produce oil in Venezuela, transport it to the Atlantic seaboard, and deliver it there at 79 cents per barrel. The differential on account of cost of production is more than $1 per barrel and the differential is in favor of the importing companies.

Mr. President, I now call attention to another report, a more recent one. During the closing days of the last Congress the House of Representatives adopted a resolution calling upon the Tariff Commission to make a second investigation and report. The resolution was adopted, and the Tariff Commission, in obedience to it, submitted a report, being House Document No. 195 of the Seventy-second Congress. I read just one or two paragraphs from that report as found on page 2:

> The average cost of the domestic crude petroleum, weighted by the method stated, for the four years 1927–1930, including delivery to Atlantic coast refineries, was $1.90 per barrel. The principal items in this total are $1.09 for costs of production at the well (including interest at 6 per cent on the investment of the companies and including depletion), a purchasing commission averaging $0.04 per barrel, pipe-line charges principally from the wells in the Mid-Continent-Gulf region to Gulf ports amounting to $0.49 per barrel, and tanker charges from Gulf ports to the Atlantic seaboard averaging $0.26½ per barrel. Domestic costs have been compared first with costs (a) for the Maracaibo Basin and (b) for all the foreign countries including the Maracaibo Basin.
>
> (a) The average cost of production in the Maracaibo Basin of Venezuela, including local pipe-line and lake transportation to the point of transfer to ocean tankers, for this same 4-year period, was $0.62 per barrel; tanker charges to the Atlantic seaboard of the United States averaged $0.25, making a total delivered cost of $0.87 per barrel.
>
> The excess of domestic cost over the cost of the Maracaibo Basin oil, unadjusted for difference in yields from the two crudes, was thus $1.03 per barrel.

In the first report the difference was placed at $1.01 per barrel, while in the second report the difference is given as $1.03 per barrel. So, to make it simple, we will say it is just $1 per barrel.

Hence, Mr. President, if the proponents of this legislation were asking for tariff protection, they certainly would ask for a rate representing the difference in the cost of producing oil in Venezuela and delivering it to the Atlantic seaboard and the cost of producing similar oil in the western part of the country, in the States I have just mentioned, and likewise delivering it to the Atlantic seaboard.

There has been some controversy as to how much oil comes into this country and whether or not the rate proposed would raise revenue. In the report submitted by the Tariff Commission, in response to the House resolution on page 112, I find the following figures: It gives the total of imported oil from all countries for the years 1927 to 1931, inclusive. There were imported from all countries in 1927 71,663,820 barrels; in the year 1928 there were imported from all countries 91,466,880 barrels; in 1929 there were imported from all countries 108,564,937 barrels; in 1930 there were imported from all countries 105,510,409 barrels,

and for the first seven months of 1931 there were imported 51,752,315 barrels. Later figures show that during 1931 there were imported more than 86,000,000 barrels of oil. The average imports of oil per year is something like 100,000,000 barrels.

If we should place an embargo upon the importation of oil of course we would stop this 100,000,000 barrels coming in, but this amendment does not seek to establish such an embargo. It seeks only to place the rate at such a figure that it will allow the oil to come in, but when it comes in, if this amendment shall prevail, the imported oil will have to pay a tariff of 42 cents per barrel; and if 100,000,000 barrels come in next year under this amendment, and the rate is fixed at 42 cents per barrel, a hundred million barrels will bring into the Treasury the sum of $42,000,000 in revenue.

The chairman of the committee stated that at half a cent per gallon the tax will bring into the Treasury something like $21,000,000. If we double that rate, and make it 1 cent per gallon, or 42 cents per barrel, it will bring something like $42,000,000. That tallies with the figures I have just given. So I think it can not be said accurately that this amendment will not produce revenue.

Of course, if we have a tax of only 42 cents a barrel on oil, the Atlantic seaboard can still get oil from Venezuela for something like 58 cents less than it can get it from the Kansas field or from the Louisiana field or from the Texas field, or from any other field in the Central West. So that my conviction, Mr. President, is that if this amendment should be adopted, increasing the tax on oil to 42 cents per barrel, or 1 cent per gallon, which is 42 cents per barrel, it will not interfere with and will not stop the importation of oil. It might do so to some slight extent; I am not prepared to say that it would not cut off some oil; but it certainly will not reduce the imports materially, and as 105,000,000 barrels came in in 1929 and over 100,000,000 barrels came in in 1930, if this amendment should be adopted there will still be imported into this country approximately 100,000,000 barrels per year. There is good reason for such imports, because the large oil companies can still get oil in Venezuela cheaper than it can be produced any place in the United States and delivered at the Atlantic seaboard. So 42 cents a barrel will not be an embargo; it will still permit the oil to come in; but when it comes in it will pay a tax of 42 cents per barrel. The figures of the distinguished chairman of the committee showing revenue amounting to $21,000,000 per year at the rate of one-half cent per gallon, which would mean $42,000,000 a year at the rate of 1 cent per gallon, are reasonable, and I confidently expect if this amendment shall be adopted that imports will still come in at approximately 100,000,000 barrels per year, bringing into the Treasury approximately $40,000,000 annually.

Mr. President, at this point in my remarks I desire to insert in the RECORD an article that appeared in the Commonweal. The magazine in which the article appears is dated May 4, 1932, and the article is entitled "Our Southwestern Problem." It is by Bishop Francis C. Kelley, of Oklahoma City. The article relates to the production of oil and the difficulties facing the oil industry, especially in Oklahoma.

Bishop Kelley is an honored and respected citizen and resident of Oklahoma City. He lives in the very shadow of not hundreds but of thousands of oil wells.

Few people—

Says Bishop Kelley—

living outside the Southwest and California realize the importance of the petroleum industry to these United States.

* * * * * * *

The buying power of the whole Southwest is wounded—butchered to make a London holiday. How bring back prosperity when a fifth of the country is unnecessarily hungry?

In justification of the publication of an article on an economic question Bishop Kelley says:

Of course it may seem a bit odd that a bishop should go out of his ecclesiastical track to write about a tariff on oil; but there is always a reason when any odd thing happens, and this time it is not one reason but many reasons that draw me out. Bishops have the care of the church on their souls and on their shoulders. It is never a light weight. To-day it is back-breaking everywhere but especially so in the Southwest. Following the drought came the oil problem. The drought hurt, but rain came again. For the oil problem there seems poor promise of relief. The eastern and northern manufacturers object to the Golden Rule. They want to be protected but not to extend protection. So my reasons for speaking out are hungry children, closed churches, overburdened congregations, penury, and want where they need not be.

I ask unanimous consent to print the article in the RECORD in full at this point in connection with my remarks.

The PRESIDING OFFICER (Mr. WALCOTT in the chair). Without objection, it is so ordered.

The article is as follows:

OUR SOUTHWESTERN PROBLEM

By Francis C. Kelley

Problems are like sheep. They follow the bellwether and there is no stopping them when the run begins. When the run of unemployment started in Europe it was a certainty that it would soon influence America. Now we have it, with the countless problems it has stampeded. The depression is not a single problem but a flock. It has to be studied according to the different kinds of sheep in it—steel and wool, furniture and railroads, textiles, shoes, wheat, oil, and the longtailed, etc. Prosperity will return when we manage to get most of the sheep into green pastures again.

Few people living outside the Southwest and California realize the importance of the petroleum industry to these United States. To most of them oil is just "liquid gold" flowing into the treasuries of a few millionaires. That oil has made millionaires is quite true; but it is also true that its profits have been the chief sources of those great private benefactions so peculiar to our Nation and so useful to a country that in less than two centuries had to cut its future out of a primeval forest. Not even gold has been so widely—but not wildly—generous in scattering its benefits. But that, while true enough, is not the point. Under normal conditions the petroleum industry employs approximately 2,000,000 persons, and not all—or even nearly all—where the "liquid gold" is found. Its benefits to labor go as far as the crossroads of every State in the Union, for the streams reach the streets of the cities, the country highways, and the byways even of the woods. One-fifth of the Nation's population—the oil-producing States west of the Mississippi with their 22,000,000 people—depend on oil for a goodly part of their prosperity.

The oil-producing States are not, as a rule, competitors of the manufacturing States. Though Oklahoma, for example, is a great cotton-growing State, it has but one small cotton mill. It makes no shoes and has no great steel plants. Its factories are few and quite unable to supply a hundredth part of the needs of its people in clothing, building materials, even foods, though the Southwest is rich in cattle, grain, lead, zinc, gypsum, marble, aluminum, etc. It is satisfied to live and let live, and its mineral wealth is still mostly in the ground. "Big business" with South America is keeping our zinc, lead, bauxite, and textiles there. Now our petroleum industry is threatened from the same quarter. The buying power of the whole Southwest is wounded—butchered to make a London holiday. How bring back prosperity when a fifth of the country is unnecessarily hungry?

The situation is all the more miserable when the fact is considered that the Southwest gets only a small part of even the profits of its oil industry. It receives the pay for labor at the well but not the dividends. The Southwest is a meal ticket for millions who never saw it and never will see it. Few of those who have got rich out of petroleum live "under the derrick." They profit at long distance. A steady stream of dividends has kept flowing to the North and East ever since oil was first found in the Southwest. But the bed of the profit stream is dry now, not because there is no more oil to wet it but because, in foreign ships, foreign petroleum is being dumped into the largest American petroleum market, that of the Atlantic coast. The tariff gates are wide open, for there is no duty on petroleum, crude or refined. It can be produced by South American or Russian labor cheaper than we, who bear the tax burdens of the producing States and pay American wages for American work, can produce and deliver it.

Americans who drive their cars into most of the gas stations east of the Alleghenies may be about 80 per cent certain that they are filling up on a petroleum product out of which no American except the station attendant and the owners of foreign oil lands have profited. The largest part of the largest petroleum market in the world (our country consumes 72 per cent of all the petroleum in the world) is now supplied by the foreign pools and by foreign labor working for American and British owned companies who exploit Venezuelan and Mexican fields.

The situation would be funny if it were not for the suffering it is causing—funny as an exhibition of gross stupidity and utter lack of reasoning. We are a Nation of protectionists. Every industry in the North and East is protected by a tariff. Why? To keep the prices at such a level as will enable us to hold up our standards of living. We of the Southwest pay others for the goods that we could make for ourselves and thus we do our share for the general good. The Republican Party has always been the

leader in advocating protection, often even in excess of requirements, yet that party had every opportunity to apply the logic of facts to the petroleum situation and did not. The American people are patriotic enough on feast days, but in this petroleum matter, which is a day-by-day misery, they are patriotic for Venezuela, Mexico, and, in a smaller but growing degree, for Russia. To make the grim humor of the situation more apparent, one of the great importing interests now informs its stockholders that for the present there will be no dividends so that there may be plenty of money to buy up the independent companies that this strange, illogical policy is sure to bring to ruin. Yet it was those same independents who took the greatest risks in discovering and drilling, and thus gave us the oil industry as we have it. Now foreign importers use the free list to break them. Once broken, the American fields will be shut in for the most part. The purchasing power of one-fifth of the population of the United States is already cut in half. That one-fifth, in desperation, may have to manufacture what it needs to take care of its home labor; and New York, New England, Wisconsin, Ohio, and Michigan will wonder what's the matter with the "rubes" who won't buy their goods. They don't buy them for the simple reason that they can't.

The troubles of the railroads are being handed around most generously to-day and to the rich and poor alike. (I have seen the tracks of some lines torn up and scrapped in Oklahoma.) Why? I can not give all the reasons but I can point out one at least—the petroleum situation. If the Southwest can not buy of the North and East, how are the railroads to make transportation pay? If the Southwest must give up its distant home markets, how—but fill the rest in yourself. Yet it was the railroads that made industrial America, a fact we have been ignobly forgetting. The difference between North and South America in the distribution of population is largely the difference between railroads and revolutions.

The independent American petroleum producers ask protection for an American industry supplying an American market by the imposition of an adequate duty on petroleum and its products, or an excise tax that would amount to about the same thing. Even that would not give the American producer equality in costs with foreign oil. It would help, however, and allow the American Government a revenue estimated at well over $50,000,000 a year when that revenue is sadly needed. The American producer is not asking equality. He only asks not to be discriminated against.

Of course, it may seem a bit odd that a bishop should go out of his ecclesiastical track to write about a tariff on oil; but there is always a reason when any odd thing happens, and this time it is not one reason but many reasons that draw me out. Bishops have the care of the church on their souls and on their shoulders. It is never a light weight. To-day it is back-breaking everywhere, but especially so in the Southwest. Following the drought came the oil problem. The drought hurt, but rain came again. For the oil problem there seems poor promise of relief. The eastern and northern manufactures object to the Golden Rule. They want to be protected but not to extend protection. So my reasons for speaking out are hungry children, closed churches, overburdened congregations, penury, and want where they need not be. We can take the inevitable with resignation to the inevitable; but no one in the Southwest, which has spread its wealth over the whole country in the form of dividends, interest, payments on purchases, and noble benefactions, can afford to keep silence on a wrong that good sense, good logic, and good will could so justly and so easily set right.

Mr. THOMAS of Oklahoma. Mr. President, when this question was before the Congress on a former occasion we did not have the information upon which we could predicate arguments that would satisfy and convince. Questions were asked to which no answers could be given that were convincing. Since that discussion took place in connection with the Smoot-Hawley tariff bill we have had two investigations made, and we now have the reports before this body of those investigations, the report submitted in answer to the Senate resolution, and likewise the report submitted in answer to the House resolution. No one questions the facts which have been assembled. They are now official; they are a part of the records of the Congress and of the Government. We know the quantity of oil that comes into the country; we know whence this oil comes; we know what it cost to produce it abroad; and the facts are all in favor of this small excise tax upon its importation.

The argument was made a few years ago that those who were producing oil had done little, if anything, to protect the production of oil. It is true that the oil fields were unregulated. We had oil wells in some of the fields producing 20,000 barrels per day; others producing 30,000, 40,000, and as high as 60,000 barrels a day. When an oil field is discovered the first production runs at those enormous figures, but ordinarily not for long. As soon as the surplus or the high-pressure oil is taken from the ground, as soon as the gas has a chance to escape, oil wells settle; very soon they have to be pumped; the more they are pumped, of course, the less they produce, and after a time the wells settle down to a very low production, sometimes as low as 1 barrel per day per well.

In my State we have what is known as proration laws. Those laws were passed many years ago, and they have served a good purpose. Under those laws the corporation commission has the power to go into a field and to establish rules and regulations and has the power to enforce such rules and regulations.

Only a few days ago the supreme court of my State sustained the proration law of Oklahoma. So, unless the decision of the supreme court is overturned, it is the law in Oklahoma that the corporation commission can enforce the proration law and can make rules and regulations governing the production of oil.

In the Oklahoma City field the oil producers are limited to something like 2 per cent of the possible production of oil. They produce all that they are allowed to produce. It is only 2 per cent of the amount they could produce. The same thing is true of the east Texas field. There is a limitation there now to 2 per cent of the possible production of that field. Yet those American citizens who have invested their money in those oil fields and those oil wells, and American laborers there, are limited to 2 per cent of their time, 2 per cent of their possible production, when every day when they read their newspapers they see records of a flood of cheap oil coming into America from Venezuela. If something could be done to give these oil producers the benefit of the American market, competition would take care of the price.

This amendment will produce revenue, and this is a revenue-raising bill. I can not understand why Senators would object to taxing a commodity, which is now untaxed, which will assuredly raise such a considerable revenue. Here is 100,000,000 barrels of oil coming in, with $1 differential. In other words, this 100,000,000 barrels of oil can be produced abroad for a dollar a barrel less than it could be produced in this country. The importers have that $1 to play on, and if we tax them 42 cents, they will still have 58 cents differential in favor of the foreign oil. So it is my contention that this amendment, if carried, will not materially limit the amount of oil coming in.

I am not a high-tariff man. I have never advocated high tariff rates, and, on the contrary, have consistently opposed excessive rates. Our Republican friends support the policy that the rates should be high, so as to afford real protection to the producers in this country. The Democratic position is for a tariff for revenue, or for a competitive tariff. While we have this tariff system with us, I am in favor of equalizing the burdens and benefits of the system. I am opposed to giving New England all the benefits, and then to force the burdens of such system upon the people who reside in my section of the country.

Mr. President, such a system can not become and remain the settled policy of this country.

Mr. LONG obtained the floor.

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

Mr. LONG. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

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

Ashhurst	Costigan	Lewis	Shortridge
Austin	Cutting	Logan	Smith
Bankhead	Davis	Long	Smoot
Barbour	Dill	McGill	Steiwer
Barkley	Fess	McNary	Stephens
Blaine	Fletcher	Metcalf	Thomas, Idaho
Borah	Frazier	Moses	Thomas, Okla.
Bratton	George	Neely	Townsend
Brookhart	Hale	Norbeck	Trammell
Broussard	Harrison	Norris	Tydings
Bulkley	Hatfield	Nye	Vandenberg
Bulow	Hayden	Oddie	Walsh, Mont.
Capper	Hebert	Pittman	Watson
Carey	Hull	Reed	Wheeler
Cohen	Johnson	Robinson, Ark.	White
Connally	Jones	Robinson, Ind.	
Coolidge	King	Sheppard	
Copeland	La Follette	Shipstead	

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, there is a quorum present.

Mr. SMOOT. Mr. President——

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

Mr. LONG. I yield.

Mr. SMOOT. The Senate will meet at 11 o'clock to-morrow, and I desire to ask unanimous consent that at 2 o'clock a vote be taken upon all amendments which may be offered to the amendment under discussion, and the amendment itself without any further discussion.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. I have not had an opportunity to talk to the Senator from West Virginia [Mr. HATFIELD] about this matter, and I yield to him now. I ask the Senator what his idea is about it?

Mr. HATFIELD. I have no particular suggestion to make.

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

Mr. LONG. I yield.

Mr. JOHNSON. The suggestion that is made by the Senator from Utah is one that is quite impossible, I think, in the present situation. I think it must be phrased otherwise in order to accomplish the result he desires, to which I personally have no objection.

At the present time pending is one amendment, that of the Senator from Nebraska. Immediately following action on that amendment, if it shall be defeated, will be the amendment of the Senator from Texas, revising all of the rates of the particular paragraph under discussion. That amendment is not yet before us. The Senator from Utah asks unanimous consent that at 2 o'clock to-morrow upon all the amendments pending and to be offered we shall vote and vote upon the particular provision itself.

Mr. SMOOT. Let me modify the unanimous-consent request. The Senate meeting at 11 to-morrow, I ask that between 12 and 2 o'clock, on all amendments that may be offered, the discussion be limited to not exceed 10 minutes on the part of any Senator, and that at 2 o'clock we vote upon the amendment pending.

Mr. JOHNSON. I think the Senator from Utah was not present when the Senator from Maryland made his statement some time since. I shall be delighted to hear the Senator from Maryland, and he wanted a considerable period of time in which to express his views.

At 2 o'clock, if that be satisfactory to the Senator from Maryland, who is anxious to be heard in this matter, we may vote upon the pending amendment. Thereafter amendments may be offered, of course, to the particular part of the bill that is under discussion. I suggest to the Senator, so far as I am personally concerned—and I do not presume to speak for anyone else—that we limit debate to 10 minutes thereafter upon such amendments as may be presented and then continue the voting until the matter shall be disposed of.

Mr. SMOOT. And limit speeches on amendments to 10 minutes after 2 o'clock.

Mr JOHNSON. Yes; upon other amendments.

Mr. SMOOT. Certainly; all amendments which may be offered.

Mr. TYDINGS. Mr. President, may I ask the Senator whether he would not be so kind as to incorporate in his request the statement that the time shall be equally divided between those who wish to speak for and against the proposition?

Mr. JOHNSON. I have no objection.

Mr. SMOOT. I have no objection to that.

Mr. JOHNSON. The difficulty with that, let me say to the Senator, is this: Who is to utilize the time first? Secondly, who is to parcel out the time? We would get into all kinds of difficulties with that sort of an arrangement.

Mr. LONG. Mr. President, may I yield to myself just a minute?

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. I was going to make a suggestion, because I am speaking for several Senators who are in favor of this tariff item. We probably could make this arrangement: Let us go along on this matter until to-morrow morning, and I think that to-morrow morning we will be in a position to make an agreement.

Mr. SMOOT. At 11 o'clock, the Senator means?

Mr. LONG. I do not mean that we should take a recess now, but I mean that I think that to-morrow morning we will be in a position to agree to vote by, say, 2 o'clock.

The PRESIDING OFFICER. Let the Chair state the unanimous-consent request. The Senator from Utah asks unanimous consent that at not later than 2 o'clock to-morrow a vote be taken on the pending amendment, and that after 2 o'clock debate be limited on each amendment to not longer than 10 minutes. Is there objection?

Mr. REED. That is, for each Senator?

The PRESIDING OFFICER. Ten minutes for each Senator.

Mr. GEORGE. I shall have to object to that. I would not object to a limitation on debate, but I will object to an agreement to vote at 2 o'clock to-morrow.

The PRESIDING OFFICER. Objection is heard. The Senator from Louisiana has the floor.

UNDERTAKING TO REMAIN UNDER AN ADMIRED LEADERSHIP

Mr. LONG. Mr. President, at this time what we are debating is the amendment proposed by the Senator from Nebraska [Mr. NORRIS]. The Senator from Texas [Mr. CONNALLY] has withdrawn his amendment, and we are now debating the amendment which has been offered by the Senator from Nebraska which proposes in effect to wipe out what the committee has done and to substitute practically no tariff at all on oil. I am hoping that I shall be able to persuade the Senator from Nebraska to withdraw the amendment. I say that in a charitable spirit. I have undertaken since I came to this body to find myself a leader, because in all parliamentary service it is well known that for any man to be properly identified and accomplish results he must have a leader. After having traveled about in the Senate for some time and announced several leaders, I have at last landed and announced myself firmly affixed to the Senator from Nebraska as the leader of whatever faction I belong to, regardless of number. [Laughter.] I am hoping that I can convince and persuade the Senator from Nebraska to withdraw the amendment and not leave me leaderless by to-morrow again in this body.

I do not think the Senator from Nebraska is at all informed on some of the matters that are affected by the amendment which he has offered. I know that the Senator has not had the experience he would have had if he had mingled with the sections of the country with which I am familiar. I know that he has not such knowledge, or in my opinion he could not have entertained any such view as is suggested by the amendment which he has offered here this afternoon.

I do not know how many tariff items the Senator from Nebraska has voted for since he has been in Congress or whether he ever voted for a tariff on any article. I have been told by my friend the Senator from Texas [Mr. CONNALLY] in a caucus that he does not know of any man sitting in the Congress to-day who has not at one time or another voted for a tariff on something. He might have been mistaken about some of the gentlemen from some of the Western States, but in a Democratic caucus—I am sure the Senator will not feel I am revealing any confidential statement that has been made—I remember the Senator from Texas having stated that he would like to see any man in Congress who had not at one time or the other voted for some tariff on something.

As a result of that policy, we live in a tariff world. We have a tariff on the manufactured products from New England. We have a tariff on wool. We have a tariff on practically everything that is manufactured in America; and now we come down asking for a tariff on oil.

Here is a fact: This country has no shortage in its supply of oil!

Here are some other facts: This is the only country where oil is produced to amount to anything where the supply is not monopolized. America is the only oil-producing country where the oil supply is not practically a monopoly. We have hundreds of thousands of farmers in the country who are interested in the oil business. We have any number of ordinary business men who are interested in the oil business. I do not mean that they are merely interested as the result of their stock ownership, but I mean that there are many of them—and I have been one—who are interested in the production of oil in this country. There are thousands of them.

The Tariff Commission says that there is a difference of $1.03 in the cost of producing a barrel of oil in the South and Central American countries as compared with the cost of producing a barrel of oil in the United States. I believe that is the correct figure. That is the report of the Tariff Commission.

Now I am going to disagree to some extent with some of the statements that have been made, even by my friend the Senator from Texas [Mr. CONNALLY]. I do not think there is going to be anything like a reasonable restriction of foreign oil imported into this country as a result of the tariff that is proposed in his amendment. It is entirely too low. It is only 21 cents per barrel. It still allows discrimination in favor of foreign oil of 82 cents per barrel. They still can pay the tariff of 21 cents authorized under the Senate committee amendment and have 82 cents discrimination in the cost of producing a barrel of oil in the countries of Venezuela and Colombia as compared with the cost of producing that same barrel of oil in Louisiana, Oklahoma, Kansas, Kentucky, or other oil-producing States of this Nation.

That is only to show this fact. This is not a protective tariff at all in the practical sense of the word. My friend the Senator from California [Mr. SHORTRIDGE] this afternoon stated—and I am sorry some Senators who are here now did not hear what he said then—that no Democrat, such as the Senator from Nebraska [Mr. NORRIS] and the Senator from Wisconsin [Mr. BLAINE] [laughter], need hesitate a moment, need hesitate one iota, to vote for this tariff, because it is not a protective tariff at all. There never was a more practical revenue tariff on earth than this little sliver-ing 21 cents per barrel tariff on oil when it is produced $1.03 cheaper under the flag of the dictators of Central America than in this great land of the free. They have an advantage of 82 cents per barrel; and if there ever was a practical, sure-shot revenue tariff on earth that has not any semblance of real protection about it, it is this mere pittance of 21 cents a barrel on oil.

I want to call the attention of the Senator from Nebraska [Mr. NORRIS] and of my good friend from Wisconsin [Mr. BLAINE] to something. I want to know if they are willing to penalize the school children of the State of Louisiana and of Arkansas and of Arizona and of Texas and of California as they are doing to-day by promoting this slave traffic in oil in America? Let me explain the situation. In Louisiana, Mr. President, we have a severance tax on oil. The Mississippi River divides our State in the middle. Part of our State is on the east side of the Mississippi River and part of our State is on the west side of the Mississippi River. It is a navigable river for a number of miles. It comes up from the Gulf of Mexico and is navigable as far as Chicago. I believe it has been made navigable to the Great Lakes.

Mr. LEWIS. Not yet; but we are going to make it so.

Mr. LONG. If the Senator from Illinois says so, it will be so. [Laughter.]

Mr. LEWIS. That is why I said so.

Mr. LONG. But as a result of navigable waters flowing through the State of Louisiana a number of oil refineries have been located along the banks of the Mississippi River. Drive down through that great country of the State of Louisiana, on the east side or west side of the Mississippi River, and one will pass by oil refinery after oil refinery. In Baton Rouge will be found probably the biggest oil refinery to be found anywhere in the world. There are several more between there and New Orleans.

Here is the criminal feature that our people are up against: These oil refineries were placed down there to refine the oil of Oklahoma, Louisiana, Arkansas, Texas, and other States. The pipe lines have been run all the way through from the States in the Middle West leading down to the Mississippi River, feeding that oil to the refineries there on the banks of the Mississippi River, so that the navigable waters carry the crude oil to the Gulf and carry the refined products upon the navigable waters of the Mississippi River to Kansas City on the one hand and to Pittsburgh on the other. They have been refining our domestic oil.

But what happened? We needed money to support the schools of that State. We had an ad valorem tax on lands in Arkansas, Louisiana, and those States just as high as we could possibly make it. On the severing of oil from the soil we put a tax of 11 cents per barrel for the high-grade oil. What was the result?

The Oil Trust served notice on us, "We have a way to avoid this tax." We said, "The independent producers of oil are not making any objection at all to paying this oil tax." No, sir, Mr. President; some of the independent oil producers came before the Legislature of the State of Louisiana, and they did the same thing in some of the other States, and said, "We have no objection whatever to paying 3 or 4 or 5 or 6 or 7 or 8 or 9 or 10 or 11 cents a barrel tax to educate the school children of these States, if you will put that tax on the Standard Oil Co. and the Gulf Refining Co. and the Texas Co." They admitted that there is no industry on earth and especially not in America that can stand a fairer tax than this severance on severing oil from the surface.

But the Oil Trust said to us, "We have ways of beating the State out of this tax. Here is what we are going to do. The independent does not own any oil supply in Mexico. The independent does not own any oil supply in Venezuela or in Colombia. The independent does not own any tank fleet. The independent not only does not own, but if he did own he could not transport foreign oil into the United States. So here is what we will do," and here is what they did to us.

They brought their trust-controlled oil from Central America to the State of Louisiana because they could bring it there and avoid the tax of 11 cents a barrel. They not only kept the State of Louisiana from realizing a dime off the oil that was there in the State—and they did the same thing in Arkansas and Texas—they not only cheated us out of revenue of millions of dollars that ought to have gone to educate the children of those States, but they have served notice on us that they will see that there is no independent oil industry and no kind of reasonable oil industry in the States that have the severance tax, "because we will go down to South America and bring this oil up from there free of cost."

What has been the result with the independent? He could not compete. There are plenty of farmers who own oil wells in that country, plenty of them; do not think it is a rich man's game altogether; there are hundreds of them, thousands of them—indeed, I would hesitate to say how many thousands of them, but probably hundreds of thousands of them who draw the royalty off those wells. But those wells can not be opened up, because if the farmer of this country, the independent oil man of this country, opens up his oil well and produces oil he has got to pay a tax to the States and Government of the United States, whereas they can bring their oil in from Mexico and Venezuela tax free, and they do not have to do anything but come up the navigable waters, which have been made navigable at the expense of the State of Texas, the State of Louisiana, the State of Arkansas, and the United States Government. They can use our navigable waters and streams, use them for no other purpose whatever than to

keep the States from enjoying the taxes they need to operate the Government. Somebody will tell us that is all we have there to tax.

How fair is it? Whom is it helping? It is not helping anybody. I am sorry the Senator from Maryland [Mr. TYDINGS] has walked out, because I certainly wanted him to hear what I am about to say. If the Senator from Maryland thinks it is doing his State any good to have nothing but a monopolistic oil business in this country, he certainly is sailing far afield.

I will state what an oil tariff will do, and I defy any man to contradict a single word I shall say as to facts or figures. I was in the oil business in 1918, being interested in several oil companies in the Pine Island oil field of the State of Louisiana, and I will tell the Senate the conditions that developed there in 1918 and 1919. I not only was interested in a private capacity, but I was elected railroad and pipe-line commissioner of the State of Louisiana at the same time.

The oil industry of the State received a notice one day that the big companies would no longer take the oil from our oil fields. That has happened, too, in California. We were producing a 28-gravity oil. Oil is graded by gravity; the higher the gravity the better the oil and the better the price. That has been decided by the Supreme Court of the United States in a lawsuit which was brought against my administration. We were producing 28-gravity oil in the State of Louisiana, and we had been getting $1.55 per barrel for that 28-gravity oil for many months. Just over to the east of us was another oil field which was producing a slightly heavier gravity—or really a lighter gravity—oil, because as the oil gets lighter—that is, as the gasoline content increases—the higher the gravity goes. They were producing a 36-gravity oil, for which they were getting about $2.40 per barrel. We received a notice that they would not take another barrel of our 28-gravity Pine Island crude. The Gulf coast regions of Texas and south Louisiana received about the same notice. I defy any man to dispute one single fact that I am stating. They are startling facts; but I defy any man who will take the time to look up the matter to dispute a single fact that I will give.

We received notice that they would not take any more of our oil out of that field at any price. After negotiation we finally got them to agree to take one-fifth of the oil produced. That meant that four-fifths of it had to go down the branch. They agreed to take one-fifth of the oil produced at 60 cents a barrel. That meant that for every barrel we produced we really got 12 cents, because we could only sell them 20 per cent of the production.

I hope the Senator from Nebraska will bear these figures in mind, because I am going to give further figures. I have said that they gave us notice that they would pay us 60 cents a barrel for one-fifth of the output. That meant that four-fifths of it had to go down the creek, because oil is something that can not be kept unless the producer has large storage capacity, and so whatever is not taken above the storage capacity has to go down the stream, and as they would take but 20 barrels of oil out of every hundred, and there was not the storage capacity for all the remainder, much of it had to be lost.

At the same time when they were giving that 60 cents a barrel for 28-gravity oil and taking only one-fifth of it they were not freezing out California. They got to California a little later—one at a time. At the same time they were paying us one-fifth of 60 cents for 28-gravity oil, they were paying for 16-gravity oil in California $1.80 a barrel. Those are the facts; that is the outlandish condition that continued for many months.

We had a political campaign in that section of the country as a result of it. Finally they froze us out and got the oil field which we were operating; the leases that were in my name, or, rather, in names of concerns I was interested in, are now in the name of the Standard Oil Co. or some other big company. Then that oil went up to $2 and more and one time to $3.35 per barrel.

Then they hopped over to California and did to California what they had already done to us. How did they do it? They brought their cheap, untaxed, foreign crude and congested every tank and every refinery and every market on the Gulf coast with Mexican and Venezuelan and Colombian oil, and they brought it there so cheaply that there was not a chance on earth of our doing any business at all.

They did not have to pay the State any tax; they did not have to pay the Government any tax; they used the rivers the Government had improved; they sailed their ships under the protection of the flag of this Nation; they defied the State, broke up the independent oil business, and then deliberately raised the price of domestic oil up to $3.35 a barrel after they had put the independents out of business.

While they were paying us 60 cents a barrel for our oil we were paying 25 cents a gallon for gasoline; and when they had finally frozen us out and had raised the price of some of the crude up from $2 to $3.35 a barrel, the gasoline price dropped to 14 cents a gallon. That is how the thing was worked down in that section of the country. I wonder if anybody is so innocent as to think that such things happen as a matter of accident.

Then they went over to California. I want to say that I will give any man all the time he wants to corroborate these statements. I know the figures. The condition I am relating is what caused me to go back into the practice of the law. That is why I became a lawyer; that is why I am in the United States Senate to-day. That is one of the bad effects, perhaps, that resulted from this freeze out. I went to work. I remember the figures, because I know what put me back to work. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries they must respect the rules of the Senate.

Mr. LONG. From California we did not get much help at that time in the direction of securing an oil tariff. At that time they were satisfied. They did not see any need for a tariff on oil.

Mr. SHORTRIDGE. Not I.

Mr. LONG. Then, I stand corrected.

Mr. SHORTRIDGE. I was not satisfied.

Mr. LONG. I stand corrected, but we did not hear any roar from California. The big oil companies had to hop on to California. I will say to the Senator from Texas that they had already done something of the kind in Texas. However, after they had been paying California producers $1.80 a barrel when they were paying us around 60 cents and taking only one-fifth of the production, they finally hopped over to California and brought in a Venezuelan oil supply to the coast of California, and despite all that California could do, or can do now, they have practically bankrupted the oil fraternity in the State of California.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me to interrupt him?

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

Mr. LONG. Yes, sir; I yield to the Senator from California.

Mr. SHORTRIDGE. I rise to remind the Senate—I need not remind the Senator from Louisiana—that I have contended for years for a tariff duty on imported oil of at least $1 per barrel, and the third bill introduced in the Senate during this session was a bill introduced by me calling for a tariff rate of $1 a barrel on imported oil and 50 per cent ad valorem on the price of certain of its by-products. I fully agree with everything the Senator from Louisiana has said.

Mr. LONG. I will ask the Senator further if he thinks there is any industry on earth that is more entitled to protection, measured by the difference in the cost of production in this country and in foreign countries, than the oil industry of America?

Mr. SHORTRIDGE. There is no product in America, in my judgment, more entitled to adequate protection than oil. I fully agree with the Senator's thought.

Mr. LONG. As I was saying, they hopped on to California and they flattened out the oil fraternity—one at a time. "The mills of God grind slowly, but they grind exceeding small." So they hopped on to California. They hopped on to Texas. They gave Texas just a little taste of it down at Beaumont. They had not at that time started to operate full blast; they had not learned all the tricks of the trade; but they had given Texas a little taste of it at Beaumont. Texas had passed some kind of a regulatory law; but when they finally did get on to Texas, there was enough oil being produced in Texas to have supplied every man, woman, and child in the United States. The biggest oil wells in this country came in in the State of Texas and all over the State of Texas. What did they do when oil began to be discovered in Texas? Did they lessen their importations? No; they increased their importations of oil into the United States in some cases. The statistics will bear out the statement that they increased their importations in the territory where the oil fields were newly discovered until they had cornered those fields and driven the operators out of business.

The Senator from Nebraska, I presume, and also the Senator from Maryland, would say, "Well, it stands to reason that if we put a tariff on oil my people who consume oil are going to have to pay it." That would be the natural deduction to be drawn, that "If I vote for 21 cents a barrel for oil my people are going to have to pay the 21 cents." That would be true if we were talking about the manufactured products of New England; that would be true of many other commodities; but the fact is that it is not true of oil. The fact is, Mr. President, that so long as the independent oil industry continues in America the price of gasoline is always lower than when a monopoly is placed in the hands of the larger interests. The fact is that the price of crude oil has had but very little to do with the price of gasoline in the United States. And the fact is further—and I challenge anybody to dispute it, as I challenge anybody on the living face of the earth to dispute what I have said; I challenge anybody to dispute the statement that the supply of oil has had nothing to do in many periods with the price of gasoline.

If they get it from the independent refineries or from the independent oil companies as they have managed to get it lately, then the price of gasoline goes down, but when they put the independent refineries out of business, as is being done now, and as has practically been accomplished, then the price of gasoline goes back up, because the public can not use crude oil; the public can not use oil that is transported in tank cars or in pipe lines until it is refined; the public can not use the crude oil; and when they raise the price of crude here is what happens—and I hope I will have the attention of Senators a little while longer—they come in and freeze out the independent fields by congesting this country with Mexican crude and Venezuelan crude. We go to the banks, and we go to our brothers, and we go to our neighbors, and say, "We have got to put up a refinery." So we raise $250,000 and put up a refinery. I may say parenthetically, however, that that is not a drop in the bucket. It takes quite a good deal more money than that.

The cracking process has made it necessary to spend millions of dollars to build a refinery if the fullest gasoline content is to be obtained from the oil. Just as we are about to get the refinery up and to start business, they have succeeded in freezing out the independent oil fields, and they raise the price of the crude up to $3 and $4 a barrel, and then the refinery can not run. Then the independent refinery closes down, and down goes the price of crude oil again. We never have been able to catch them yet.

I will show you man after man—I will give you their names and I will give you their addresses—who owned as much as three or four thousand acres of land, upon whose land oil fields were found, producing immense quantities of oil, thousands and hundreds of thousands of barrels of oil, and those men have wound up penniless, notwithstanding the oil that was found on their lands. They froze them out, shut them down, and they wound up with absolutely nothing. I can show you man after man of whom that is true.

Consider the experience with one man. He had a lease on 10,000 acres of land. They opened up a field on certain land producing 10,000 barrels of oil a day. To-day that man is near bankruptcy but was here in Washington trying to get a refund on some income taxes to keep from having to sell his business. That is how the independent business has thrived under this system.

Now just a little more proof.

You think that if you keep 21 cents a barrel from being added on to the price of gasoline to perpetuate the oil monopoly in this country you are going to get the benefit of it. Have you gotten the benefit of it? In Venezuela, where they produce this cheap oil, in Colombia and in Mexico, where all this cheap oil is produced, and in the other foreign countries, they are, or were, paying twice as much for gasoline as you are to-day. Why is America buying its gasoline cheaper than Venezuela? Why are we buying gasoline in America cheaper than they are buying it in Mexico? They produce the oil in Mexico, and I think they refine some oil in those countries. Why is it that in America you pay less per gallon for gasoline than they do in those countries where they produce this cheap foreign oil? Because you have been able to keep alive an independent oil industry part of the time in America, and they have not had any independent oil industry in those foreign countries; and though they produce the cheap Venezuelan crude in Venezuela, when you pay 15 cents for a gallon of gasoline in the United States they pay maybe 30 cents a gallon or thereabouts for the same gallon of gasoline in Venezuela.

Does that mean anything? They have not any tariff in Venezuela. They have not any tax in Venezuela. They produce the oil in Venezuela. They pay no transportation cost in Venezuela; and yet, with the monopoly they have there and which they have here now unless we give that independent industry some relief, with a monopoly such as has been perfected down there, where they have been able to operate as freely as they are almost now operating in this country, the price of gasoline right at the place where it is produced and made is twice as much as it is here in this country.

We all know what keeps down the price of gasoline. One little refinery—and I hope Senators will listen to this—one little old two-by-four refinery operating up in El Dorado, Ark., has kept the price of gasoline at 13 cents in one town in Louisiana for about six years, to my certain knowledge. They have tried to put that little old refinery out of business in every way on earth, but they have not been able to do it. It has looked two or three times like the man who runs it was hanging by his eyelashes, but they have managed to get together and give him all the support they could.

I have seen gasoline selling in Baton Rouge, La., for about 25 cents a gallon when it was selling at Palmetto, La., for 13 cents; and we managed to keep that little old Palmetto price at 13 cents. They put one station on the north about three blocks away, and one station on the south about three blocks away, and one station on the left, and one station on the right, and one a mile away, and one this way, and one that way, and one the other way, and one every which way; but that station stayed right there and sold gasoline at 13 cents. As a result of the operation of that one little independent refinery, we have managed to keep the price of gasoline, including a tax of from 6 to 7 cents, down to 13 cents a gallon. They have managed to keep that little refinery running.

I do not know how long it will be able to continue to run. It can not run very much longer. It is the only one we have now to amount to anything. The independents and near independents have been practically put out of business.

How many oil-producing States have we in this country, I will ask the Senator from Texas?

Mr. SHEPPARD. Does the Senator refer to the principal oil-producing States? Some five or six.

Mr. LONG. We have more than that producing oil, have we not? The principal States are Louisiana, Oklahoma, Arkansas, Texas, and California. How many have we?

Mr. THOMAS of Oklahoma. Mr. President, there are about 20 States that produce oil—California, New Mexico, Kansas, Kentucky, West Virginia, Pennsylvania, some in New York, some in Indiana, some in Illinois.

Mr. SHORTRIDGE. At least a dozen.

Mr. THOMAS of Oklahoma. There are about 20 oil-producing States.

Mr. SHORTRIDGE. At least 12, I should say.

Mr. LONG. There is a small quantity produced in Ohio. There is some produced in Indiana. There is some produced in Kentucky. There are about 20 States altogether. There are six or seven major States. One State may be a major oil-producing State to-day, and its production may go down to-morrow, and the next year it may come up. It fluctuates in every State; but we have about 20 States in America left in this position: Whichever one of those States does not consent practically to eliminate the oil tax altogether has facing it the alternative of Venezueland and Mexican crude supplying that line of territory, and it being unable to collect any tax at all.

I will give you a little illustration of that.

We used to get in Louisiana about $1,000,000 a year from the severance tax on oil. We got about $1,000,000 a year from the severance tax on oil, and that money went to the school children of Louisiana. As I was saying—which I do not think everybody heard—we were getting, on our severance tax, about $1,000,000 a year in Louisiana. We were getting that on our severance tax on oil. That went to the school children of Louisiana. Every dime of it went to keep open the public schools and colleges of the State. We have a large rural population, where they have practically no property at all. Their farms are very much in jeopardy. So we voted taxes there, and we gave them to the poor sections of the State principally to keep those schools open in the farm sections where they did not have any property that could be taxed that they could pay.

So I wrote a law, which the legislature passed, imposing a tax that gave us about a million dollars a year on oil; and we ran our schools, and everybody was happy in Louisiana, because in the remotest part of that State we had been able to send them funds out of the State treasury, where they did not have funds of their own, to keep those schools going nine months out of the year.

But, lo and behold, the Standard Oil Co. and all of the big oil companies paid that tax about two years, and then they served notice on me—not they, but somebody; they could say they did not do it, but it came all right, and I could give the source of my information, and I do not think they will dispute it—they served notice on me that if we were not willing to reduce that severance tax down to about 3 cents a barrel they were not going to pay us any more taxes. "Well," I said, "I should like to know how you are going to do it."

In the meantime, they paid me the tax, because they went to the Supreme Court of the United States contesting it on the ground that it was unconstitutional. They had been keeping from paying us a tax for this reason: We had made the tax on a value basis. That meant 2 or 3 per cent of value. The Oil Trust regulated the price, and they found out that there was not any use paying us 2 cents on a barrel of oil. All they had to do was to reduce the price down to 40 cents, and pay us eight-tenths of 1 cent. So I said, "Well, we will get around this thing."

So I drew a law, the first one of its kind ever drawn in the United States, making the tax so much per barrel based upon gravity. That meant that the worth of oil is gaged by its gravity, so that they could not produce a 44-gravity oil that you know is worth $3 a barrel and post a price of 75 cents and pay us a tax of half a cent instead of paying us the tax that we were entitled to, of around 9 to 11 cents. So I wrote the law that way: On 16-gravity oil, 4 cents. (I am not being accurate on these figures, but they were about like this.) On 18 to 20 gravity oil, 5 cents. On 20 to 22 gravity oil, 5½ cents; and so on up until I got to the 45-gravity oil, 11 cents a barrel.

Well, they tied up our revenues, but I borrowed from the banks with notes signed by me as chairman of the Board of Liquidation of the State of Louisiana, and I operated those schools on borrowed money. When we won the lawsuit, after about a year and a half or two years' litigation, I got back the money that had been impounded in the Federal court, and paid the loans of the State; and the schools had been operating in the meantime.

When they lost the case in the United States Supreme Court, in a decision rendered by a unanimous court here—Chief Justice Hughes delivered the opinion of the court—they then served notice on me that they were not going to pay those severance taxes any more; that they were going to use our river that the farmers' taxes helped to keep in navigable condition.

The Government did not always maintain the levees and the navigability of the Mississippi River. Our State is bankrupt to-day; we have 16 levee districts that are to-day bankrupt because we kept that river navigable and kept it within its shores for many, many years before the Federal Government ever came to our relief. So they used the river that we had put in navigable condition with our money; they used our State; they used those refineries; and they brought the slave oil from Mexico and laid it down in the State of Louisiana and made it tariff free. Not only did they cheat us out of the oil that they would have produced but the independent oil man in Louisiana, where it was already costing him $1.03 more to produce a barrel of oil than it was costing in Venezuela, could not pay the State 11 cents to operate his oil wells when they were bringing it in there without paying a copper cent. That is the condition.

Mr. President, if the Senator from Nebraska half understood this thing, I do not believe he would stand for the kind of condition that we are having to stand for. We are big States. Texas is the biggest State in America. Louisiana, Kansas, and Kentucky are big States. We are a part of this Nation. This Nation does not owe any State as much as it owes the State of Louisiana, or, at least, no more. The State of Louisiana furnished some of the soldiers that whipped Sánta Ana at San Jacinto. I do not know whether the Senator from Texas knows that or not; but it was the State of Louisiana that made up most of the six hundred and thirty and odd soldiers that Sam Houston had when he whipped Santa Ana at San Jacinto. He did not need 630 Louisianans. That was an army. [Laughter.]

If I may be permitted to digress just a moment—and I want the Senator from Indiana [Mr. WATSON] to hear me—I came here about four months ago, and they were repairing a street out there by my office window near the Senate Office Building. They were hammering "chug chug" and "blam blam" on that plagued street, and I said, "Well, they will be through with this thing next week."

When I came back about three weeks later they were still hammering on that street, and they have been hammering outside of my window trying to pave about 425 feet, or something like that for four months. If they would let me bring 2 or 4 or 6 city-hall bums out of New Orleans, I would fix that thing for them in less than two weeks' time, instead of having to take the balance of the year. [Laughter.]

As I said, 630 people from Louisiana would be an army. That is not all that this country owes Louisiana, Mr. President. I want to tell how the people in Nebraska are underneath the umbrella the State of Louisiana put up for them, and how they are treating us now, when they are taking away the taxes we need to keep our children in school. I want to tell what they owe us.

The United States Government did not make the Mississippi River navigable. Senators may think they did, but they did not do any such thing. The people of Louisiana made the Mississippi River navigable for the

United States. The people in Nebraska and California and Utah had nothing to do with it. Not only was the river found there, but the State of Louisiana gave this Nation the navigable Mississippi waters.

The proposition to make the Mississippi navigable was condemned by the Army engineers of the United States Government. They said the Mississippi River could not be made navigable, and the idea was given up. How did this Nation get that navigable river? Because one man in Louisiana by the name of Eads said, "I will undertake to make the thing navigable if I can get enough Louisianans who will work for me for near nothing, unless we succeed; I will go down there and devote my life to it and make that river navigable."

The Louisiana people contributed, and the brave, stalwart citizens of that State went down there, without getting a copper cent, not to be paid a dime unless they succeeded, and not knowing whether they would be paid a dime, whether they succeeded or not, and after months and years, with the United States Government saying it was childish folly, they gave the State of Nebraska the navigable Mississippi River, which makes it possible for them to ship their products by water down that river to-day.

With their taxes they made that river navigable; they made it possible for the people of Nebraska to ship what they raised down the river, and to bring back what they needed up the river. They made possible with their taxes the establishment of oil refineries on that river. They made it possible for this country to be developed, and it was Louisianans who did it, the money of Louisianans, and now, after we have done that, and are trying to educate the sons and daughters of those people by imposing a tax on oil, you come here and allow them to bring in the slave oil from foreign countries and penalize us, in spite of what we have done for the benefit of this country. You take out of the mouths of these children, who are going to school in that State to-day, 11 cents on every barrel of oil that was helping to educate those children, in order that they can bring foreign oil into this country and cheat that State, and the children of that State, out of the birthright which they have given to this country.

That is not all, Mr. President, the State of Louisiana gave. The State of Louisiana kept you a part of the American Union. I am going to tell you something else you do not know about Nebraska. [Laughter.] You in Nebraska would be living under the flag of England to-day if it had not been for Louisiana. There is a lot of history that has not been played up very much. We not only went over and helped to free Texas, we not only gave you your navigable river, but the State of Louisiana did more than that. The State of Louisiana is responsible for St. Louis being a part of the American Union. The State of Louisiana is responsible for that; and why? Because, Mr. President, when the War of 1812 had been fought and lost—that is what I say, when it had been fought and lost, and I will prove that it was fought and lost by the treaty of Ghent—when the War of 1812 had been fought, and the treaty had been made at Ghent, they left the land between the Mississippi River and the Rocky Mountains out of the peace treaty, and left it without the rule of the law of nations, so that when that treaty was signed the empire of Napoleon was not recognized by the English nation. That was so that when that treaty became effective whoever had possession would retain possession.

Why did Pakenham's army locate in New Orleans? Because they were going to sign the treaty of Ghent; and when that treaty was signed, Pakenham's army, the flower of the British Army, would be in charge of the Louisiana Purchase territory, and from that day on it would have belonged to the Empire of England.

Read the letters of Andrew Jackson and his analysis, and see how indisputable those facts are. But it was the forces of the State of Louisiana which won the memorable battle of January 8, 1815, throwing the British Army into disorder, and when the treaty of Ghent reached American soil, Jackson's army was in command of New Orleans, and Nebraska was thereby kept in America [laughter] with the forces of the State of Louisiana.

Those are the real facts. Nobody helped the Louisiana troops to win the war except one company or two companies of Tennessee mounted riflemen who kept the entire Louisiana Purchase.

Now, Mr. President, I have undertaken, representing my State, to look for a leader whom my State could recognize, and whom I could follow for the welfare of my State. To whom would I look? I tried out several. [Laughter.] I indicated my willingness to take most any of them. I finally concluded that I ought to look to the wide expanse that had profited so much from the navigability of the waters of the Mississippi, which the citizens of my State had made possible, which had owed its birthright and its participation in this American Government to the fight of the Louisianans when this Territory was made a part of the American Nation and kept there, and it was only natural, with his distinguished record, and all the facts blended, that I should have chosen as my leader the senior Senator from Nebraska [Mr. NORRIS].

I am not only fighting now for justice for my State, I am fighting to keep a leader, and not to lose him in this kind of a fight, with this kind of an amendment he has proposed here. I will be left leaderless if this amendment, offered by the Senator from Nebraska, should prevail. The fights of 125 years will have been lost.

Nothing is worse than a man without a leader. I am trying to understand, but I can not see how anybody can stand against allowing those people of Louisiana to tax the oil to enable them to educate their children with taxes on their own products. How could anyone? Perhaps my logic is impossible, I do not know, but I can not see how, from the standpoint of gratitude, of fairness, of right, you could take away a tax, that you could take away from the sons and daughters of those people the right to live off the land, and operate, and to share in the prosperity with the oil industry my country does give, when it is doing justice not only by this country, but it is doing justice by 19 other States, and is accommodating every man who is using gasoline and oil in this entire country.

You are doing for them what the facts will show results in giving them a reduced price on oil. You are giving them a reduction in the price of oil, because if they lived under the dominion of these foreign countries, where the oil is produced and refined on the ground, they would pay twice as much for gasoline as the citizen of the United States pays to-day, notwithstanding the fact that it costs $1.03 a barrel more to produce a barrel of oil in the United States than to produce a barrel of oil in Venezuela, Mexico, and Colombia. Notwithstanding that fact, you can buy gasoline in the United States to-day for half what you can buy it for in those foreign countries.

I appeal to my friend from Nebraska, who will have time to think this matter over and to check up my figures, to withdraw the amendment he has offered here to destroy what the Senate Finance Committee has in a chinchlike way decided to do for those people.

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

Mr. LONG. I yield.

Mr. SHORTRIDGE. I should be glad if the Senator in his speech would add that one member of the Finance Committee did not agree to the reduction made by the committee. I asked, indeed, for a higher rate than that accorded by the House.

Mr. LONG. And the Senator was perfectly right; he was positively right.

Mr. President, when Senators read in the RECORD and find that the people of Louisiana and Arkansas and Texas have to pay $1.03 more to produce oil than the man in Mexico and Venezuela and Colombia, they ought to be willing not only to give the State of Louisiana the benefit of a tax of $1.03 but they ought to be willing to say, "We are going to give them the best of it. They have been down there suffering from flood waters for many, many years. Their people have stood and fought as no set of people have ever fought. They

have been as loyal as any men and women on the shining face of God's earth, people of the land of Evangeline, the home of hospitality, with a climate second to none—except perhaps of California." [Laughter.]

Mr. SHORTRIDGE. Mr. President, if the Senator will permit me, I am willing to stipulate that Louisiana comes second in climate, California first.

Mr. LONG. That Louisiana is one of the two best. [Laughter.]

Mr. SHORTRIDGE. Yes.

Mr. LONG. Very well.

Mr. NEELY. Mr. President, may I inquire whether the stipulation between the able Senator from California and the eloquent Senator from Louisiana refers to the production of oil or of gas? [Laughter on the floor and in the galleries.]

Mr. LONG. Mr. President, I will answer that question. West Virginia produces very little oil, but plenty of gas yet. It is one of the leading gas-producing States.

Mr. NEELY. And the best gas in the world.

Mr. LONG. I agree to that.

Mr. SHORTRIDGE. If the Senator will permit me to add, West Virginia comes close in the production of gas.

Mr. LONG. It is ahead of us.

Mr. NEELY. But West Virginia's gas is under control. [Laughter.]

The VICE PRESIDENT. The Chair will announce that there must be order on the floor of the Senate and in the galleries. If there is not order in the galleries, the Chair will order the galleries cleared. This is a final statement from the Chair on this subject. The occupants of the galleries are present under the rules of the Senate and must obey them if they are to remain here.

Mr. LONG. Mr. President, in this particular case I am speaking not only to the Senate but I am addressing the President of the Senate at this time, and for the President's attention and for his consideration. I believe that enough Senators are not going to make a mistake in this matter to result in injury to the people of Louisiana. I hope not.

I believe if I might convince Senators to consider the facts that I have placed before them here this evening, not the source, but the facts which I have given—if they would consider the facts instead of the source of those facts—I do not see how and I can not see why we would be left in these oil-producing States in this tariff world to the mercy and imposition of slave trade when it does not mean anything except revenue to the Government, which it needs, and a fair deal for its people, with more than likely a reduction in charges on commodities.

The President of the Senate comes from the great State of Kansas. It is a part of this American Union. The President of the Senate, as no other man in this body, has an opportunity to look at this question from a national standpoint, from a standpoint that is national, that no doubt some of us probably can not see from as wide a viewpoint as we should.

The President of the Senate knows the need of the country in not letting one part enjoy a tariff on what it produces and another part being left without such a tariff. He is interested in seeing that the school children of the States of Texas and Louisiana and Arkansas are not defrauded out of the revenue which those States are entitled to have. He understands that the only way we can keep this American country floating in a fair way is not to force the farmers of Louisiana and Kansas and Texas and the oil men of those States to live as purchasers in a tariff world and outside of the tariff world as regards whatever they have to sell or produce.

I believe if enough Members of the Senate should make the mistake of developing a tie vote on this question, that the President of the Senate will give consideration to relieving this great territory and this great country from any such inequitable situation as exists for us in a life with no tariff while everyone else has a tariff on what he produces.

Mr. McGILL. Mr. President, I desire to consume but a few moments of the time of the Senate in discussing the question before us. I have observed from the addresses which have been made that those who have discussed the question have done so on the basis of fixing a rate of 1 cent per gallon, or 42 cents per barrel, on crude oil. While that is not the amendment immediately before us, it is likely to be, and in all probability will be the one on which we will finally be called upon to cast our votes.

I rise, Mr. President, in support of that proposition. The Senator from Oklahoma [Mr. THOMAS], in closing his remarks this evening, stated he was not an advocate of high tariffs, that he had not been educated to be an advocate of high tariffs, and like unto him I may say I am not a high-tariff advocate; but in this instance I feel that the rate in the proposed Connally amendment is wholly justified.

We are not living under conditions whereby the Government derives its revenue by virtue of a tariff for revenue only, but we are living under conditions whereby in most instances the manufactured products of the country are having the advantage of high tariff duties. This one raw commodity is about the only commodity produced in my State and in the mid-continent field which, in my judgment, could be benefited by a tariff duty. We have a tariff duty on one commodity produced in the West, namely, wheat, an agricultural product, but, in my judgment, the wheat growers are only indirectly and in a small way benefited by virtue of the tariff. The people residing in the mid-continent oil States would derive some benefit by virtue of a duty on oil and its by-products, and when we ask for a duty that would be only a revenue-producing duty, I feel, as a representative of the people whom I have the honor to represent here in part, I am wholly justified in casting a vote in favor of a duty of 1 cent per gallon on crude oil.

I assume in all probability the question will be raised before this discussion is closed, or rather the issue will be discussed that we are exporting from the United States more oil than is imported into the United States; that there is, in other words, apparently a trade balance in our favor—that our exports exceed our imports. I believe in recent years our exports have exceeded our imports, but let me explain, if I may in a brief way, that the imported oil comes from the South American countries to the Atlantic seaboard States, is sold, used, and consumed there in competition with domestic production. The oil exported is exported from the Pacific coast and is domestic-produced oil, refined in this country, and sold in Asiatic and oriental countries. The imported oil does affect the price of crude oil and the oil industry itself.

I happen to have had the privilege of observing for many years past the operations of the business of the independent oil producers. The independent oil producers of America, if you please, are the ones who have gone out and wildcatted and discovered the fields. They are the ones who have discovered the fields in Texas, Oklahoma, Kansas, and elsewhere. They are the ones who have purchased the leases from the farmers and developed the lands as oil-producing lands.

The question has been raised, in the committee at least, in what way will the farmer derive a benefit from this sort of a tax? Will it not raise the price of the refined products of oil he is forced to buy? I do not believe this duty will raise the price of the refined commodity to the consumer in this country. I do not believe it will affect materially the price of crude oil or any of its by-products to the consumer. On the other hand, I feel the farmer is directly benefited by virtue of the fact that we have the independent oil operators who have gone on his land, developed it, paid an acreage rental, paid him for the royalty oil, and things of that character. Every man in my State, and I think the same is true in other States, on whose land oil has been discovered receives under his lease a royalty of all of the oil produced from the land.

The farmers of my State have profited when the independent oil operator was permitted to prosper. Just a few years back virtually every acre of land in Kansas was leased for oil and gas purposes, and the landowner was receiving a yearly rental of $1 per acre. The farmer's taxes, if you

please, were being paid by virtue of the rental he received whether there had been production developed on his land or otherwise. That condition does not prevail to-day, and the reason for it is simple. It is due to the fact that the independent oil operator of this country is being crushed out of business due to the importations of oil made by the large oil-importing companies.

However others may look at the proposition, I feel the Senator from Louisiana [Mr. LONG] has developed here in the course of his argument the reason which prompts me, more than any other, to support the amendment. Ordinarily I feel high tariffs are calculated to encourage monopoly; that they are breeders of monopoly. In this instance, in my judgment, the proposed tax will work directly in the opposite direction.

The reason for this, I may say, is that the importing companies, the four named by the Senator from Texas [Mr. CONNALLY]—the Standard Oil Co. of Indiana, the Standard Oil Co. of New Jersey, the Gulf Oil & Refining Co., and the Royal Dutch Shell, a foreign concern—have been the beneficiaries of unfair competition with the independent producers. They have had an unfair trade advantage in that they are able to produce in the South American countries, due to labor and other conditions, oil more cheaply and import it into this country free of any tax. The independent operators, heavily taxed, who have developed the mid-continent and other fields of the United States, by reason of these facts have not had the benefit of fair competition.

It was suggested that this import tax will increase the price of the commodity to the consumer. There can be no question, I may say to my good friend the Senator from Maryland [Mr. TYDINGS], that a tax on a commodity tends to increase the price of that commodity, whether it be an import tax or whether it be some other kind of a tax. It will under ordinary circumstances and conditions tend to increase the price of a commodity. But, Mr. President, if the commodity we have under consideration here comes within the control of a monopoly by virtue of the fact that the importing companies are not taxed and the independent operators, who are their only competitors in the business, are driven from the fields of their endeavor, then I say to my good friend the Senator from Maryland and to the other Members of the Senate the price of this commodity and the price of gasoline and all the by-products of crude oil, in my judgment, will materially advance.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Maryland?

Mr. McGILL. Certainly.

Mr. TYDINGS. To whom do the independent operators sell their products?

Mr. McGILL. In most instances the products are taken by the pipe lines owned by the four companies I have named. I may say to the Senator, however, that they are not the only pipe-line companies which are taking oil from the mid-continent field, where I am mostly acquainted with conditions.

Mr. TYDINGS. Is it not a fact that the 20 large companies which are more or less in combination own 95 per cent of all the pipe lines in the country?

Mr. McGILL. I think that is approximately correct.

Mr. TYDINGS. Therefore the independent oil producer must sell his output to those 20 large companies?

Mr. McGILL. There can be no question but that the large companies have already gained a material advantage, but I am not willing that we should give them a further advantage so as to completely and finally monopolize the industry in this country.

Mr. TYDINGS. The point I was making is that, inasmuch as the large companies against which the Senator is inveighing, but many of which do not import oil but rely upon American production for their supply, are so firmly intrenched with refineries, pipe lines, and distributing stations it seems to me they can pay the independent producer what they wish. Whether the oil is imported or not imported, the independent producer has to sell to the agencies which already own the transportation facilities, and, therefore, an embargo against imports would in no sense inure to the benefit of the independent oil owner. Is not that correct?

Mr. McGILL. If the Senator will permit me, I am not arguing for an embargo on any product that comes into this country; but, in my judgment, even though it be a fact that the large companies, in the main, own the pipe lines, notwithstanding that fact, if they are required to pay a tax on the oil they import into this country, they will be placed on a more equal competitive basis with the independent operator. That is one of the reasons, I may say, why I am in favor of the proposed tax.

Mr. TYDINGS. Let me say to the Senator from Kansas, suppose that the tax would prevent all imports of oil; that no imports of oil came into the United States at all; that, for the sake of the example, the tax was, in effect, an embargo; what difference would it make to the independent oil-well owner? He would have to take the price offered him by the 20 large companies, because the independent operator has no pipe line; he has no transportation facilities; he has no refineries; he has no distributing stations. The only way he can market his product would be to acquire a tank wagon in Kansas, load it with oil, and sell his crude oil somewhere. So that, even if no oil were imported, would not the independent oil-well owner be at the mercy of the large company as to the price he would receive for his product?

Mr. McGILL. The Senator from Maryland is assuming a large number of facts in his questions many of which do not exist.

Mr. TYDINGS. What are those that do not exist?

Mr. McGILL. That the independent operators have no refineries, have no pipe lines, or anything of that character.

Mr. TYDINGS. What independent operators have such facilities for handling oil?

Mr. McGILL. There are a number of independent refineries in the different States.

Mr. TYDINGS. Will the Senator be good enough to name a few such independent refineries?

Mr. McGILL. I know a man in my own city, by the name of Derby, who owns and conducts a refinery in that city.

Mr. LONG. Mr. President——

Mr. McGILL. I am yielding just now to the Senator from Maryland.

Mr. TYDINGS. What independent companies own pipe lines to the Atlantic-seaboard market?

Mr. McGILL. I do not think there are any pipe lines to the Atlantic-seaboard market.

Mr. TYDINGS. What independent companies own distributing stations from Maine to Florida?

Mr. McGILL. It is possible that there are no independent operators who own gasoline stations and have distributing stations all the way across the continent; but I do not think, if the Senator will permit me to say so, that that is material to the argument I am making at this time. I am arguing against the advantage of the four large companies which oppose this tax; and may I say to the Senator that they are the only oil companies which have opposed a tariff on the importation of oil, and are the only companies that I know of in the world which are interested in the importation of oil into the United States.

Mr. TYDINGS. Now let us assume for the sake of the argument that these oil companies—a point which I do not concede—are opposing this tax; supposing—which I do not admit, and I think it is wrong—that the independent oil-well owner will get more for his oil, the Senator is certainly not so trustful as to believe that if the large companies, already wealthy, have to pay more for their product from the independent oil producers, they will not ask more for their products when they sell it to the consumer? I think the Senator will admit that.

Mr. McGILL. I have stated in the course of my remarks that a tax on a commodity, whether it be an import tax or any other tax, has a tendency to increase to the consumer the price of the commodity. That is true of every product the consumers of this country use.

Mr. TYDINGS. The Senator is more than fair. I am glad that he is meeting the debate in an honest, frank, and candid way. Therefore the large oil company if it paid more for its oil and sold it for more than it is selling it for now would make just as much profit under that situation as it makes now, but the independent oil operator would get more for his oil. That is correct, is it not?

Mr. McGILL. The independent operator, in my judgment, under the proposed amendment of the Senator from Texas providing an excise import tax of 1 cent per gallon will not get very much in addition to the present prices for his oil, but he will be placed in a more equal competitive basis by virtue of the fact that the importing companies will be required to pay taxes the same as the independent operators are now required to pay taxes.

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

Mr. McGILL. Yes.

Mr. TYDINGS. The point I made was this: I will assume for the sake of the argument that the independent oil man gets more for his oil, then the big company as it sells that man's product will charge more for its oil. The Senator said that is true. Therefore the big company will make just as much profit out of the oil without a tariff as it will with a tariff. Is not that correct?

Mr. McGILL. I fail to understand it in that way. Otherwise, they would not have witnesses before the committees of Congress opposing this import duty.

Mr. TYDINGS. The Senator himself admits that the price will go up to the extent that the big companies have to pay additional prices to the small producers.

Mr. McGILL. No; I do not admit that. I do not admit that the price of the commodity would increase in equal proportion to the amount of the duty.

Mr. TYDINGS. The Senator, then, assumes that such large companies as the Standard Oil Co. and the Sinclair Oil Co. and the Mid-Continent Oil Co. and all the other oil companies are going to pay the producer more for his oil and not raise the price to the American consumer?

Mr. McGILL. I have not said that.

Mr. TYDINGS. Well, what is the Senator's position?

Mr. McGILL. If the Senator will not interrupt me so much, he will probably be able to ascertain what my position is.

Mr. TYDINGS. May I just ask the Senator one more question, and then I will not interrupt him further? Let that last question go, because I think it answers itself, and no other answer is necessary; but, at any rate, no matter what the increased cost is to the large oil companies, no matter how much the tax will tend to raise the price, whatever that increase in price may be, it is going to be paid by the consumers of oil, so that every farmer all over this country and every user of fuel oil and every man who drives an automobile is going to pay, in addition to his present taxes, just the amount of the increase.

Mr. McGILL. Ordinarily the Senator would be correct, were it not for the fact that without some legislation which will tend to create an equality between the consumer and producers of this commodity and prevent an absolute monopoly, there is nothing to keep prices down. If there is to be permitted to grow up in this country a monopoly of this industry, no man can foretell what prices the farmer or the ultimate consumers of this Nation are going to have to pay for gasoline, crude oil, or any other products of oil. As the Senator from Louisiana has stated, in one or two of the South American countries they are paying the equivalent of 30 cents a gallon for gasoline, although in those very countries they are able to produce oil and gasoline cheap, so cheap their oil is exported to this country at a price $1.03 less than it costs to produce the same commodity in the United States, and deliver it to the Atlantic seaboard. Now, I yield to the Senator from Louisiana.

Mr. LONG. The Senator has said nearly everything I wanted an opportunity to say in answer to the Senator from Maryland. However, the statement the Senator from Maryland makes indicates that he has failed to acquaint himself with many of the facts.

Mr. TYDINGS. The Senator will find out to-morrow that I am very well acquainted with all the facts.

Mr. LONG. The fact is, Mr. President, that in the year 1918, when Pine Island crude in Louisiana, and Gulf Coast crude in Texas, were selling for 60 cents a barrel, gasoline was selling for 26 cents a gallon. The fact is that a year later, when the monopoly had frozen us out and had taken our lands, the price of crude was $3.35, and the price of gasoline was 14 cents a gallon.

Mr. McGILL. Mr. President, I do not desire to yield for a debate between the Senator from Louisiana and the Senator from Maryland.

The VICE PRESIDENT. The Senator from Kansas declines to yield.

Mr. McGILL. I will yield to the Senator from Louisiana for a question. I wish to be entirely courteous.

Mr. TYDINGS. Will not the Senator yield just long enough for me to answer the question that was asked by the Senator from Louisiana?

Mr. LONG. I did not ask a question.

Mr. McGILL. Mr. President, the Senator from Maryland intends to take the floor to-morrow morning and occupy the floor probably from 12 o'clock to 2 o'clock. He will have ample time then to answer the question. However, for the present I will yield for the purpose of permitting the Senator from Maryland to answer the inquiry made of him by the Senator from Louisiana, provided he does not take too long.

Mr. TYDINGS. I thank the Senator and I will only take a moment. The very situation pictured by the Senator from Louisiana proves what I have been contending. Here was crude oil bringing a very small price and here was gasoline bringing a price with no relation to it, showing that the large companies could pay what they wanted for crude oil and sell it to the ultimate consumer regardless of its cost.

Mr. LONG. Mr. President, if the Senator from Kansas will permit me——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Louisiana?

Mr. McGILL. In order to be courteous I will yield to the Senator from Louisiana, and then I will ask that I be not requested to yield again.

Mr. LONG. I merely want to say that the reason for that was that they brought the Mexican, Venezuelan, and Colombian crude in duty free and congested that area, whereas if we had a tariff they could not have done such a thing as that.

Mr. McGILL. Mr. President, since that portion of the argument has been properly disposed of, I will occupy only a few more moments.

We have pending before us several proposals with reference to unemployment conditions in this country. I do not wish to discuss that question at any length, but merely to call the attention of the Senate to the fact that the president of the American Federation of Labor not long since estimated that the unemployment existing in the States in the mid-continent oil field by reason of the depressed condition in the oil industry, due to permitting importing companies to depress the market and crush the small concerns out of business, has caused the unemployment of about 300,000 more men in those States than otherwise would be unemployed.

There is another proposition, to my mind, which may be raised by some who will discuss this amendment, and that is our oil supply in the country.

I feel no one can foretell what we will be using as a substitute for oil a few hundred years from now in the event that we do not care or are not able to use oil at that time. Testimony was given before the committees of the Senate during the last session of the Congress and at this session to this effect: That while it is true that several years back

the geologists of the United States estimated that there was only enough oil left to supply the demands of the market of the United States for a period of nine years, since that time there has been more oil produced and consumed by the American people than was estimated to exist at the time those geologists made their estimates.

During the last session of the Congress one of these same geologists was before a committee of the Senate, and in his testimony stated there are known oil reserves in the United States sufficient to guarantee that at the present rate of consumption we have enough oil in our own country to supply us for a period of over 500 years. That being true, there is no reason, to my mind, why we should not have the benefit of the American market for the American producer of this commodity.

Mr. President, for just a few moments in closing I desire to call attention to some of the facts relative to the proration and curtailment of the production of oil, as the attention of the Senate was directed to that proposition by the distinguished Senator from Oklahoma [Mr. THOMAS] in the course of his remarks.

In 1930 the domestic production of oil was reduced 109,000,000 barrels as compared with the year 1929. This was done by the independent operators of this country. It was reduced 109,000,000 barrels as compared with the year 1929. During the same period there were imported from these South American Republics by these four companies 105,000,000 barrels of oil. In other words, the importers nullified the curtailment made by the domestic producers. Virtually the same state of facts is true with reference to production and importation since that time.

I should like, however, to consider this measure from a revenue standpoint. It had been criticized as being a tariff measure in a revenue bill. It seems to me the distinguished Senator from Texas [Mr. CONNALLY] fully answered any arguments which may be made against the amendment and against this provision of the bill arising from the contention that this is tariff legislation in a revenue bill. This is a revenue tariff, and I desire to consider it from the standpoint of being a revenue-producing measure. We are here attempting to balance our Budget, and I feel any legitimate tax that can be imposed on a commodity which will produce revenue should appeal to us as representatives of this Government.

Attention has been called to the figures given out by the Tariff Commission—an estimate made, I believe, to the Senator from Utah [Mr. SMOOT]. When those figures were handed around to the Senators while the Senator from Texas was discussing this measure, it seemed to surprise some among us that the Tariff Commission had made so large an estimate of revenue which would be produced by virtue of the tax on crude oil and the by-products of crude oil, as provided in the amendment proposed by the Senator from Texas.

I fail to understand on what theory any representative of the Government could arrive at the conclusion that a tax such as this proposal would produce a revenue of only approximately $5,000,000 per annum. I know of no facts on which to base an estimate of that sort. I do not know whether any other Senators, members of the committee or others, know on what facts this estimate was made; but certainly it can not be based on any known facts with reference to the importation of oil.

The figures as disclosed by the Tariff Commission to the Senator from Utah are in the hearings of the Finance Committee. The same identical calculations were furnished to that committee by the Independent Oil Producers' Association of America. In other words, the Tariff Commission finds now, and this producers' association reported to the Finance Committee, that the average importation of oil per year, if we take the years 1929, 1930, and 1931 and strike an average, was 2,636,367,888 gallons of crude oil. If that were taxed at the rate of 1 cent per gallon, it would produce a revenue to the Government of $26,363,678. There was fuel and gas oil imported into the United States in the amount of 1,002,734,334 gallons. If that were taxed at a cent a gallon, we can estimate what the revenue would be.

There was imported gasoline, naphtha, and other finished light products to the extent of over 551,000,000 gallons; lubricating oil, 1,339,548 gallons; paraffin and petroleum-wax products, 46,928,711 pounds; natural asphalt, petroleum asphalt, and bitumen, 73,770 long tons.

If a tax were imposed as provided in the amendment of the Senator from Texas, and the importation were approximately the same as it has been on an average for the past three years, it would yield in revenue to the Government annually something over $50,000,000.

I feel there can not be any good reason for contending that a tax such as is proposed by the Senator from Texas would materially decrease the importation into this country of oil and the by-products of crude oil. It does not stand to reason that a tax of 42 cents a barrel is going to keep a product out of this country when the differential is $1.03 per barrel. Likewise all of the other products, in my judgment, will come into the United States in about the same proportions that they have entered the United States during the last three years. The importations of oil have been increasing largely within the last few months, as shown by Government reports.

So I feel that this measure is a revenue producer; and I am among those who are looking for some tax such as this from which we can derive revenue and strike out of this bill before its final enactment some of the proposed taxes we have not thus far reached. I refer, if you please, to taxes such as the 2-cent tax on every bank check to be issued in this country.

Out in my State and in the States of the Middle West—and I am sure this is true the country over—the farmers sell their dairy products and various products and receive small checks—checks of from $2 to $3, $5, or $10. Very seldom do they receive checks above $10. On each one of such checks they are, under the provisions of this bill, to be burdened by a tax of 2 cents, if that part of the bill becomes a law. I say to my friends who are opposing this oil-import tax because they feel it may be a burden to the consumer that a tax such as this bank-check tax will be a much greater burden than anything that has been proposed in this bill in the way of a tariff duty.

Mr. President, I feel I have taken all the time I should. I did not intend to discuss the measure for more than 15 or 20 minutes when I rose; but I felt I should like to state my position and my reasons for supporting the amendment proposed by the Senator from Texas.

Mr. TYDINGS obtained the floor.

Mr. SMOOT. Mr. President——

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

Mr. SMOOT. It is hardly fair to the Senator from Maryland to ask him to speak for a few moments this evening, so I move that the Senate take a recess until 10 o'clock to-morrow.

Mr. TYDINGS. May I ask whether it is understood that I shall have the floor in the morning?

The VICE PRESIDENT. The Senator from Maryland is recognized and yields for the purpose of taking a recess.

ADDRESS BY SECRETARY WILBUR ON CHILD WELFARE

Mr. COSTIGAN. Mr. President, will the Senator withhold for a moment his motion for a recess?

Mr. SMOOT. I yield to the Senator from Colorado.

Mr. COSTIGAN. Mr. President, yesterday the Senator from Montana [Mr. WHEELER] placed in the RECORD an article dealing with an address by the Secretary of the Interior on child welfare, delivered before the National Social Work Conference in Philadelphia. This morning's Philadelphia Record contains an article on the same subject. I ask that portions of it also may be printed in the CONGRESSIONAL RECORD.

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

The matter referred to is as follows:

[From the Philadelphia Record, May 18, 1932]

SPEAKERS HIT WILBUR CLAIM—REVEALS EVILS BABIES SUFFER—SECRETARY'S STATEMENT DEPRESSION AIDS CHILDREN DECLARED UNTRUE—REPORT SHOWS WOE IN FAMILIES—SOCIAL SERVICE NEAR BREAKDOWN FROM ADDED BURDEN WORKERS WARNED

By Mac Parker

Every corner of Philadelphia's Convention Hall echoed yesterday with condemnation of the Monday night speech of Dr. Ray Lyman Wilbur, Secretary of the Interior.

Thousands of words were spoken to refute his assertions that the depression has been a good thing for the children of the Nation.

Rabbi Abba Hillel Silver, of Temple of Cleveland, addressing the 3,000 delegates to the National Social Work Conference, last night presented page after page of statistics and cases refuting the Wilbur claim.

TIMES ARE HARD

J. Prentice Murphy, of the Children's Bureau of Philadelphia, at a luncheon of the National Child Labor Committee, said in contradiction to Wilbur:

"Times are hard, and dangerously so for the children in all of our States. I am afraid the message which went out to the country from the national conference last night will not hearten our people."

Rabbi Silver said:

"Children especially are made to pay the cost out of their undernourished bodies and their hungry little hearts. They are underfed. They are sent hungry to school. They are poorly and scantily clad. They return to homes that are full of tension and strain. Children even more than adults do not live on bread alone. They thrive only in thriving homes. A home of peace and well-being will nurture their lives. A home depressed, shot through with bitterness and resentment, will blight their lives."

FAMILY HOME MORE

Doctor Wilbur said on Monday that children have never been fed more or better food than they have been getting through the depression. He said they no longer faced the perils of prosperity; that mothers and fathers in hard times stayed home more and gave their children more attention.

"Depressions are good for us, especially for the children," said Doctor Wilbur.

But Rabbi Silver replied last night:

"Families are being ground down into utter defenseless poverty. Should the present unemployment situation continue for another year we shall have completely pauperized at least a third of the working population of America. We shall have driven millions of our citizens into the class of dependents, while millions more will have their standard of living forced down to lower and still lower levels.

FORESEES JOBLESS INSURANCE

"We have until now misused the gifts of the mind-made machine, permitting the few to monopolize the wealth it has produced as well as the leisure and security. Put the machine in the hands of a truly social ideal and mankind will be launched on a career of social evolution such as no prophet has ever dreamed of.

"The State must compel industry to lay aside adequate reserves out of which benefits shall be paid to the worker whenever he is forced into involuntary unemployment. Those benefits shall be his as a matter of right and not of charity. Labor is not a commodity which may be purchased and disposed of at will. The worker is more than a partner in industry. Industry exists to provide a livelihood for the working masses of the world and to supply them with the necessities of life. Capital's share is secondary. First must come the adequate wage, security, protection against the disabilities of accident, sickness, old age, and unemployment, and then come the profits to investor and stockholder.

"The evils of prolonged unemployment are too apparent to require either catalogue or comment. The cost is paid to the last bitter farthing by men, women, and children in blasted hopes, thwarted ambitions, undermined health, lower morals, and embittered lives."

SOCIAL SERVICE WEAKENED

Social-service workers and their organizations, Rabbi Silver pointed out, have almost collapsed under the frightful burden of the depression.

"The overwhelming economic debacle of the past two and a half years," he said, "and the disastrous effects it has had on the whole structure of social service have left the social worker staggered and confused. In the face of an incredible economic collapse the social worker to-day stands helpless, his tools pathetically inadequate and all his garnered wisdom vain and futile.

"The cry for bread, the primitive hunger cry of the race, rising ominously from 20,000,000 throats to a terrifying crescendo, drowns out all other voices."

As against the picture painted by President Hoover's Cabinet officer, Rabbi Silver cited the findings of some of the agencies which come in close contact with the unfortunate.

DISABILITY IS PREDICTED

For instance:

The American Public Health Association reports that inadequate food, insufficient clothing, and overcrowded housing eventually will lead to an undermining of health and lowering of existence to such an extent that in years to come serious and permanent disabilities will result.

The American Hospital Association has been unable to keep up with the depression demands.

The National Organization for Public Health Nursing reports the abandonment of many necessary clinics.

The National Committee for Mental Hygiene finds increasing difficulties in maintaining accepted standards of care and treatment.

The National Recreational Association reports curtailment of activities which have been the greatest factor in decreasing juvenile delinquency.

GOES ON ENDLESSLY

The Child Welfare League of America report more children to care for than ever before and less money to provide the care.

The sad story goes on endlessly.

But the story of the material relief work which organized charity has been called upon to do is even sadder, in Rabbi Silver's opinion, for the social-service worker now has no adequate funds with which to distribute even the minimum of relief.

"The responsibility for the care of the unemployed," he said, "seems to be fixed nowhere, and governmental bodies vie with each other in passing this responsibility. The private agency turns to the municipality, the municipality to the county, the county to the State.

"In place of the $8.05 minimum weekly subsistence budget which the social agencies established in predepression days, many to-day are forced to distribute an average of $3.50 per week per family. This is not starvation. Neither is it relief. It is a hunger diet. And the social worker is compelled to spread his available relief funds thinner and thinner over a constantly increasing need.

IS INDUSTRY'S PROBLEM

"Unemployment is industry's problem and industry's burden, not charity's.

"Industry must not be permitted to lay its myriad casualties periodically at the door of philanthropy. This is a grotesque, not to say a criminal, procedure. The most highly developed industrial system in the world employs millions of men in the production of huge wealth which largely goes into the hands of the relatively few owners of industry, pays its men in normal times wages which fall short of the requirements of a decent standard of living, and as soon as the opportunities for profit making cease throws these men into the discard, advising them to go to the charitable agencies to which the workers themselves had previously been asked to contribute, to beg for famine rations for themselves and their families.

"Such is the cynicism and brutality of our economic order. It has even failed to give to its workers the security of servitude which feudalism once gave its serfs. So that a new terror has now come into the world. Every generation has its own overshadowing dread—pestilence, famine, invasion, the devil, or the end of the world, and the lives of that generation are darkened because of it. Into the twentieth century has come the dread terror of unemployment which hangs like a pall over the homes of the toiling masses."

CHURCH REPORT PRESENTED

Dr. Edward Devine, of New York, chairman of a committee of the Federal Council of Churches which has been engaged on a restatement of the social ideals of the church, presented a report on the committee's work at the annual dinner of the church conference of social work at the Benjamin Franklin.

"The text of this report," Doctor Devine said, "demands that the churches pledge their hearty support for a planned economic system in which maximum values shall be sought.

"The Christian ideal as we see it demands that cooperation shall supplant competition as the fundamental method. That is not a bolshevistic or a fascistic doctrine. It is wholly consistent for the most freedom for the individual and the utmost development of family life.

STRESS COOPERATIVE NEEDS

"We declare for industrial democracy. There are various ways of making progress toward it. Collective agreements between labor and capital, representation of workers in management, cooperative production in which capital is furnished by the workers themselves, and actual cooperation by the Government are all possible according to circumstances. It may turn out that certain larger common services, such as banking, power development, and distribution and transportation can best be managed collectively, leaving manufacturing, home building, agriculture, and the like to free individual initiative."

* * * * * * *

WORKER IS "DISAPPOINTED"

Secretary Wilbur's address brought criticism at the afternoon session of the social-service workers.

Clarence V. Williams, general secretary of the Illinois Home and Aid Society of Chicago, was franker in his criticism than most of the other delegates to the convention could permit themselves to be publicly.

"I was distinctly disappointed by Doctor Wilbur's speech, said Williams.

"Terrible things can come to thousands of children unless Congress takes some action. Children all over the Nation are in desperate circumstances. Some kind of relief must come. I think Doctor Wilbur was sounding a note of optimism to cheer us up. The note of the other speakers has been distinctly blue."

BENEFITS NOT SEEN

Karl de Schweinitz, secretary of the Committee on Unemployment Relief, declared:

"If anybody has benefited by the depression I, at least, have not noticed it."

Miss Jessie F. Binford, executive director of the Juvenile Protective Association of Chicago, declared, "Secretary Wilbur must not know what is happening all over the country.

"Homes are being broken up either by eviction or through the complete mental breakdown of parents who can not stand the strain.

"We know there is actual starvation existing in many sections, but apparently Mr. Wilbur is unaware of that."

PREDICTS "HEAVY PRICE"

Sherman C. Kingsley, executive secretary of the Philadelphia Welfare Federation, said:

"It is possible for everybody to make a blessing out of adversity if there isn't too much adversity, but it takes a large and hopeful philosophy to get much nourishment out of the predicament we are in now.

"The health and high morale of our people is the eighth wonder of the world. How long children can get anything out of foodless or near-foodless days remains to be seen, however.

"I think we shall pay a heavy price for years to come from the short rations and the worries and tragedies of the depression, which I think weigh especially heavily on the children."

ADDITIONAL PETITIONS AND MEMORIALS

Mr. TYDINGS presented resolutions adopted by Tacoma Park Post, No. 28, American Legion, of Tacoma Park, and General Joseph Haller Post, No. 95, American Legion, of Baltimore, both in the State of Maryland, favoring the passage of legislation to eliminate or reduce the interest rate on loans to World War veterans on adjusted-service certificates, which were referred to the Committee on Finance.

He also presented the memorial of W. A. Davis, jr. (amateur radio station W3BOE), and sundry other citizens of Baltimore, Md., remonstrating against the passage of legislation providing a fee system for amateur radio stations and operators, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of the State of Maryland, remonstrating against the imposition of taxes on the automobile industry and favoring in lieu thereof the adoption of a general sales tax with necessary exemptions, which was ordered to lie on the table.

Mr. COPELAND presented a paper signed by architects and engineers from the State of New York, employed in the office of the Supervising Architect, Treasury Department, Washington, D. C., calling attention to an attached brief relative to certain provisions included in House bill 11267, the legislative appropriation bill, affecting their status in the proposed public works administration, which, with the accompanying brief, was referred to the Committee on Appropriations.

He also presented a resolution adopted by the mayor and trustees of the village of Pleasantville, Westchester County, N. Y., favoring retrenchment in governmental expenses and the balancing of the Budget, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Chamber of Commerce of Cooperstown, N. Y., favoring retrenchment in governmental expenditures and the balancing of the Budget, which was referred to the Committee on Appropriations.

He also presented resolutions adopted at a meeting of General Insulators and Asbestos Workers, Local No. 2, and Sign, Scene, and Pictorial Artists, Local No. 479, both of Pittsburgh, Pa., protesting against reductions in the compensation of Federal employees "under the guise of balancing the Budget," which were referred to the Committee on Appropriations.

He also presented a letter from George T. Seabury, secretary of the American Society of Civil Engineers, New York, N. Y., transmitting a resolution adopted by the executive committee of that society on May 9, 1932, and a memorandum, favoring the passage of legislation to extend loan facilities to solvent States, counties, and municipalities to enable them to carry out their normal programs of necessary and productive public works, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

He also presented a petition of sundry citizens of the State of New York, praying for the prompt passage of the so-called Sparks-Capper "stop alien representation" amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by Leonard S. Morange Post, No. 464, American Legion, of Bronxville, N. Y., favoring the repeal of the eighteenth amendment to the Constitution and the making of necessary appropriations for the proper care of disabled World War veterans and needy families of deceased veterans, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Cazenovia, N. Y., praying for the immediate consideration of measures to end national prohibition and levy taxes on the liquor traffic, which was referred to the Committee on the Judiciary.

He also presented a letter from the Cling-Surface Co., signed by William D. Young, its president, of Buffalo, N. Y., with an accompanying resolution adopted by members of supply and machinery associations at Cincinnati, Ohio, favoring a congressional investigation into the workings of all phases of the antitrust laws and the passage of such legislation as will permit cooperative agreements between sellers to such extent as may be necessary, etc., which, with the accompanying paper, was referred to the Committee on the Judiciary.

He also presented a paper signed by sundry citizens of the States of New York and New Jersey, indorsing the petition for a redress of grievances recently presented to the Congress by the national economy committee relative to retrenchment in Federal expenditures, etc., which was referred to the Committee on Finance.

He also presented resolutions adopted by the board of supervisors of Columbia County, and the board of directors of the Hudson Community Chest (Inc.), both of Hudson, N. Y., favoring the construction of an addition to the Hudson City post office starting not later than July 1, 1932, and the employment of all labor to be used in connection therewith be recruited from the ranks of the unemployed in the city of Hudson, etc., which, with the accompanying papers, were referred to the Committee on Public Buildings and Grounds.

He also presented a resolution adopted by the Passenger Steamboat Association, of New York City, N. Y., favoring the appointment of Supervising Inspector General D. N. Hoover as head of the Steamboat Inspection Service of the proposed merged Bureau of Navigation and Steamboat Inspection Service, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the board of directors of the Bankers & Shippers Insurance Co., of New York, New York City, favoring the retroactive repeal of the recapture clause of the interstate commerce law, affecting excess earnings of railroads, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Elmira, N. Y., being employees of the Pennsylvania Railroad, praying for the passage of legislation providing a pension system for railroad employees, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Jamestown, N. Y., remonstrating against the passage of legislation providing a fee system for amateur radio stations and operators, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by members of the Suffolk County (N. Y.) Bankers Association, protesting against the proposal in the so-called Glass banking bill, now pending, for the extension of branch banking in suburban districts, which was ordered to lie on the table.

He also presented a resolution unanimously adopted at a meeting of the Brooklyn branch of the League for Independent Political Action, Brooklyn, N. Y., favoring the passage of the so-called Wagner public works bill, and other measures for the relief of the unemployed, which was ordered to lie on the table.

He also presented a resolution adopted by the board of governors of the Yorkville Chamber of Commerce, New York City, N. Y., favoring a 50 per cent increase in second-class postage rates on newspapers and magazines and increased rates for the printing of corner cards of business concerns on stamped envelopes, which was ordered to lie on the table.

He also presented the memorial of members of Grange No. 1369, Patrons of Husbandry, of Springville, N. Y., remonstrating against the imposition of a tariff or other taxes on lumber, automobiles, trucks, crude rubber, lubricating oil, and gasoline, which was ordered to lie on the table.

He also presented resolutions adopted by Hamptonburgh Grange No. 950, of Campbell Hall, and Mountainville Grange No. 946, of Mountainville, both of the Patrons of Husbandry, in the State of New York, protesting against the imposition of a tariff or taxes on lumber, trucks, automobiles, accessories, lubricating oil, crude rubber, and gasoline, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Olean, Courdersport, and Allegany, in the State of New York, remonstrating against the imposition of taxes on the automobile industry, and favoring in lieu thereof a general sales tax with certain exceptions as to necessities, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of New York City, N. Y., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was ordered to lie on the table.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BINGHAM:

A bill (S. 4696) for the disposal of stock-raising areas in Alaska; to the Committee on Public Lands and Surveys.

A bill (S. 4697) granting an increase of pension to Julia T. Root (with accompanying papers); to the Committee on Pensions.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

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

LOANS TO FARMERS

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a letter recently received by me from a man in my State who for many years has been engaged in making loans to farmers in behalf of the Prudential Insurance Co. of America.

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

MINNEAPOLIS, MINN., *May 10, 1932.*

Senator THOMAS D. SCHALL,
Washington, D. C.

DEAR SENATOR: A friend has handed me to-day a copy of your speech in the Senate March 16, 1932; subject, The Farmer.

I can not refrain from writing you this line. You covered the subject in a most forcible, concrete way, giving the actual facts as they are. If the supposed brains of the United States will not listen to this and act quickly, there will be a national calamity. The American farmer must be protected and given a chance to live, thrive, pay his debts, and be a full, free consumer of the production of the rest of us.

Yours very truly,

GEORGE E. TOWLE.

RECESS

Mr. SMOOT. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 9 o'clock and 45 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, May 19, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 18 (legislative day of May 9), 1932

SECRETARY IN THE DIPLOMATIC SERVICE

George K. Donald, of Alabama, now a Foreign Service officer of class 3 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE PHILIPPINE ISLANDS

The following-named persons to be associate justices of the Supreme Court of the Philippine Islands:

Carlos A. Imperial, of the Philippine Islands, vice Norberto Romualdez, resigned.

George C. Butte, of Texas, vice E. Finley Johnson, resigned.

REGISTER OF THE LAND OFFICE

Arthur Wellington Doland, of Washington, to be register of the land office at Spokane, Wash. (Reappointment.)

PROMOTIONS IN THE NAVY

Lieut. Commander Eric L. Barr to be a commander in the Navy from the 17th day of November, 1931.

Lieut. Commander Howard H. Good to be a commander in the Navy from the 1st day of February, 1932.

Lieut. (Junior Grade) William A. Fly to be a lieutenant in the Navy from the 1st day of March, 1932.

Passed Asst. Surg. Frank L. Hubbard to be a surgeon in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931:

Robert F. Sledge.	Joseph J. Kaveney.
Elwin C. Taylor.	Edward H. Sparkman, jr.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931:

Frank V. Davis.	George L. Reilly.
Walton C. Carroll.	Frederick W. Mitchell.
Charles L. Tompkins.	

The following-named lieutenants (junior grade) to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), to rank from the dates stated opposite their names:

John H. Ellison, June 3, 1929.
Mario G. Vangeli, June 3, 1929.
William T. Jones, June 3, 1929.
Herbert C. Zitzewitz, June 2, 1930.
William H. Leahy, June 2, 1930.
Victor B. Cole, June 7, 1931.

The following-named ensigns to be assistant naval constructors in the Navy, with the rank of ensign, from the 6th day of June, 1929:

James M. Farrin, jr.	Herbert J. Hiemenz.
John H. Keatley.	Thomas E. Kent, jr.
William C. Allen.	

The following-named midshipmen to be ensigns in the Navy, revocable for two years, from June 2, 1932:

Ernest P. Abrahamson.	George W. Bailey.
Frank C. Acker.	Harold E. Baker.
Allen B. Adams, jr.	Robert L. Baker.
Richard D. Adams.	Jack I. Bandy.
Henry I. Allen, jr.	George R. Beardslee.
John D. Andrew.	Robert O. Beer.
Stephen M. Archer.	George L. Bellinger.
Lionel A. Arthur.	Richard H. Best.
Edwin C. Asman.	Frank J. Bigaouette.
Walter Asmuth, jr.	James C. Bigler.
Barry K. Atkins.	Ed B. Billingsley.
Burl L. Bailey.	Jack A. Binns.

Robert O. Bisson.
Richard H. Blair.
Norman E. Blaisdell.
Howard E. Born.
Thomas K. Bowers.
Alpha L. Bowser, jr.
Horace R. Brannon.
Cyrus Brewer.
Charles F. Brindupke.
Lawrence S. Brown.
Sheldon W. Brown.
William W. Brown.
Frank H. Brumby, jr.
Louis A. Bryan.
William I. Bull.
Peris G. Bunce.
Horace P. Bush, jr.
Arthur D. Caley.
Herbert J. Campbell.
Philip W. Cann.
Truman E. Carpenter.
Daniel L. Carroll, jr.
George N. Carroll.
William J. Catlett, jr.
Thomas E. Chambers.
Edgar G. Chase.
Irwin Chase, jr.
John L. Chittenden.
James M. Clement.
Burdette E. Close.
Clarence O. Cobb.
Herbert M. Coleman.
Walter D. Coleman.
James D. Collett.
Thomas J. Colley.
Fred Connaway.
Harry S. Cook.
Robert E. Coombs, jr.
Alfred L. Cope.
John Corry.
George Corson.
John L. Counihan, jr.
William R. Cox.
Alexander B. Coxe, jr.
James G. Craig, jr.
Richard S. Craighill.
Dennis S. Crowley.
Roland H. Dale.
Joseph B. Davis.
Henry C. DeLong.
Robert L. Denig, jr.
Mark E. Dennett.
John C. DeWitt, jr.
Hector de Zayas.
Nathaniel M. Dial.
Aquilla G. Dibrell, jr.
William J. Dimitrijevic.
William A. Dobbs.
Juan P. Domenech.
Francis M. Douglass.
Anthony H. Dropp.
Earl R. Eastwold.
Lynn T. Elliott.
Paul E. Emrick.
William K. Enright.
Sidney A. Ernst.
Robert L. Evans.
Charles H. Everett, jr.
John L. Everett, jr.
John S. Fahy.
John F. Fairbanks, jr.
Carl F. Faires, jr.
Marion A. Fawcett.
Emerson E. Fawkes.
Willard Feldschar.
Earl P. Finney, jr.
James A. Flenniken.
Francis D. Foley.
Joel C. Ford, jr.
Dale R. Frakes.
William R. Franklin.
Charles L. Frazer.
Bernard W. Freund.
Robert B. Fulton, 2d.
Malcolm E. Garrison.
Albert E. Gates, jr.
Scott K. Gibson.
Charles C. Gold.
Robert E. Goodgame, jr.
Arthur A. Goodhue.
Daniel C. Goodman.
Richard H. Gorsline.
Daniel S. Gothie.
Frederick M. Gramlich.
Richard O. Greene.
Archibald W. Greenlee.
Richard V. Gregory.
John M. Grider.
Paul H. Grouleff.
William H. Groverman, jr.
LeRoy B. Halsey.
Mason J. Hamilton.
Thomas G. Hardie.
Brooks J. Harral.
Paul H. Harrington.
Joseph L. Harwell.
Richard D. Harwood.
J. Harry Hayes.
Harvey H. Head.
Oscar A. Heinlein, jr.
Hugh L. Hendrick, jr.
George O. Hobbs.
Ernest D. Hodge.
Edward R. Hodgkins.
William M. Holmes.
John H. Hooper.
Thomas W. Hopkins.
John S. Horner.
Frederic N. Howe.
Wilbur G. Howle.
George E. Hughes.
Harry Hull
Ralph M. Humes.
Julian G. Humiston.
Harry C. Hummer.
James W. Humrichouse.
George C. Hunter.
Edwin W. Hurst.
Charles S. Hutchings.
George L. Hutchinson.
Earl T. Hydeman.
Walter D. Innis.
Joseph A. Jaap.
John F. Jacobs, jr.
George S. James, jr.
Garry W. Jewett, jr.
Clifford A. Johnson.
John H. S. Johnson.
Ralph C. Johnson.
Stanley H. Johnson.
William C. Jonson, jr.
Herbert L. Jukes.
Albert D. Kaplan.
Clarence E. Kasparek.
John H. Kaufman.
Cleo R. Keen.
Charles Keene, jr.
George W. Kehl.
William D. Kelly.
James L. Kemper.
William E. Kenna.
Robert H. Kerr.
Charles M. Keyes.
David F. Kinert.
Leon S. Kintberger.
Louis J. Kirn.
Henry T. Klinksiek.
Daniel C. Knock, jr.
Martin M. Koivisto.
Edmond G. Konrad.
Charles H. Kretz, jr.
Joseph H. Kuhl.
Samuel S. Labouisse.
John D. Lamade.
Richard H. Lambert.
Thomas D. F. Langen.
Theodore S. Lank.
Charles B. Lanman.
Earl A. Lapidus.
Jacob A. Lark.
Frank D. Latta.
Richard J. Lavery.
John R. Leeds.
Robert C. Leonard.
Kenneth P. Letts.
Travis R. Leverett.
John S. Lewis.
Porter Lewis.
Walter H. Lewis.
John M. Lietwiler.
Rex B. Little.
Harris C. Lockwood.
Joseph J. Loughlin, jr.
Thomas P. Lowndes.
Roland O. Lucier.
George R. Luker.
John P. Lunger.
Charles M. Lyons, jr.
William B. B. Lyons.
Albert S. Major, jr.
Charles K. Mallory, jr.
Richard S. Mandelkorn.
Louis W. Mang.
James G. Marshall.
Max C. Mather.
Alfred R. Matter.
Robert J. C. Maulsby.
Rollins H. Mayer.
Lloyd H. McAlpine.
Bruce McCandless.
Henry H. McCarley.
John J. McCormick.
Samuel A. McCornock.
Victor B. McCrea.
David H. McDonald.
Joseph A. McGoldrick.
DeWitt C. McIver, jr.
Donald K. McLeod.
William R. Miller.
Gilbert H. Mitchell.
Samuel P. Moncure.
Thomas J. Montgomery.
Harry G. Moore.
John A. Moore.
Robert B. Moore.
John H. Morse, jr.
Malcolm T. Munger.
John Munholland.
Henry G. Munson.
Charlton L. Murphy, jr.
Jerome E. Murphy, jr.
Ellsworth N. Murray.
Charles W. Musgrave.
Lloyd M. Mustin.
Jacob C. Myers.
Nicholas J. Nicholas.
Terrell A. Nisewaner.
Francis E. Nuessle.
Michael B. O'Connor.
Charles J. Odend'hal, jr.
Paul G. Osler.
George M. Ottinger.
William Outerson.
Allan A. Ovrom.
Hinton A. Owens.
Charles J. Palmer.
Alton E. Parker.
Frank M. Parker.
Lloyd W. Parrish.
Milton F. Pavlic.
Edwin K. Payne.
Charles E. Perkins.
William B. Perkins, jr.
Paul W. Pfingstag.
Everett L. Phares.
Charles E. Phillips.
George E. Pierce.
Ray M. Pitts.
George E. Porter, jr.
Robert R. Porter.
George W. Pressey.
Howard R. Prince.
Samuel F. Quarles.
Philip D. Quirk.
John W. Ramey.
George L. Raring.
William H. Raymond, jr.
James V. Reilly.
Harry L. Reiter, jr.
Norwood B. Rhoads, jr.
George F. Rice.
William L. Richards.
John P. Roach.
William C. F. Robards.
Robert D. Roblin.
George P. Rogers.
Jack Roudebush.
Edward A. Ruckner.
Fred L. Ruhlman.
Norman J. Sampson.
Harold L. Sargent.
Otto A. Scherini.
Maximilian G. Schmidt.
William P. Schroeder.
Floyd B. Schultz.
Isador J. Schwartz.
David D. Scott.
Reader C. Scott.
Harry W. Seely.
Spencer L. Shaw.
John D. Shea.
Howard E. Shelton, jr.
Allen M. Shinn.
William B. Short, jr.
Wallace C. Short, jr.
Paul J. Shovestul.
DeWitt W. Shumway.
Max Silverstein.
Clayton R. Simmers.
Robert T. Simpson.
Alvin W. Slayden.
Selden C. Small.
Clare B. Smiley.
Charles H. Smith.
Daniel F. Smith, jr.
John B. Smith.
James G. Smith.
Lawrence Smith.
Levering Smith.
Lewis O. Smith, jr.
Reynolds C. Smith.
Lawrence W. Smythe.
Ernest M. Snowden.
Harry Sosnoski.

Rufus A. Soule, 3d.
John G. Spangler.
John O. Speer.
John R. Spiers.
Wilford T. Stannard.
Marvin T. Starr.
Roland E. Stieler.
Howard F. Stoner.
Robert L. Strickler.
William A. Stuart.
Charles M. Sugarman.
Morton Sunderland.
John J. Sutton.
William L. Tagg.
Ennis W. Taylor.
John G. Tennent, 3d.
Donald I. Thomas.
James A. Thomas.
Forest C. Thompson.
Joseph Thompson.
William A. Thorn.
James C. Toft, jr.
Harry E. Townsend.
William E. Townsend.
Harvey C. Tschirgi.
Augustine J. Tucker, 2d.
Howard J. Turton.
Magruder H. Tuttle.
Gordon W. Underwood.
Robert D. Underwood.
Harmon T. Utter.
Robert E. Vandling.
John R. Van Evera.
Salem A. Van Every, jr.
William W. Vanous.
Francis A. Van Slyke.
Frederick O. Vaughan.
John Vaughan.
Arthur H. Vorpahl.
William T. Vrooman.
Lucien E. Wagnon.
Robert P. Walker.
Alfred G. Ward.
Thomas G. Warfield.
Odale D. Waters, jr.
Albert A. Wellings.
Robert H. Weeks.
Charles J. Weschler.
John T. West.
Wallace H. Weston.
Theodore H. White.
William J. Widhelm.
Frank E. Wigelius.
Adolphe Wildner.
Chauncey S. Willard.
Paul D. Williams.
Richard C. Williams, jr.
Lindsey Williamson.
Marcus W. Williamson.
Thomas F. Williamson.
George R. Wilson.
Ronald L. Wilson.
Ralph M. Wilson.
William R. Wilson.
William Winter, jr.
Jack W. Wintle.
Joseph F. Witherow, jr.
Frederick Wolsieffer.
Edwin C. Woodward.
Joseph C. Wylie, jr.
Melvin T. Young.
Robert C. Young.
William T. Zink, jr.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 18, 1932

The House met at 12 o'clock noon.

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

Almighty God, let Thy light fall upon our waiting souls as we pray the words of our Redeemer. Judge us not in Thy displeasure, but look upon our infirmities and imperfections with pity, and help us to do better.

Our Father who art in Heaven, hallowed be Thy name. Thy kingdom come; Thy will be done in earth as it is in heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive them who trespass against us; and lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory forever. Amen.

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

TRANSFER OF JURISDICTION OVER PUBLIC LAND IN DISTRICT OF COLUMBIA

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the committees.

The Clerk called the committees, and when the Committee on Public Buildings and Grounds was reached—

Mr. LANHAM. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (S. 2498) to authorize the transfer of jurisdiction over public lands in the District of Columbia.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

The House accordingly resolved itself into the Committee of the Whole House on the state of the Union, with Mr. OLIVER of New York in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill, which the Clerk will report.

The Clerk read the title to the bill.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

There was no objection.

Mr. LANHAM. Mr. Chairman, this is a bill which I shall explain briefly, and it will be explained more in detail by the gentleman from Massachusetts [Mr. DALLINGER], who reported it.

It is a bill which passed the Senate on the 5th of February, 1932. It provides authority for the transfer of jurisdiction over public lands in the District of Columbia. The purpose of that transfer is twofold, at least. In the first place, without any undue delegation of authority from Congress, it will enable the Federal authorities and the authorities of the District of Columbia to make such transfers of land by mutual agreement between themselves for specific purposes, whereas otherwise new land would likely have to be purchased.

For instance, if it is contemplated by these authorities that a school building shall be erected and that a public park or playground shall be established, the District authorities desiring to build the school might have a suitable site for a playground, but no suitable site for the school building. The Federal authorities, on the contrary, desiring to build a playground might have a suitable site for a school, but not a suitable site for a playground.

By exchange of these lands, which would better facilitate the purposes of each, no additional land would have to be acquired by either the Government or the District, and the Government would be saved that expense.

Any conclusion which may be reached by the authorities must have the approval of the National Capital Park and Planning Commission. It has been customary for all of the items involved in a transfer of this kind to be referred to Congress and become the subject of legislation. Many of these things are almost perfunctory, many of them can be easily determined among these officers without taking up the time of Congress which could be devoted to more important legislation.

The acts to be performed, while they involve discretion, are largely ministerial, and the bill provides that a report of all such transfers shall be made to the Congress. It will make for the expedition of business.

In the consummation of these various projects it will save the time of Congress, which must now give a part of its time to legislation involved in transfers of this character, and in the judgment of the committee, this authority should be conferred.

As previously stated, the bill has passed the Senate and has been unanimously reported to the House by the Committee on Public Buildings and Grounds.

I see that my colleague on the committee, the gentleman from Massachusetts [Mr. DALLINGER], is present. He made the report on the bill, and has given the matter great study, and he will give a more detailed explanation of the purposes and provisions of this measure. I now yield 15 minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Chairman, in view of an objection, which was made to this bill when it appeared upon the Consent Calendar the other day, I wish to call the attention of the House to the fact that there is nothing providing for any transfer of title in this bill. It simply transfers jurisdiction, as anyone can see, by reading Senate bill 2498, which is now before the House.

Mr. UNDERHILL. Does it provide for, or require, extra guards or police, or employees?

Mr. DALLINGER. Absolutely not. The purpose of the bill, as has been explained by the chairman of our committee, is to give to the Federal and District authorities who have charge of public lands in the District of Columbia power to transfer jurisdiction over such property, either

in whole or in part, among or between themselves, whenever it appears to be in the best interest of administration and maintenance. At present, whenever such transfers are necessary or advisable, action by Congress is required in each instance. At each session of Congress a considerable number of special bills to transfer jurisdiction over particular parcels of land in the District of Columbia are introduced in Congress, and we all know how difficult it is to get any bill relating to the District of Columbia through both Houses of Congress. It is a sad commentary upon our procedure here that it has been a long time since the Committee on Public Buildings and Grounds, for instance, has had a Calendar Wednesday call, so that the only way that our committee, to which will be referred from time to time a number of these special bills, can get them before the Congress is on the Consent Calendar, and if one Member, through some fanciful notion, objects to the bill, it fails. If the bill is finally passed by the House and gets to the other body, if it is there objected to, it is passed over, and may not be enacted into law.

In view of the present comprehensive building program for the District of Columbia, the authorities expect the number of such special bills to greatly increase unless this bill is enacted.

To illustrate this point it may be said that at this time a number of exchanges have been proposed between the park office and the school board, as for instance, to provide better sites for a Northern High School and the Taft Junior High School in Brookland, and to avoid the purchase of additional land for a new building at the Keene School at Blair and Riggs Roads. For each of these exchanges separate special bills are now contemplated by the District commissioners, each of which will require separate action by congressional committees.

Furthermore, a number of exchanges of property are contemplated between two or more Federal and District agencies as that between the Soldiers' Home, War Department, and the District of Columbia for straightening the road south of the Soldiers' Home between Harvard Street and First Street NW. Another of the same nature is that for rounding out the property of the National Arboretum by transfer by the District of Columbia of areas of land to the Department of Agriculture in exchange for transfers from the arboretum for street purposes. A bill (S. 3547) has already been reported in the Senate for an exchange of properties between the park office, the District commissioners, and the War Department at Bolling Field.

The foregoing instances clearly show that the enactment of this bill is desirable as a means of obviating unnecessary legislation and thereby lessening the work of Congress.

Moreover, it can not be doubted but that the enactment of this bill would result in a substantial saving of public funds. In the first place it would make easier the most efficient use of land already owned by the Government and, secondly, it would avoid the purchase of additional lands when property now owned by the Government might be transferred to a desired use.

The bill can in no way be construed as an unwarranted delegation of the authority of Congress. The National Capital Park and Planning Commission, with representatives of a large number of Federal and District interests, including two Members of Congress, would in every case have to approve a transfer before it was consummated, and, besides this approval, the exchange would have to be agreeable to all the departments concerned.

In cases of land for streets and parks the District Commissioners and the Director of Public Buildings and Public Parks already have the power to transfer jurisdiction without recourse to Congress. This bill provides that in the future the National Capital Park and Planning Commission shall recommend all such transfers, and it also provides that all transfers shall be reported to Congress.

The bill meets with the approval of the District Commissioners, the National Capital Park and Planning Commission, and the Office of Public Buildings and Public Parks. The committee feels that the legislation is both desirable and necessary.

I will insert here as part of my remarks a letter from the executive and disbursing officer of the National Capital Park and Planning Commission requesting the introduction of this legislation and a letter from the president of the Board of Commissioners of the District of Columbia urging its enactment; also a letter from the Director of Public Buildings and Public Parks of the National Capital indorsing H. R. 425 and H. R. 5863, which are practically identical with S. 2498.

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
Washington, D. C., December 21, 1931.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR CAPPER: Shortly before the last Congress adjourned this office took up with you the question of introducing a bill to authorize the transfer of jurisdiction over public lands in the District of Columbia. Such a bill had already been introduced in the House by Congressman ROBERT LUCE. You expressed your entire willingness to introduce such a measure but felt that the time was too short to accomplish anything and therefore it was mutually agreed to postpone introduction of this bill in the Senate until the Seventy-second session of Congress.

Inclosed you will find the bill modified and redrafted so as to be mutually satisfactory to the National Capital Park and Planning Commission, the Office of Public Buildings and Public Parks, and the Commissioners of the District of Columbia.

This bill gives the administrative authorities in the National Capital permission to reach agreements among themselves for the best use of land without the necessity for specific authority of Congress in such cases. Quite a number of such special bills are now acted upon at each session of Congress and it is expected that the number will increase as the public land is more and more crowded and the uses for it multiply.

This office feels very strongly the need for such legislation. In the specific case of land for streets and parks, the District Commissioners and the Director of Public Buildings and Public Parks already have such authority of law; that is, upon certification of the commissioners of the District that a certain edge of a park or triangle is needed for street purposes, the Director of Public Buildings and Public Parks may, under authority of the act of July 1, 1898 (30 Stat. 570), transfer jurisdiction over the required strip to the commissioners; similarly the commissioners may transfer to the Director of Public Buildings and Public Parks any land acquired for street purposes not immediately needed, with the assurance that the same land may be recovered by them for street purposes. The law has worked so satisfactorily and simplified procedure in so many cases in the public interest, without a case of abuse or unwise action having been taken under this authority, that I feel the method can be advantageously extended.

There are many cases in which such authority, if lodged in the administrative officers by Congress, would result in an economical saving to the Government.

Respectfully yours,

U. S. GRANT 3D,
Executive and Disbursing Officer.

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, January 19, 1932.

Hon. ARTHUR CAPPER,
Chairman Committee on the District of Columbia,
United States Senate, Washington, D. C.

MY DEAR SENATOR CAPPER: The Commissioners of the District of Columbia recommend the enactment of Senate bill 2498, Seventy-second Congress, first session, entitled "A bill to authorize the transfer of jurisdiction over public land in the District of Columbia," which you referred to them for consideration and report.

The commissioners believe the proposed legislation is meritorious.

Very sincerely yours,
BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
L. H. REICHELDERFER, *President.*

PUBLIC BUILDINGS AND PUBLIC PARKS
OF THE NATIONAL CAPITAL,
Washington, D. C., January 26, 1932.

Hon. FRITZ G. LANHAM,
Chairman Committee on Public Buildings and Grounds,
House of Representatives, Washington, D. C.

MY DEAR MR. LANHAM: In reply to your inquiry of January 13, I wish to express my personal indorsement of H. R. 425 and H. R. 5863, and to advise you that this legislation is also strongly recommended by the National Capital Park and Planning Commission. Either measure will effect considerable economy for the District of Columbia, and relieve the committees of Congress of the burden of handling a very considerable number of individual special bills.

The two bills are alternatives, only one of which should be passed. H. R. 425 is the form in which the bill was originally written by Mr. LUCE, and the form in which it was recommended

by the National Capital Park and Planning Commission at the last session of Congress.

H. R. 5863 is a new draft, revised to comply with what is understood to be the wishes of the District Commissioners. It is perfectly satisfactory to the National Capital Park and Planning Commission and myself.

(In case you can arrange a hearing of either of these bills before your committee, I would appreciate an opportunity to present a full statement of the need for it and the advantages to be derived from it.)

Respectfully yours,

U. S. GRANT 3D, *Director.*

I ask unanimous consent to extend my remarks by giving a list of possible transfers of jurisdiction that are now pending and for which special bills have been introduced. There are eight of them.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

POSSIBLE TRANSFERS OF JURISDICTION UNDER H. R. 5863—S. 2498

First. Site for new Keene School: Transfer between District school authorities and Office of Public Buildings and Public Parks. Will save purchase of new site and provide improved location for proposed Fort Drive Parkway.

Second. Northern High School: Transfer between District school authorities and Office of Public Buildings and Public Parks. Will provide improved hilltop location for high school. More centrally located in area to be served as well as more economical development of play area for proposed recreation center.

Third. Bolling Field extension and Shepherd Parkway (S. 3547): Exchange between War Department, Office of Public Buildings and Public Parks, and District Commissioners. To rectify boundaries and provide for relocation of highways.

Fourth. Relocation of Michigan Avenue, south of Soldiers' Home: Involving the transfer of jurisdiction between United States Engineer Office, War Department, Soldiers' Home, and the District of Columbia. For straightening of highway and consolidation of properties.

Fifth. Arboretum boundaries: Transfer between school authorities, Department of Agriculture, and District Commissioners for highway purposes. To round out the property lines of the Arboretum in exchange for transfer to the District for highway purposes of equal area of ground.

Sixth. Taft Junior High School: Transfer between District school authorities and Office of Public Buildings and Public Parks. Will provide for adjustment of property line between school and recreation area for improved location of the school building.

Seventh. St. Elizabeths—Fort Drive: Transfer between Department of Interior and National Capital Park and Planning Commission, providing for utilization of strip at back edge of St. Elizabeths for the Fort Drive, saving purchase of similar area elsewhere for this parkway.

Eighth. National Training School—Fort Drive: Similar exchange to provide parkway connection between Fort Lincoln and the Anacostia Park, saving the cost of acquisition of an alternative route.

Separate bills are contemplated for each of these exchanges.

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

Mr. DALLINGER. Yes.

Mr. STAFFORD. Will the gentleman kindly indicate specific instances in the District where this bill if put into effect would apply?

Mr. DALLINGER. I have just inserted in my remarks a list of such instances. First is the site for the new Keene School. This is a transfer between the District school authorities and the Office of Public Buildings and Public Parks. It will save the expense of the purchase of a new site and will provide an improved location for the proposed Fort Drive Parkway. This would do two things, obviate the necessity for buying land for school purposes and at the same time by exchange make it unnecessary to take land for a park. Then there is the case of the Northern High School. This is a transfer between the District school authorities and the Office of Public Buildings and Public Parks, the object being to provide an improved hilltop location for the proposed high school, more centrally located in the area to be served, as well as a more economical development of an area for a proposed recreation center. All of these things could be done without any expense whatever, because either the District of Columbia or the Federal Government owns the property.

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

Mr. DALLINGER. Certainly.

Mr. MAPES. There has been criticism by some of the proposal to authorize the President to reorganize the executive departments of the Government on the ground that it was an improper delegation of legislative authority, as the gentleman from Massachusetts well knows. Does the gentleman see any similarity between that proposal and this bill which in effect would authorize the National Capital Park and Planning Commission to transfer jurisdiction of land in the District of Columbia from the District authorities to the Federal authorities, and vice versa?

Mr. DALLINGER. The only similarity I see is that it will result in the saving of expense. In this case the saving of expense is apparent upon its face.

Mr. MAPES. Perfectly apparent, but if this can be done can not the President be authorized to reorganize the executive departments?

Mr. DALLINGER. I will say to the gentleman from Michigan that this is the third Congress in which I have introduced a bill giving the President absolute power to eliminate, consolidate, and reorganize the executive departments of the Government, something that he has asked for repeatedly; and I may add that a Democratic Member, Mr. Davey, of Ohio, well known as a tree man, introduced a similar bill when Mr. Coolidge, a Republican President, was in the White House.

I have always felt that Congress might well have given this power to the President and have saved all this wrangling about the economy bill that we have had. The President was willing to take the responsibility and make the saving, but Congress was so afraid to delegate even for a limited time some of its power that it refused to comply with the President's request; and, while my bill in form was incorporated in the economy bill, it was so emasculated that it will accomplish very little in the present emergency.

Mr. MAPES. I had no doubt of the gentleman's position, but I wanted to call attention to the question in the discussion of this bill.

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

Mr. DALLINGER. Certainly.

Mr. MAY. This is a very short bill, and I do not want to take unnecessarily the gentleman's time but to avoid the offering of an amendment; I notice that the bill authorizes the National Capital Park and Planning Commission and directs that they make reports of all these transfers to the Congress. Does not the gentleman think that, in line 2, on page 2, following the word "shall," it would be a good idea to insert the words "before being finally consummated," so that before they consummate any of these transfers they shall be reported to the Congress so that they could be investigated to see whether the transfer should be made or not?

Mr. DALLINGER. I do not think it is necessary. None of these transfers can be made by the authorities immediately in question without the consent and approval of this National Capital Park and Planning Commission. Perhaps the gentleman from Kentucky is not familiar with the make-up of the National Capital Park and Planning Commission. I would like, right at this point, for the information of the gentleman and for the information of the members of the committee, to read a list of the members of that commission. It is as follows:

Maj. Gen. Lytle Brown, Chief of Engineers, United States Army; Maj. John C. Gotwals, engineer commissioner, District of Columbia; Horace M. Albright, Director National Park Service; R. Y. Stuart, Chief, Forest Service; Hon. ARTHUR CAPPER, chairman Senate Committee on the District of Columbia; Hon. MARY T. NORTON, chairman House Committee on the District of Columbia; Frederick Law Olmsted,

Brookline, Mass., one of the leading landscape architects of the country; J. C. Nichols, Kansas City, Mo.; William A. Delano, New York City; Lieut. Col. U. S. Grant, 3d, United States Army, Director of Public Buildings and Public Parks of the National Capital, a man whom I think every Member of Congress has absolute confidence in.

I do not know of anyone connected with the executive branch of the Government who makes a finer appearance before our committees than Colonel Grant. Nothing can be done without the approval of this commission. It is a thoroughly representative body, on which the Senate and the House of Representatives have representation.

Mr. MAY. I would like to say that, with the explanation of the personnel of this commission, the amendment I suggest would not be necessary, but I had not studied the provisions of previous acts on the question, and I did not know whether there were any restrictions surrounding it or not and made the suggestion merely for that reason.

Mr. BLANTON. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. BLANTON. I am rather surprised to hear the distinguished gentleman from Massachusetts recommend the passage of and father such a bill as this. The gentleman knows that under just such relinquishment of power and authority we were compelled recently to take emergency steps to keep them from tearing down the Municipal Building, a splendid building, in splendid repair; to keep them from tearing down the Southern Railway Co. building, for which we paid an enormous sum and which is a splendid modern building, in fine repair; to keep them from tearing down the State, War, and Navy Building, one of the most picturesque buildings in Washington; and to keep them from tearing down the Post Office Department Building, than which there is no finer looking building in the city. If we are going to continue to relinquish the power and authority and control of Congress on such matters, I do not know where it will end. The gentleman has always been one of those who stood here and defended the right of Congress to pass upon these various matters, and I am surprised that the gentleman is changing.

Mr. DALLINGER. I will state that the gentleman is entirely wrong. Ever since I have been a Member of Congress I have taken the ground that it is ridiculous for Congress to try to deal with so many details. If the gentleman from Texas will study the English Government, he will find that Parliament does not try to deal with such trivial questions as the naming of streets or the transfer between two authorities of a little piece of land that would be for the benefit of both.

The English Parliament deals with great questions of policy. The trouble with our Congress is that we try to deal with every little petty detail. It is absolutely ridiculous for this great body of men, paid by the taxpayers of this country $10,000 a year, to act as a city council for the District of Columbia, and deal with such trifling things. [Applause.] We ought to deal with matters of importance to the country. [Applause.]

Mr. BLANTON. Will the gentleman yield further?

Mr. DALLINGER. Certainly.

Mr. BLANTON. We have done pretty well dealing with them for the past hundred years, have we not?

Mr. DALLINGER. No; I do not agree with the gentleman. In my opinion the fact that we have not passed a bill like this has cost the taxpayers millions of dollars in the District of Columbia.

Mr. BLANTON. But we protected the rights of the American people.

Mr. DALLINGER. The gentleman from Texas talks about tearing down these buildings. That has nothing whatever to do with this bill. There is absolutely nothing in this bill about tearing down buildings or constructing buildings, and there is no appropriation authorized or required. This bill simply provides for a mutual transfer of jurisdiction, so that for instance, the school department of the District of Columbia can have jurisdiction over a little piece of land adjoining a schoolhouse and use it for a playground, instead of requiring the Park Commission to still have jurisdiction over it, and the school department be unable to use it for a playground. That is what we are dealing with here.

Mr. BLANTON. If my friend will yield further.

Mr. DALLINGER. Certainly.

Mr. BLANTON. We have right now in Washington some little two-by-four bureau that is continually telling Congress how far it can go and where it must stop, and what the limitations on Congress itself are, because of the relinquishment of power we have made from time to time to such bureaus. I am getting tired of seeing bureaus control Congress. I want to see Congress control every bureau and every department of Government.

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

Mr. LANHAM. Mr. Chairman, I yield 10 additional minutes to the gentleman from Massachusetts.

Mr. DALLINGER. Now, in response to the question originally asked by the gentleman from Wisconsin before we switched off on a little sidetrack, I wish to go on with the particular proposed transfers that are now pending. There is the Bolling Field extension and Shepherd Parkway. There it is desired to exchange some land between the War Department, the Office of Public Buildings and Public Parks, and the District Commissioners, in order to rectify boundaries and provide for the relocation of highways.

Then there is the proposed relocation of Michigan Avenue out in front of Soldiers' Home and near the Catholic University, involving a transfer of jurisdiction between the War Department, the Soldiers' Home, and the District of Columbia, for the purpose of straightening the highway in the interest of public safety. Now, it is that sort of little thing that requires a special act of Congress and perhaps takes years to get it through.

The next is the arboretum. As you know, Congress has authorized the acquiring of a lot of land for a great arboretum out in the northeast. There is desired a transfer of jurisdiction between the school authorities of the District of Columbia, the Department of Agriculture, and the District Commissioners, in order to round out the property lines of the arboretum, in exchange for a transfer to the District for school and highway purposes.

In other words, the Federal Government owns a big tract of land out there and the District of Columbia government has a school and a highway in the same locality. They simply want to exchange jurisdiction over a little land so as to make a better playground, a better highway, and round out the boundaries of the arboretum.

Next is the case of the Taft Junior High School, a transfer of jurisdiction between the District school authorities and the Office of Public Buildings and Public Parks. This will provide for the adjustment of the property line between the school and recreation area and for an improved location of the school building. Understand, gentlemen, all this property is owned either by the Federal Government or by the District of Columbia.

Then there is the St. Elizabeths Hospital-Fort Drive transfer between the Department of the Interior, which has control of St. Elizabeths Hospital, and the National Capital Park and Planning Commission. It simply provides for the utilization of a strip of land at the back edge of St. Elizabeths Hospital grounds for the Fort Drive, saving the purchase of similar area elsewhere for this parkway.

Finally, there is the National Training School-Fort Drive transfer—a similar exchange—to provide parkway connection between Fort Lincoln and the Anacostia Park, saving the cost of acquisition of an alternative route. In other words, they are making a beautiful drive to connect the old historic forts of the Civil War. They come to a point where there is a little piece of vacant land owned by some other department of the Government, and they come up against a dead end. Now, why make the National Capital Park and Planning Commission go to the expense of acquiring more land at the expense of the taxpayers when the Federal

Government can give a small slice off St. Elizabeths Hospital and thus make it unnecessary to go to any further expense?

Mr. Chairman, I have now taken up in detail eight proposed bills involving the question of transfer of jurisdiction. The chances are that none of these bills, in the jam we are in, will be enacted before Congress adjourns, which will result in all of these public improvements being held up, and probably sooner or later appropriations will have to be made for the purchase of property, which would be unnecessary if this bill is passed.

I trust, Mr. Chairman, that this bill will be speedily enacted into law. It is absolutely safeguarded, and there is no possible way in which the public can suffer or the taxpayers suffer; but, on the contrary, it will result from year to year in a constantly increasing saving to the taxpayers of the District of Columbia and the United States of America. [Applause.]

Mr. HAINES. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. HAINES. Do I understand that if it is desired to change the name of a street in the District of Columbia it is necessary to pass an act of Congress to do it?

Mr. DALLINGER. It is necessary.

Mr. HAINES. I have a letter from a very fine lady in my district who would like to have a street or avenue in the District named after Thomas Edison, and it would require an act of Congress to do so?

Mr. DALLINGER. It certainly would. We passed a bill at the last session changing the name of B Street to Constitution Avenue. It was one of the last measures in which our dear friend, Mr. Cooper, of Wisconsin, was interested, and it required an act of Congress to make the change. It requires acts of Congress to take care of all of these petty matters, and I say it is simply ridiculous. By and by the people of the country will awaken to the fact that their Congress is spending its time in caring for petty matters when it should be dealing with great matters of public policy.

Mr. BLANTON. Will the gentleman yield on that insignificant point?

Mr. DALLINGER. Yes.

Mr. BLANTON. Massachusetts Avenue is one of the most beautiful streets in the Nation's Capital. Everyone knows its boundaries. Does the gentleman want to give authority—and he intimates it has been done—to some little two-bit commission to change the name of Massachusetts Avenue to some little insignificant name?

Mr. DALLINGER. It all depends on the form of the statute.

Mr. BLANTON. I want these people to come to Congress whenever they want to change the name of Massachusetts Avenue. It may be unimportant to the gentleman from Massachusetts, but it is important to the rest of the country.

Mr. DALLINGER. I am perfectly willing to leave all of those petty details to a properly constituted body, feeling sure such a body would have sense and brains enough to know what to do in regard to the changing of the names of streets and avenues. [Applause.]

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

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to this bill.

The CHAIRMAN. Is any member of the committee opposed to the bill? If not, the gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I am somewhat apprehensive about conferring uncontrolled authority as to the exchange of property upon a commission without review by the Congress. I think we should hesitate before conferring this vast authority, particularly as to any land over which the Congress has immediate control.

This bill has the indorsement of the eminent executive officer of the public buildings and public parks commissioner, Gen. U. S. Grant, 3d. It has been stated that he is desirous of having the Botanic Gardens—on which is erected the statue in memory of his grandfather—transferred to the jurisdiction of the commission over which he so efficiently presides. I cite that one instance to show the danger of lodging such authority in the hands of a commission without any control whatsoever by the Congress. I do not think such authority should be vested in any commission without the approval of Congress.

During the last Congress this same eminent executive officer asked for authority to vest in the Commissioners of the District the right to close all the alleys and streets in the District, a very absolute authority which I did not think should be lodged in any commission. I did not think an administrative board should be clothed with authority to close alleys in the heart of the city of Washington which might be of great moment to adjacent property owners, and allow a board to determine whether those alleys should be closed or not, when their value might run into hundreds of thousands of dollars, nor do I believe we should vest similar authority in a board to exchange property and transfer the control and use in different agencies. I am opposed to that, and the gentleman who is sponsoring this bill can not cite any case in a commission form of government where that great authority is lodged in any commissioners.

Because it is sometimes rather burdensome for the Congress to pass on these small matters, the argument is made we should surrender and delegate this control as to its use and jurisdiction.

The gentleman from Massachusetts [Mr. DALLINGER], the author of this bill, has cited some pending instances as warrant for the passage of the bill, and calls attention to the relocation of Michigan Avenue south of Soldiers' Home as one of the eight instances. The Congress, without much ado, upon a favorable report from the District of Columbia Committee, passed that measure through the House within a few minutes. It required very little consideration; but the question of the propriety of our taking land for a street went through the regular channels of the Congress, the District of Columbia Committee.

There are some other instances where they intend to authorize the transfer of property owned by the War Department upon the determination of these executive officers. The determination is legislative and not administrative, and in the Committee on Military Affairs we have been trying to safeguard the property owned by the Army, keeping it for Army purposes and not allowing it to be disposed of for other purposes.

Mr. GILBERT. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Kentucky, who has had so many years of experience on the District of Columbia Committee. I always value the opinions expressed by the distinguished gentleman from Kentucky.

Mr. GILBERT. The gentleman from Wisconsin and the gentleman from Massachusetts [Mr. DALLINGER] are discussing, in my opinion, a very interesting subject, one to which I have given years of thought; in fact, I have tried to draw a bill to relieve Congress of some of these minor duties; but it is an incident of ownership. You can not divest yourself of these small matters of control if the Congress is to control its own home city. I would simply remind the gentleman from Massachusetts that before Congress adopted this course the Congress of the United States was chased through the streets of Philadelphia by a mob.

Mr. STAFFORD. There is something more, as the gentleman has presaged in his remarks, than merely getting rid of some of the tedious work applying to little matters affecting the District, and we should hesitate before we surrender absolute control over all Federal property in the District which may be exchanged as these executive boards may determine, without any further approval by the Congress. My position is confirmed by the experience and judgment of the gentleman from Kentucky who has studied this question for years as a member of the District of Columbia Committee.

I have cited one concrete case of the Botanic Garden. I do not know whether that property should be turned over to the Public Buildings and Grounds Commission or not. When I see the shabby and neglected condition of that so-called Botanic Garden, as I do every day in walking

through it, I am in a quandary as to the proper authority for its care. A large tree there was blown down in the high wind storm of six weeks ago that is leaning against a live tree and causing it to be distorted in its upright position. Again there was an old salamander right in the plain view of Pennsylvania Avenue for months and months. There is no care or attention given to that Botanic Garden whatsoever. I sometimes feel inclined to take an ax and cut down the tree so it will not dislodge the other tree. The keeper, or whoever has charge, is so neglectful, but that is no reason we should surrender jurisdiction and control of the Botanic Garden, although it may be ill managed by the present supervisor.

Mr. MAY. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Kentucky.

Mr. MAY. Does not the gentleman from Wisconsin think that the suggestion which I made to the gentleman from Massachusetts, that we reserve some control over it by amending this bill so as to provide that this commission's report shall not become final until Congress has considered it, is a proper one?

Mr. STAFFORD. I was interested in the proposed amendment; but that amendment would merely stay all proceedings. It would only amount to the same practice that is now indulged in, and instead of having them referred to the District of Columbia Committee they would be referred to the Congress and the matter would be kept dangling in the air. The gentleman should make his amendment more pervasive, so that Congress would really control the disposition of all Federal property. The language of the bill is:

> That Federal and District authorities administering properties within the District of Columbia owned by the United States or by the said District are hereby authorized to transfer jurisdiction over parts or all of such properties among or between themselves for purposes of administration and maintenance, under such conditions as may be mutually agreed upon.

Never have we vested such authority in any administrative board, never have we surrendered full control of property which the National Government owns to administrative officials as this bill provides, and the only argument advanced by the distinguished gentleman from Massachusetts, who hails from the classic shades of Cambridge, is that it will relieve us of some tedium with minor legislation. That is no justification for surrendering a principle of law.

Mr. Chairman, I reserve the balance of my time and yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I will guarantee that if every Member here will invite a dozen of his constituents to Washington, and will take them down here, show them the Municipal Building, the Southern Railway Building, owned by the Government, the State, War, and Navy Building, and the Post Office Building, everyone of them will vote unanimously that it would be ridiculous to think of tearing those buildings down, and yet, because we gave power to some little commission, it sought to demolish all of these buildings, and this Congress not three months ago had to rush in an emergency provision in an appropriation bill to stop them from demolishing those buildings. Is not that ridiculous? The gentleman from Massachusetts does not want us to handle such little matters.

A few years ago there was a splendid woman who had been magnanimous to the District of Columbia, who had been generous with her money, who proposed to change the name of Sixteenth Street to the Avenue of the Presidents. She might have had influence with some little commission and caused it to have been done, if you granted the power to such commission; but she could not get it through committees in Congress. There was no necessity for it. Everyone knows where Sixteenth Street is, it has Fifteenth Street on one side and Seventeenth Street on the other, and to change it would have been disorganizing the entire map of the city. There was no necessity for it at all, but because her castle was on the hilltop she thought it would be nice to have it changed to the Avenue of the Presidents.

These are little things, but control over them has been vested in Congress, and I am not in favor of our relinquishing our authority over such matters.

I know that the gentleman from Wisconsin and myself nor no one else can stop the passage of a bill that comes on the floor with the unanimous consent of the committee. All I can do is to register my protest against such legislation.

When Congress gets through its work you always will find bills of this character brought in, because something has to be taken up. You will find these bills brought in that ought not to be passed.

Why, do you know, gentlemen, the House of Representatives is practically through with its work. There is no sane reason on God's earth why Congress should not adjourn early in June. [Applause.]

The people of the country want us to adjourn, for it would be in the interest of the American people for Congress to adjourn.

I have heard it stated that some politicians who are not Members of the House, who must this year campaign an entire State, would prefer to do their campaigning from Washington rather than to make speeches in hot summer weather, and do not want to meet the people at home and have them ask questions that can not be answered, and that they are the ones who are not going to allow Congress to adjourn June 10.

Mr. GOSS. Mr. Chairman, is not this Calendar Wednesday?

Mr. BLANTON. Mr. Chairman, I wonder why the gentleman from Connecticut always wants to hamstring me.

Mr. GOSS. I wanted the gentleman to give us some information.

Mr. BLANTON. I am giving the gentleman information; I am giving the information that this kind of a bill ought not to pass, and it would not be passed except when Congress has nothing else to do. I am speaking about the wise necessity for an early adjournment of Congress, and the statement that politicians have to campaign their whole States during the summer, where their constituents might ask them a lot of questions they do not want to answer, prefer to stay in the city of Washington, to keep Congress in session the entire summer.

I want to tell you what I am not afraid to say: If any politician from my State votes to hold this Congress in session this summer for a fool reason like that, he will never get my vote when he runs for reelection, and I shall let the people of the country know in the various States the reason that the Congress was kept in session.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COLE of Iowa. I rise to congratulate the gentleman on what he is saying. What he is saying now is more important to the whole country than 16 bills like the one under discussion.

Mr. BLANTON. Certainly. As I say, we will pass this Army bill, and I hope the Patman bill, and the deficiency appropriation bill, and then the labor of our friend from Illinois [Mr. RAINEY] and our friend from New York [Mr. SNELL] will have been completed, and what they ought to do is to serve notice on the country that we are going to be ready to adjourn and demand that this Congress adjourn early in June, and we will back them up 100 per cent in the House of Representatives. [Applause.]

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

Mr. BLANTON. Yes.

Mr. SNELL. The gentleman and I sometimes agree, do we not?

Mr. BLANTON. Very frequently. The gentleman from New York has rare good judgment on occasions. [Laughter.]

Mr. SNELL. The gentleman from Texas is in entire harmony with the statement I gave out to the newspapers yesterday, that as far as I am concerned, and as I know the sentiment of this House, we feel that it is very important that we complete the business of the Congress and adjourn before we go away from here.

Mr. BLANTON. I am with the gentleman on that statement 100 per cent.

Mr. SNELL. And I hope the other Members of the House are.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield to me in order that I may ask a question of the gentleman from New York?

Mr. BLANTON. Certainly.

Mr. STAFFORD. Do I understand the position of the distinguished minority leader to be that the Congress should remain in session during the convention period if the Congress has not completed its work prior to June 10?

Mr. SNELL. As far as I am personally concerned, I think the first duty of Congress is to get the appropriation bills, the tax bill, and the economy bill out of the way. Further, as far as I am concerned personally, and as far as I know the membership of the House, the Members want to attend to these three things, first of all, and not let anything interfere with it.

Mr. STAFFORD. Not even the conventions?

Mr. SNELL. No.

Mr. STAFFORD. And have the Congress stay on its job until we pass the essential legislation, and throw the burden where it belongs—on the other body—if they do not do their work.

Mr. SNELL. And further, the Speaker and I gave out a joint statement to that effect to the newspapers this morning. [Applause.]

Mr. BLANTON. I am very glad to hear that. I hope the gentleman from New York [Mr. SNELL] and the gentleman from Illinois [Mr. RAINEY] and our distinguished Speaker will serve notice on the country that there is not going to be any recess, but that we are going to finish our business and adjourn, and that it will be a sine die adjournment. [Applause.]

Mr. SNELL. We did not serve any notice on anybody, but we took the position that that is the attitude of the House.

Mr. BLANTON. And our friend from New York has seen times when it looked as though it would take a month to pass an appropriation bill somewhere else, and all of a sudden a realization would come that it is necessary to pass bills quickly, and we have seen four appropriation bills passed in one night somewhere else. That is what ought to be done now. The business of the people ought to be attended to, and we ought to go home.

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

Mr. BLANTON. Yes.

Mr. KARCH. Is the gentleman in favor of adjourning without this House entertaining or passing some kind of unemployment relief?

Mr. BLANTON. Let me give the gentleman my view. All on earth that this Government owes an American citizen, a high-principled American citizen, one with self-respect and self-reliance, is an equal opportunity to find work. The Government does not owe a living without work to any person on God's earth; and, if I am here one month or a hundred years, I will never be in favor of giving a dole to an American citizen. [Applause.] Whenever you give a man money from the Government you make him lose his initiative and his self-respect, you make him lose his self-reliance, you make him lose his patriotism. I am in favor of passing the Patman bill before we adjourn.

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

Mr. BLANTON. Yes.

Mr. LOZIER. Is it true that if this Congress is going to pass any unemployment legislation and other constructive remedial legislation it can do it between now and the 10th of June?

Mr. BLANTON. Of course, it can do it easily.

Mr. LAGUARDIA. As long as it does it.

Mr. BLANTON. I saw the biggest bill passed in this Congress in years, a $2,000,000,000 bill, in a little while on this floor. I voted against it. When you get ready to pass measures you can pass them, both here and somewhere else. It does not take days and weeks and months. Let us get busy and get through and go home and let the country have a rest. That is what the people want. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Chairman, I want to direct my remarks to the bill under consideration.

In my work on the Committee on Appropriations and on the subcommittee handling District affairs, the condition which exists here has been frequently brought to our attention. Under present conditions, before an exchange between two departments which might affect only the corner of a lot of little value, or before any arrangements for a permanent improvement can be definitely made, they must come to Congress and secure the passage of a special bill. Congress usually relies on the recommendation of the committee, and the committee relies on the recommendation of those departments that are especially interested. But we all know that the calendars become clogged, and frequently months and sometimes years elapse before the legislation can be secured.

This bill does not give additional power to the Capital Park and Planning Commission. It provides that two different departments may arrange for a transfer or a trade, but even when those two departments have agreed, that exchange must be O. K'd by the National Park and Planning Commission. The National Park and Planning Commission has not any authority in the first instance to bring about any exchange.

Some of the examples mentioned by the gentleman from Massachusetts [Mr. DALLINGER] I am personally acquainted with, and I know it will be of benefit to the schools and to the Park and Planning Commission if exchanges can be made.

My observation has been that all departments of the Government are very jealous about alienating their control over any property that may be within their jurisdiction, and I think this will safeguard the public. One department will not be trading with another department unless they feel they are receiving full value in exchange for what they are giving up.

Therefore, in order not only to save the time of Congress but to expedite the business of the Government and the District of Columbia, I believe this authority should be given, and I believe it will not only result in savings from time to time but it will result in the expedition of the public business.

In my personal experience I can recall instances where proposed improvements, the building of schoolhouses and other improvements, have been held up several months because it was necessary to come to Congress. The permission of Congress was usually received, but sometimes it takes weeks and months. Therefore I believe, in the interest of efficiency in our Government, it is wise for Congress to pass this bill.

Mr. LANHAM. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. LANHAM. This bill, of course, provides only for the administration and maintenance of these properties, and it provides that there must be mutual agreement between the United States authorities and the District authorities before any transfer is even considered. Then, after that mutual agreement, it must be recommended by the National Park and Planning Commission, which is composed of various Federal officials, including two Members of Congress, one Member from the Senate and one from the House of Representatives. I think reports are made to Congress. Is that not a sufficient safeguard?

Mr. HOLADAY. I think it is sufficiently safeguarded to protect the public interest.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. HOLADAY] has expired.

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, on day before yesterday I furnished the House with figures showing the expenses of Federal judges sitting in districts other than their own. I note two items in the press, one a dispatch from Denver containing a statement by Judge J. Foster Symes, of Denver, who stated that my statement was absolutely false. I want to state to the judge that when he made that satement he was deliberately, maliciously, and willfully making a mis-

statement of the facts that he then knew was not true, because my figures were taken from his own vouchers in the office of the Comptroller General, which is the accounting office of the United States Government.

I want to inform the House that while those judges move up to New York to sit, and charge their extra allowance, other judges move into their districts. For instance, in southern Alabama, Judge Borah, of eastern Louisiana, and Judge Kennamer, of middle Alabama, held court during the absence of Judge Ervin in New York.

In eastern Arkansas, Judge Youmans, of western Arkansas, was assigned during the absence of Judge Martineau.

In northern California, during the absence of Judge St. Sure, court was held in this district by Judge Miller, of North Dakota.

In southern California, during the absence of Judge McCormick, the following judges from other districts were assigned to this district: Judge Jacobs, of Arizona; Pollock, of Kansas; Norcross, of Nevada; Hazel, of western New York; Korrigan, of northern California; and Killits, of northern Ohio.

In Colorado, during the absence of Judge Symes, court was held in Denver by Judge Kennedy, of Wyoming.

In western New York, during the absence of Judge Alder, court was held by Judge Hazel, of the western district, and Judge Knox, of the southern district. In other words, one judge went north and another went south in New York.

In eastern New York, during the absence of Judge Galston in the southern district of New York—in the same city—Judge Sheppard, of northern Florida, was assigned to eastern New York. A judge in Brooklyn goes over to Manhattan and he charges for his five days, and they bring a judge from Florida all the way to Brooklyn to take his place.

In southern Texas Judge Estes, of the eastern district, was assigned to the southern district during a portion of the time that Judge Hitcheson was in New York.

Mr. GARBER. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. GARBER. Is not the transfer of judges made necessary because of the disqualification of judges in their respective districts, and are they not assigned by the circuit court in different districts?

Mr. LAGUARDIA. No; not because of disqualification. Yes; they are assigned by the senior circuit judge.

Mr. GARBER. And they hold those courts in different districts, according to the assignment?

Mr. LAGUARDIA. Oh, they are district judges, and they go from one district to another. I have exposed a circuit judge assigning himself in his own district and drawing several thousand dollars extra.

But, let me say to the gentleman, I inquired just how this was done. The senior circuit judge, when he needs judges, asks other circuit judges, and then he assigns, and it is approved by the Chief Justice. But then, I asked, how does a judge from another district, assigned to hold court in the southern district, leave his temporary assignment? And this is the reply submitted by the Department of Justice to the Judiciary Committee of the House. Listen to this:

> I do not know exactly how to answer this, but I presume he may leave at any time he desires, upon notice to the senior circuit judge.

Mr. GARBER. Who made the statement to which the gentleman is referring?

Mr. LAGUARDIA. This statement is submitted by the Department of Justice and is made by the General Agent and Chief Clerk of the Supreme Court in answer to my resolution directed to the Department of Justice.

I shall read the complete reply into the RECORD. It is astonishing.

> Item 3 is "Who selected the judges so assigned" to the southern district of New York. I have no information as to who selected them, but the procedure is as follows: The senior circuit judge of the second circuit (in which New York is located) certifies as to the need for the assignment of a district judge from another circuit, and the senior circuit judge of the other circuit consents to the designation and assignment of a district judge (naming him in the certificate) to hold court in the southern district of New York for a certain period and for such further time as may be required to complete unfinished business. These certificates are forwarded to the Chief Justice of the United States, who formally designates and assigns the district judge named in the last-mentioned certificate. The papers are then sent to the Department of Justice for filing.
>
> If, however, the judge assigned to the southern district of New York is from any other district in the second circuit the assignment is made by the senior circuit judge of that circuit and the consent of the senior judge of another circuit, and approval of the Chief Justice of the United States is, of course, unnecessary.
>
> Item 4 of the resolution asks "how a judge from another district assigned to hold court in the southern district may leave his temporary assignment." I don't know exactly how to answer this, but I presume he may leave at any time he desires upon notice to the senior circuit judge. He could hardly be compelled to stay in New York if he wishes to leave.
>
> Item 5 asks "to whom are the vouchers for expenses of judges sitting in districts other than their own submitted for approval." No "approval" is required. Such vouchers are paid on the certificate of the judge who incurred the expense by the United States marshal of the district to which the judge is assigned, in this instance the southern district of New York.

Another judge who had the audacity to endeavor to reply to the disclosure of his own voucher was Judge Kennedy, of Teapot Dome fame. Let Judge Kennedy say something about that disgraceful decision of his.

Now, Mr. Chairman, I want to say just a few words with reference to what was stated by the gentleman from Texas [Mr. BLANTON], concurred in so heartily by my colleague from New York [Mr. SNELL].

I do not concur in all this talk that Congress is to blame for present business conditions. Congress was not in session from the 3d of March, 1931, until December, 1931, and conditions were never worse in the history of this country. During that time business, industry, and the banks were begging and pleading for Congress to get in session in order to ratify the moratorium and to pass the Reconstruction Finance Corporation act. But now in circulars sent out by bankers and in advertisements and stockbrokers' confidential letters Congress is blamed for the misconduct of these same bankers and stockbrokers and confidence gold-brick men.

Of course, we should adjourn when our work is finished; but, Mr. Chairman, our work is not finished until we pass some constructive legislation that will prevent several million American citizens from starving to death during the coming winter. [Applause.] Why, the President of the United States, let me say to the gentleman from New York [Mr. SNELL], the minority leader, himself is concurring with Senator WAGNER, of New York, and other leaders of Congress, real leaders of Congress, on a bill providing loans for revenue-producing projects and providing loans to States and political subdivisions of States for public works in order to stimulate industry and create employment.

Can we adjourn, Mr. Chairman, with millions of industrial workers walking the streets, and hundreds of thousands—yes, millions—of farmers, with the sheriffs marching upon their homes with foreclosure papers? We provided for the Reconstruction Finance Corporation, and it is doing its work. How can we sit idly by and say that after we have passed the appropriation bills and the revenue bill we should close and go home? No real statesman with vision and any understanding of the country's condition would say such a thing.

It is just as much a part of the duty of Congress to provide aid to the farmers and the unemployed workers of the country as it was its duty to pass the Reconstruction Finance Corporation act; and if I know the temper of this House I will say it will not consent to adjourn until we do pass a constructive legislative program that will stimulate industry and provide employment that will bring relief so much needed by the farmers of the country.

We talk so much about balancing the Budget. The first thing we have to do is to balance the family budget; and not until the budgets of the American families are balanced will there be any hope of balancing the National Budget. I say that some of you gentlemen—and only a few I am glad to have noted—can sit here and applaud when the gentleman from New York [Mr. SNELL] suggests that we have completed our labors and that we have nothing else to do

except to pass the appropriation bills and then go home because some discredited stockbroker and broken banker are so saying the same thing in his circulars to his clients; but I say that we have a distinct and important duty yet to perform, and that is to face the situation. Wait until some of the few gentlemen who just applauded to-day the suggestion to adjourn go home to their districts and see the bread lines and hear of the public and semipublic charity funds depleted with no hope in sight for the coming winter; the gentleman from New York [Mr. SNELL] and the very few who applauded him may then learn a little about real economic conditions. Then they will realize the necessity of staying here, facing the facts, and doing something real and useful.

We can not improve conditions by saying these conditions do not exist. The distinguished Senator from the State of New York, Senator WAGNER, put into the RECORD yesterday some very illuminating information. At this time, with the great need that exists in this country, with unemployment increasing, not decreasing, I say we dare not adjourn Congress and go home without doing something constructive and something to bring relief to millions of American unemployed and to the needy American farmers. [Applause.]

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, inasmuch as upon the request of the Director of Public Buildings and Public Parks I sympathetically and gladly introduced the House bill, it devolves upon me to say a few words, at any rate, in support of this measure. The reasonableness of the proposal appears on its face and needs no discussion. So I would use this time to call attention to the fact that in legislation of this type we are beginning to pursue a course that now has been followed in Great Britain for 50 years, more or less, and that must be pursued here if the House is to free itself from the petty administrative detail which now takes so much time, to the exclusion of attention to more important matters.

In the course of this half century Parliament has gradually developed a system under which petty administrative detail is quickly handled. It may take one of three courses. A subject may be intrusted to an administrative board or officer, with power to act, and the provision that his action shall be laid before the House of Commons at the opening of the next session or while it is in session. This gives the House of Commons an opportunity to annul the action if it sees fit. It is the course proposed in this bill. We are to allow administrative boards to act, but we secure to Congress notice of the fact at the earliest practicable moment, thus calling it to the attention of Congress, which, of course, can annul the action if it deems the action unwise.

The second course that measures may take in Parliament is for the administrative official or board to act, the action to be final unless Parliament rejects it within a specified time after the convening of the House of Commons. The regulations thus issued are known as provisional orders, and the provisional order book laid before the House of Commons at every session is very much larger than the volume containing the enactments of that session.

The third course, that which is prescribed for the most important matters, is for the administrative board or official to prepare the legislation, which is to take effect if and when Parliament approves.

Mark you, for the smallest things the action of the administrative officer or board is final unless and until Parliament proceeds to disapprove. For the next larger matters the action is final if Parliament does not act within a specified time. Under the third course the act of the administrative officer or board is final when Parliament acts.

This system must be adopted in this country, both in Congress and the State legislatures, if we are to return our activities to matters of principle and policy. Eventually time will permit no more than that, and already time is so pressing that we with difficulty cope with the little matters that now encumber our machinery.

For that reason I welcomed the opportunity to introduce this particular bill. It is not of great importance in itself, but it is setting an example which the Congress must more and more follow in order to free itself from the minutiæ of administrative legislation.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. FULMER] such time as he may desire.

Mr. FULMER. Mr. Chairman, I listened with a great deal of interest some days ago to a speech delivered by the gentleman from Pennsylvania [Mr. BECK]. He stated that the time has arrived when we should go back to the Constitution. I fully agree with him, but to do this we will first have to take the Government back to the people.

Under a Republican administration for the past 12 years the average business and the great masses of the people have not been considered in legislation and administrative policies. I charge that because of the type of Republican policy, largely controlled by special interests—big business—we have gotten the Government and the Congress in dutch with the people. There is too much secrecy in Government and in the administration of departmental affairs. I find—and you will find out this summer when you go back to the people, if you have not already done so—that the people who feed and clothe the world and pay the expenses of the greatest Government on the face of the earth are beginning to realize that there is something wrong and they are prying in on the inside workings of the Government. You have gone along creating bureaus, commissions, and adding thousands of employees to the Government pay rolls at good salaries at the expense of the taxpayer without the consent or any special knowledge of the great masses of the people. You have given special privileges and protection by legislation and otherwise to well-organized groups with the hope that these groups would shake a few crumbs from the table to those laboring in industry and those who have been sweating blood to feed and clothe the world.

You have passed major pieces of legislation and in so doing have talked loud and long about the benefits labor and agriculture would get out of same. However, when these pieces of legislation are signed by the President and pass into the hands of various departments, boards, and commissions whose duty it is to interpret and administer same, the people you talked about are eliminated from the picture. For instance, take the act creating the Interstate Commerce Commission, which is supposed to see that the public, agriculture, and labor get a square deal. Who is it that pays the highest freight rates that we have ever had with all competition on the part of railroads wiped out by this commission? Why those who were to get a square deal. Recently freight rates were increased at the expense of the public, whereas private and governmental agencies are reducing expenses. Let us take the Tariff Commission and the emergency tariff act for farmers. Everybody knows that industry is protected by the highest tariff rates to-day at the expense of business, labor, and agriculture that we have ever had.

In the meantime practically everybody knows that you can not make the tariff apply on practically any farm product, yet it was a "farmers' tariff bill." You are not even fair in dealing with the tariff policy. If you were you would put a tariff on jute that is flooding this country at the expense of the cotton farmer. Why just go back and take a look on the CONGRESSIONAL RECORD when the Farm Board marketing act was up for consideration. This bill was to be the last word in saving agriculture, and about all farmers have received is advice on the part of the board to plow up every third row of cotton.

Let us take the Reconstruction Finance Corporation act passed by the present Congress. It was especially created to make loans to banks so as to put them in a position to loan to agriculture. We find, however, that railroads have

gotten plenty and banks just enough to put them in a better position to take care of withdrawals of deposits, which is very good, but not enough to enable them to make additional loans. It was also expressly understood that it would loan to closed banks so as to enable them to pay off depositors, thereby placing millions in the hands of depositors which would be placed in the channels of business, and this is the main reason I voted for the bill. I have been trying to help a number of closed banks in my district, but without very much success. When an application is passed upon favorably the bank gets a very small loan compared with the amount of collateral pledged, which is usually about all of the good paper they have on hand.

During this session of Congress a bill was passed appropriating $125,000,000 for Federal land banks. It was stated by the proponents of the bill that it was to enable land banks to extend payments of farmers' mortgages and to make additional loans. What has happened? Thousands of farms are still going on the block and it has to be a No. 1 risk to get a new loan. A number of us tried to amend the bill so as to force the board to extend payments on loans, but it was voted down, and I voted against the bill. The Agricultural Committee reported and the Congress passed a $10,000,000 bill to be used by the Secretary of Agriculture to make loans to farmers to establish production credit corporations. I have not heard of even one being established in South Carolina. I refer to those various matters for the reason that the public, and especially my constituents, should know that in blaming Congress for everything on the face of the earth that they should give the individual Congressman credit for his efforts and actual record.

The average legitimate business, labor, and agriculture have stood for the things I have talked about because they have been satisfied with having an opportunity to make a living and keep going. In the meanwhile you have allowed these organized groups to use tariff rates, increased freight rates, or their monopolistic powers to control and fix prices, including the cost of production, overhead expenses, tariff rates, and a profit, all of which is passed on to labor and agriculture.

This has worked well until now we find millions unemployed, agriculture bled to death, and therefore unable to absorb these fixed charges, and it is beginning to paralyze the octopus that has about sucked their victims white. If farmers were able to-day to fix fair prices on their products like these organized corporations, you would not have to worry about unemployment, business, or revenue to run the Government.

The serious condition that exists to-day did not just happen, and I charge that it would not have happened if those in authority would have functioned in the interest of all the people. The thing I really want to speak to you about which is in line with what I have been saying is that the great masses of people, for which a few of us are laboring day in and out, have little chance to get a square deal under the present policy of government.

I want to give you a fair sample of what I have been trying to discuss with you. About 12 months ago the steel manufacturers and Barrett Co. requested the Secretary of the Treasury to make an investigation, charging that foreign countries were shipping sulphate of ammonia into the United States at a price below that for which the same product was being sold in foreign countries. I have been protesting during these months to the Secretary of the Treasury against the placing of a tax on this fertilizer, especially at a time when farmers are struggling for their very existence.

I called to the attention of the Secretary that it was unfair to make Government loans to farmers to buy fertilizer and then place a tax thereon taking back at least a part of the very money loaned them. The steel manufacturers are highly protected on steel with a tariff, but they are not satisfied with this protection. They want a bounty on sulphate of ammonia, which is manufactured by them as a by-product. These manufacturers claim that the price of imported sulphate of ammonia is so cheap that it is injuring their business. I asked the Secretary, in discussing this charge, if he would take into consideration the injury it would bring to 30,000,000 farmers who would have to pay this tax. I was told that they were not concerned about farmers and that the antidumping act did not refer to farmers.

I then requested the privilege of seeing the evidence submitted by the manufacturers, but was refused, as they had promised to hold all evidence in strict confidence. Now, this is the thing I am trying to get over to you. Here comes one of these highly tariff protected groups requesting an additional tax placed on the unorganized and unprotected groups. In the meantime this group of farmers and those of us who are interested in trying to protect an already bankrupt agriculture are frankly told, "Under our policy we keep those things a "secret" and have so promised these manufacturers." As stated, the people have withstood these unfair charges until they have been bled white. I want to warn Members and these officials high up in the Government here and now that unless the great masses of the people are considered as a part of the Government, which is due them under the Constitution, and are given an opportunity to sit in and pass upon these acts of the Government that are held in secret, whereby special interests are receiving special benefits at the expense of the people, it will not be long before these people will rise up and destroy those in authority.

What are the facts in the nitrate-of-soda combination case? For years we have had a hog-tied Nitrate of Soda Trust functioning right in the face of the Government and robbing the American farmers out of millions of dollars annually. As stated, farmers paid the price with a protest, but received no relief at the hands of their Government.

A similar monopoly existed in the sale of sulphate of ammonia until about 12 months ago, when it fell through. It is a known fact that after this happened the manufacturers here, through their sole agency, Barrett Co., tried to get the continuance of this monopoly, but Germany would not stand hitched.

Now, under a promise of "secrecy" by the Secretary of the Treasury to the Steel Trust and Barrett Co., they propose to bring about the same results that would accrue under a combination, but under a taxing scheme.

I want to quote at this point my letter addressed to Mr. A. A. Ballantine, Under Secretary of the Treasury, who conducted these hearings, and his reply thereto. In my letter you have my plea for farmers and a notice of the introduction of my resolution. In Mr. Ballantine's reply, paragraph 4, you will note his promise to the manufacturers that he would hold their evidence in confidence.

WASHINGTON, D. C., *April 28, 1392.*

Mr. ARTHUR A. BALLANTINE,
Department of Treasury, Washington, D. C.

DEAR MR. BALLANTINE: You remember, in testifying before you some days ago opposing the placing of a duty on sulphate of ammonia, I requested the privilege of reviewing the finding of the investigation division of your department and the testimony given by the proponents of the proposition, but was refused. In this request I can assure you it was not a matter of reflecting on your judgment in passing upon this matter, but to be unable to review the evidence and testimony submitted by the proponents is absolutely ridiculous.

I note from Commissioner Eble that the proponents object to the Members of Congress and others interested in agriculture having the privilege of looking over these files. I have therefore introduced a resolution, which I hope to have passed by the House within the near future, calling for all testimony, evidence, and documents which will place you in the proper position to submit same, regardless of the views of the proponents. In the meantime I again want to call to your attention the serious agricultural situation and beg of you, regardless of the evidence submitted by the manufacturers of sulphate of ammonia in the United States, that you as promptly as possible make your decision against the placing of a tax burden on agriculture at this time.

Thanking you in advance for your courtesy in this matter, I am

Sincerely yours,

H. P. FULMER, M. C.

THE UNDER SECRETARY OF THE TREASURY,
Washington, May 10, 1932.

MY DEAR CONGRESSMAN: I am sorry that your letter of April 28 has gone unacknowledged owing to pressure of matters relating to the revenue bill. I have read the copy of the resolution which you have introduced in Congress, House Resolution 206, calling for all information, testimony, evidence, exhibits, documents, and records pertaining to the investigation which has been conducted in the

department on ammonium sulphate dumping questions under the antidumping act, 1921.

In passing the antidumping act Congress decided to provide that the initial decisions as to the existing of dumping should be made by the Treasury in accordance with administrative procedure. Under this procedure it is not the practice to have all parties present when evidence is taken or to submit the evidence from one side to the other unless in a particular case the interests involved agree to do this.

It has been the practice of the Customs Service, in acting under this statute, to treat all documents filed as confidential and not to disclose their contents unless the person filing them consents to such disclosures.

The representatives of the domestic producers of ammonium sulphate were advised of this practice, and made their statements with the understanding that the usual practice would be followed.

As I told you, the department will give the most careful and fair consideration to the evidence of both sides. I trust that you will understand why we do not feel free to comply with your request.

Very truly yours,

A. A. BALLANTINE,
Under Secretary of the Treasury.

Hon. H. P. FULMER,
House of Representatives.

When the German cartel or monopolistic agreement fell through as stated, sulphate was immediately placed on the market on an open competitive basis. For the first time, so far as I am concerned, for quite a while fertilizer-mixing plants and farmers were able to buy this much-needed material at a fair price. It was a godsend to both the fertilizer-mixing plants and farmers; especially on account of the serious economic situation. In fact, it was just too good to last long. It may be that the Nitrate of Soda Trust has something to do with this; however, we are unable to get the facts, because they are held in "secrecy."

The cheapness of sulphate since the breaking up of the German monopoly has interfered very much with the Nitrate of Soda Trust. In the year 1930, 144,000 tons of nitrate were shipped into the United States from Chile through the ports of Charleston, Savannah, and Wilmington, whereas up to date this year less than 30,000 tons have been shipped in. I realize that farmers, not being able to buy the usual quantity of fertilizer, have had something to do with this reduction in tonnage, but sulphate of ammonia has largely taken its place because of the low price. Mr. Lowman, Assistant Secretary of the Treasury, stated before the Ways and Means Committee while considering my resolution that sulphate of ammonia could be manufactured just as cheaply in America as in foreign countries, and I agree with him.

The following information is taken from Bulletin No. 129, issued by the Department of Agriculture, dated January, 1931:

It will be noted that the by-product ammonia is still the leading domestic source of nitrogen. This is produced at about 100 coke plants in 21 States. These plants produce about 97 per cent of the by-product ammonia, the remaining 3 per cent coming from gas works and bone-charring plants. The value of the products of the coke oven and therefore its price is not a determining factor in maintaining the prosperity of the by-product coke industry, and it is reasonable to expect that expansion will go on and production continue almost without regard to the price of this commodity.

On or about April 7 the proponents appeared before the Treasury officials in a "secret" meeting, and immediately thereafter sulphate advanced from $23 to $30 per ton at South Carolina points. My statement is absolutely borne out by a statement contained in a letter written by the agriculture commissioner of Georgia, E. C. Talmadge, as follows:

For some reason the price of sulphate of ammonia has suddenly advanced to more than $30 per ton; and I have reliable but not authenticated information that this sudden and radical advance in the price of sulphate of ammonia was due to the purchase of the supply by one large company.

It is my belief that the increased price was brought about either because it was understood on the part of these manufacturers that a tax would be placed on the importation of sulphate of ammonia, or Barrett Co. was able to corner the small amount of this product that was available at that time and thereby force this price on farmers.

Believing that there should be no "secret" dealings with a few of the people at the expense of a great majority of the people by the Government I introduced the following resolution on May 5:

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.

I was given a hearing by the Ways and Means Committee with the Assistant Secretary, Mr. Lowman, and Commissioner Eble appearing and vigorously opposing favorable consideration thereto. Why? Because they said the Secretary of the Treasury had promised the steel corporations and Barret Co. that he would not let anybody "see" their evidence, records, and so forth. Why, Mr. Lowman said he would be breaking a promise. Farmers have been promised by President Hoover and the Republican Party that they would be placed on an equality with the Steel Trust and other industries, but they did not mind breaking that promise. Practically every Republican on the Ways and Means Committee protested against favorable consideration of my resolution.

As you probably know, practically the entire production of sulphate of ammonia in this country is sold through Barrett Co., of New York City. Practically all of the steel mills are under the control of the United States Steel Corporation and the Bethlehem Steel Co. However, the few independent steel mills, along with these two large corporations, have an agreement with Barrett Co. by which this company is their exclusive selling agent of this product.

I have been informed by good authority that recently a representative of the Barrett Co. has been traveling through Charleston, S. C., and Savannah, Ga., calling on fertilizer manufacturers—mixing plants—trying to secure the assistance of the fertilizer manufacturers in the support of a duty on sulphate, pointing out to these fertilizer manufacturers that the cheap price of sulphate was injuring their business. I can produce evidence to substantiate this statement if it is desired.

If Barrett Co. and the manufacturers of sulphate have proof of dumping, why call upon fertilizer manufacturers requesting their assistance and influence upon the Secretary of the Treasury to carry out their taxing scheme? If we are unable to "see" the real evidence submitted, how do we know but that the Secretary has been swamped with propaganda by this already-protected group that will cause him to tax farmers?

I am very glad that the Ways and Means Committee has seen fit to report my resolution and that the House has passed same. I hope that this will be a sufficient warning to the Secretary of the Treasury to stop and take notice that those of us interested in the people and that the people who have been discriminated against are demanding equal rights under the Constitution and that they be considered as a part of the Government. In closing I want to state some facts as I see them relative to the present economic situation and suggest an emergency relief plan. For the past 10 years agriculture has been growing worse financially. Unemployment is spreading, family reserves are gone, another winter is coming, all classes are helpless, confidence has departed, fear is rampant.

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. The cure is beyond the resources and control of States and municipalities. Many will break down under the burden. Some of the bills passed this session are very good, but they do not go deep enough nor to the seat of the trouble. The present situation is much worse than the one following the World War. Either the dollar will have to be deflated or fair prices will have to be fixed on agricultural products. Minimum prices were fixed and maintained by the Government after the war, so why not do it now as an emergency relief measure? [Applause.]

Mr. LANHAM. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. GILBERT]. [Applause.]

Mr. GILBERT. Mr. Chairman, on May 6, just past, the gentleman from Massachusetts [Mr. TINKHAM] indulged himself, this House, and the country in an indefensible diatribe against an upright, able Christian gentleman from my district, one who disagrees with him upon the eighteenth amendment. His attack was also a veiled criticism against the Methodist Church. I refer to the Rev. Deets Pickett, an honored minister of my district.

After a citation of the testimony of Reverend Pickett before a Senate investigating committee, in which the Reverend Pickett testified, in substance, that neither he nor his organization had shipped any packages, the gentleman from Massachusetts produced a receipt, in which the consignor appeared to be the board of temperance, for 11 packages, which were trucked to Baltimore on or about the day the gentleman from Massachusetts held his investigation. Then the gentleman drew from that circumstantial evidence his own conclusions.

Can there be any other inference drawn from the removal of these packages the day upon which I asked the committee to subpœna the books of that organization than that the board hastened to remove and secrete incriminating documents?

Then he prefers this criminal charge:

In the light of this indisputable evidence I charge that Deets Pickett was guilty of perjury in his testimony before the Senate committee, and I call upon the Attorney General of the United States to prosecute him for this offense.

I notified the gentleman from Massachusetts by letter the other day that the very first opportunity I had to take the floor I would reply to these charges.

The Constitution of the United States, section 6, Article I, provides that for language spoken on this floor a Member shall not be charged to answer elsewhere.

This is a wise provision of the Constitution, otherwise truthful statements made in good faith would be used to annoy a Member so as to destroy his usefulness here; but I submit that the very existence of this great privilege would suggest to one who uses it, especially to criticize and disparage another, that the highest degree of care should be exercised. I know of nothing so cowardly as for a Member, clothed with that privilege, to take this floor to malign one who is thus rendered helpless to rectify it.

I have investigated these charges. It appears that there was a shipment of 11 packages on that day from the Methodist Building over here to Baltimore. It was a perfectly innocent shipment and was not made either by the organization referred to or by Reverend Pickett, its secretary.

Some years ago the Baltimore Methodist, a church publication, was transferred to Washington and became the Christian Advocate. It ceased publication some five or six years ago. Its property was stored in the basement of the Methodist Building, and as a coincidence merely, on the day referred to by the gentleman the owners of that property consigned it to Baltimore as the property of the Methodist Historical Society. It consisted merely of historical documents, picture of a bishop, and other property totally unrelated to the subject about which the gentleman was inquiring.

I read these telegrams received by me from eminent clergymen who know of the transactions:

Eleven packages, contents unknown to us, received at house 4104 North Charles Street from Washington April 10, 1930, and also picture of Bishop Waugh, which we were requested to store by Rev. Dr. Edward L. Watson, account of the Methodist Historical Society. The 11 packages are still intact and in same condition as when received, and can only be examined by the proper authorities.

RALPH J. TAYLOR.

When Christian Advocate closed up under Doctor Swartz he asked me if I wished to receive the remains as president of the Methodist Historical Society; that they consisted of bound volumes, cuts, etc. I asked a friend to receive them. They are at an address on Charles Street. Swartz knows what is in them. I have not yet had time to open them.

E. L. WATSON.

This is the Rev. E. L. Watson, now a pastor in Baltimore, former editor of Baltimore Methodist. I have received this telegram:

I was editor of Washington Christian Advocate, formerly the Baltimore Methodist, and had my office in the Methodist Building, Washington, D. C. The paper ceased publication the last of July, 1926. I vacated my office in Methodist Building October 1, 1926. The valuable papers and other material to be preserved were deposited in a storage room in the basement of the Methodist Building, where they remained several years. In the spring of 1930 the Board of Temperance, Prohibition, and Public Morals, from whom I had rented my office, wrote me to Sunbury, Pa., where I was then living, requesting that the material be removed. I came to Washington and spent two days collecting material for preservation. Since the Washington Christian Advocate had formerly been the Baltimore Methodist, it seemed fitting that these valuable documents and property should be placed in the custody of the Methodist Historical Society of Baltimore. I therefore shipped the files of the Baltimore Methodist and the Washington Christian Advocate, bound and unbound, historic papers, and valuable cuts to 4104 North Charles Street, Baltimore, which address was given me by Dr. E. L. Watson, president of the Methodist Historical Society, who said he would arrange for permanent care. The package composed one shipment by motor express that contained nothing that in any way pertained to any other organization or institution than the two papers mentioned above; that contained absolutely nothing that had anything to do with the Board of Temperance, Prohibition, and Public Morals. Doctor Watson has told me since coming here that these packages have never been opened.

This is from Reverend Doctor Swartz.

Mr. BLANTON. Will the gentleman yield?

Mr. GILBERT. Yes.

Mr. BLANTON. The gentleman from Kentucky has been here for years and has been quite active. Has the gentleman ever heard the gentleman from Massachusetts [Mr. TINKHAM] make a speech on this floor except when he was attacking Bishop Cannon or Dr. Clarence True Wilson or the Methodist Church?

Mr. GILBERT. Yes; in trying to reduce the representation of the white people of the South. His career has been distinguished by a seeming antipathy to them.

Mr. BLANTON. Outside of those matters, has the gentleman ever heard the gentleman from Massachusetts make a speech on any question on this floor?

Mr. GILBERT. No.

Mr. BLANTON. For the benefit of the new Members, who probably do not know him, will the gentleman from Kentucky mind describing the gentleman from Massachusetts [Mr. TINKHAM], so that the new Members may know something about him?

Mr. GOSS. Mr. Chairman, before the gentleman does that, would he not like to have a larger audience?

Mr. GILBERT. No, sir. As this matter has gone to the country from this floor, I merely feel we should have the truth follow it also from here.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. GILBERT. Briefly; yes.

Mr. MARTIN of Oregon. The gentleman has spoken about the gentleman from Massachusetts [Mr. TINKHAM]. I am one of the young Members whom the gentleman from Massachusetts [Mr. TINKHAM] has corrupted.

Mr. GILBERT. So the red fire of the gentleman from Massachusetts has burned down to fuss and feathers. Nothing so surely measures a man as his use and abuse of power. The press and the courts were open to the gentleman from Massachusetts; and if he had desired that the full facts of this circumstantial evidence should be given to the country, he should have first given it to the grand jury before broadcasting it through this public forum.

Mr. BLANTON. Will the gentleman yield on that? The gentleman from Massachusetts did cause a bishop to be haled before the grand jury and got him indicted, and then the chief justice of the Supreme Court of the District of Columbia held that the indictment did not charge any offense and dismissed it, quashed it, and it is now on appeal.

Mr. GILBERT. If the gentleman from Massachusetts had felt sure that Reverend Pickett had committed perjury, why did he select this forum, where he would be immune from the civil redress of Reverend Pickett?

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. GILBERT. I yield.

Mr. VINSON of Kentucky. There is no doubt but that the gentleman from Massachusetts thoroughly understands

his constitutional right of immunity, because I understand he exercised it in a libel suit against him.

Mr. GILBERT. If the gentleman from Massachusetts had continued his snooping through which he found out the existence of the shipment, he could have found out what it contained. If the gentleman from Massachusetts had continued his snooping, he could have found out that the gentleman whom he charged had nothing to do with the shipment, and he could have learned that he had the privilege, which he has now, of making a personal examination of these packages and learning what they contain. These packages are still intact and unopened.

Mr. LINTHICUM. Why did not the gentleman from Kentucky answer him at the time, and not do it now, when there are only perhaps 75 Members present and the gentleman from Massachusetts [Mr. TINKHAM] is not present to defend himself?

Mr. GILBERT. I notified him that I was going to make this speech. I was not present when the gentleman made his charges, and had I been I could not then have known their truth or falsity.

Mr. LINTHICUM. I should like to have heard what the gentleman from Massachusetts said about it, and there would have been more fun. [Laughter.]

Mr. GILBERT. The gentleman did not give Mr. Pickett notice, but I did give the gentleman notice. I can not state why the gentleman from Massachusetts is not here. It has been suggested that he does not appear here often.

Now, it happens that Deets Pickett is secretary of the Methodist board, and a militant advocate of prohibition, an organization that arouses the wrath of the gentleman from Massachusetts. That board has as much right to uphold the eighteenth amendment as the gentleman from Massachusetts has to tear it down. [Applause.]

Mr. Pickett is by birth, environment, and life work devoted to the prohibition cause. He and his people for generations have been fighting alcoholic indulgence and the human debasement and misery that we all know are its consequence.

His father was the nominee for President on the prohibition ticket, and devoted his life to the work his son is now carrying on. His mother is president of the Kentucky Woman's Christian Temperance Union and has devoted her life to the cause to which she is so devoted and in which she so sincerely believes.

It is poor sportsmanship and poor statesmanship for one to abuse and slander those who disagree with him. We may disagree as to the wisdom of the eighteenth amendment, but we can not disagree that its aims and purposes are most commendable and its supporters most sincere, nor can we fail to respect the motives of the godly men and women, the high ideals and noble sentiments of those who fought for 70 years to put it into the Constitution of the United States. It comes with poor grace for a Member to take this floor and slander one whom, in my opinion, he would not meet elsewhere. The long career of the gentleman from Massachusetts has been distinguished here for animus toward the white people of the South and for personal attacks against those who uphold the traditions and sentiments of that section.

The South is the section of the country from which the Reverend Pickett comes and where the sentiment for the eighteenth amendment is the strongest.

From the gentleman's career I am justified in the belief that had the gentleman from Massachusetts been here during the dark days that followed the Civil War he would have taken his place side by side with Charles Sumner, and Thaddeus Stevens and those others who sought to undermine and destroy the wise and kindly policies of Abraham Lincoln and Andrew Johnson.

But let me say in conclusion that if the gentleman from Massachusetts would devote his time and talents in an attempt to relieve the misery and distress that surrounds us, rather than to vindictively assault and recklessly slander those who differ with him, his services would be more valuable to this House, to his country, and to his God. [Applause.]

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

Mr. GILBERT Yes.

Mr. BLANTON. Has the gentleman read the bill introduced by the gentleman from Massachusetts [Mr. TINKHAM] against birth control, which he tried to withdraw the other day and which the gentleman from New York [Mr. LAGUARDIA] prevented him from withdrawing?

Mr. GILBERT. No; I have not.

Mr. BLANTON. He got that in here by mistake, I understand.

The CHAIRMAN. There being no further debate, the Clerk will read the bill for amendment under the 5-minute rule.

The Clerk read as follows:

Be it enacted, etc., That Federal and District authorities administering properties within the District of Columbia owned by the United States or by the said District are hereby authorized to transfer jurisdiction over parts or all of such properties among or between themselves for purposes of administration and maintenance under such conditions as may be mutually agreed upon: *Provided*, That prior to the consummation of any transfer hereunder such proposed transfer shall be recommended by the National Capital Park and Planning Commission: *Provided further*, That all such transfers and agreements shall be reported to Congress by the authorities concerned.

SEC. 2. Nothing in this act shall be construed to repeal the provisions of any existing law or laws authorizing the transfer of jurisdiction of certain lands between and among Federal and District authorities, but all such laws shall remain in full force and effect.

Mr. LANHAM. Mr. Chairman, I move that the committee do now rise and report the bill to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLIVER of New York, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2498, to authorize the transfer of jurisdiction over public lands in the District of Columbia, and had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. LANHAM. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the third reading of the bill.

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

On motion of Mr. LANHAM, a motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

VOCATIONAL REHABILITATION

The SPEAKER. The Clerk will call the committees.

The Clerk called the Committee on Education.

Mr. DOUGLASS of Massachusetts. Mr. Speaker, by direction of the Committee on Education I call up the bill H. R. 4743, 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.

The SPEAKER. The gentleman from Massachusetts calls up the bill H. R. 4743. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union and the gentleman from New York [Mr. OLIVER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4743, with Mr. OLIVER of New York in the chair.

The Clerk read the title of the bill.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, before I proceed with a discussion of the bill I would like to make

some arrangement in respect to time. I understand that two hours are to be used in discussion in general debate. I ask that one hour of that time be given to the ranking member on the committee on the Republican side, the gentleman from New York [Mr. REED].

The CHAIRMAN. The Chair will recognize any member of the committee opposed to the bill who seeks recognition.

Mr. STAFFORD. Mr. Chairman, I am not a member of the committee, but I ask for recognition in opposition to the bill.

The CHAIRMAN. Is any member of the committee opposed to the bill? The Chair hears no response. Therefore the Chair will recognize the gentleman from Wisconsin [Mr. STAFFORD] for one hour in opposition to the bill.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, this bill came before our committee on the presentation of the distinguished gentleman from Alabama [Mr. BANKHEAD]. The bill as it originally came before the committee asked for a continuing act with an appropriation of $1,500,000 a year and an increase of $20,000 in the administration fund. After long hearings, lasting three days, and upon mature consideration in executive session, the Committee on Education felt that it would be wise to amend the bill and cut out the provision for an increase of $500,000 in the appropriation. First, I shall review briefly the history of the legislation. On June 2, 1920, an act was passed establishing, in cooperation with the States, the service of vocational rehabilitation for all physically handicapped persons, and under the act of 1920 the work was to be continued for four years. The appropriation for the year 1921 was $750,000, and for the years 1922, 1923, and 1924 the appropriation was $1,000,000 annually. The work was found to be sucessful, and its continuation desirable. By act of June 5, 1924, the service was further continued for a period of six years, with the same appropriation of $1,000,000 annually, to June 30, 1930. By act of June 9, 1930, the service was further continued for three years, and that act ends on June 30, 1933. The last act contained the $1,000,000 annual appropriation. The present bill, as reported by our committee, provides for a continuation of the work for four years from the expiration of the next fiscal year. In other words, beginning on July 1, 1934, the successful work for the rehabilitation of those disabled in industry or otherwise and their return to civil life would continue with an appropriation of $1,000,000 annually for four years more.

That briefly is what your committee reports. I do not understand that there is to be any serious substantial objection to the passage of this bill. Let me say very frankly as the chairman of the Committee on Education that I am not one of those who are strong believers in the 50-50 appropriations. I believe that in education, or in any other field, where the work can be done by the States, it should be done by the States, and I am always among the last to appropriate Federal money for any State purpose. Although that is my state of mind, and I know it to be the state of mind of many on the committee, yet I feel, and I feel strongly, that this service is so exceptional that we can well continue it.

What are we trying to do under this rehabilitation act? We are trying to save men—human beings. We are trying to return to the community to be useful and productive citizens those who have had the misfortune by disease, by accident in industry, or even upon the streets from automobiles, to be so disabled that their usefulness as citizens is greatly diminished, and their productiveness as citizens is greatly diminished, and they are likely to become public charges.

My strong support for this bill comes from the fact that I am impressed by this: Last year the average cost of rehabilitation, per case, was $221.83. The figures from the various States show that it costs from $300 to $500 annually to maintain, in idleness, at State expense, in poorhouses and other institutions, such persons as are disabled and need rehabilitation, but do not receive it, but become burdens upon the communities. In other words, this bill is purely an economic measure at the bottom.

If we do not save and rehabilitate those injured and disabled citizens of ours (most of them, as a matter of fact, seem to be heads of families with many dependents), and if we do not meet that low expense of $221 for the care and rehabilitation of such men, then the States will pay a sum varying from $300 to $500 to take care of those same persons in poorhouses. Now, that is the whole story.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. JOHNSON of Texas. The amount authorized in this bill is the same amount that has been heretofore authorized to be expended annually, is it not?

Mr. DOUGLASS of Massachusetts. Exactly. The committee felt, and I think rightly, that no matter what might be the argument for an increase of the amount, this was hardly the time to grant an increase. Knowing, as we did, the sentiment of the House in the matter of economy, we did not feel justified in going farther than the present law.

Mr. ALMON. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. ALMON. Does the law not provide for the care and treatment of those who are injured on the farms as well as those injured in the cities?

Mr. DOUGLASS of Massachusetts. Absolutely. It takes care of any person who is injured or who suffers from disease, those injured in industry, those injured upon the farms, and those injured upon the streets. It is most humane, and it is not merely charitable, because it is an economy bill.

Mr. SIROVICH. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. SIROVICH. About how many men and women are being rehabilitated?

Mr. DOUGLASS of Massachusetts. According to the figures at my disposal we have already rehabilitated surely 50,000 in years past. May I give that in detail a little later?

Mr. SIROVICH. Also which State has the largest number and which State the smallest number rehabilitated?

Mr. DOUGLASS of Massachusetts. I think I can get those figures for the gentleman's information very shortly. Naturally we would find the largest number of rehabilitations in the States having the largest population. New York, for example.

I would state for the information of the committee that 44 of the 48 States have come under the provisions and benefits of this act. Only four States have remained out, and that in itself is proof of the successful working of this service.

Mr. PALMISANO. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. PALMISANO. Is it not a fact that the State of Missouri has abandoned this practice after a trial of three or four years?

Mr. DOUGLASS of Massachusetts. I will not be sure of that, but if they have I do not know their reasons, but I think they have made a mistake.

Mr. PALMISANO. Have not some of the States, particularly those engaged in farming, abandoned that practice?

Mr. DOUGLASS of Massachusetts. Perhaps they have. I am not informed particularly on that point. I do know that at present 44 States take advantage of the rehabilitation act.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. BANKHEAD. Has the gentleman's own State of Maryland not taken advantage of this act and accomplished great results?

Mr. PALMISANO. To be frank, it cost, according to a letter received from the director, of Maryland, $760 a year from 1929 down to 1931.

Mr. DOUGLASS of Massachusetts. The answer to that is that in other States the cost is not so high. The State of Maryland is not getting the benefit of the investigation it should make of the cost of the act.

Mr. ALMON. Will the gentleman yield farther?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. ALMON. Does not the history of this work under this legislation show that a great many States are now giv-

ing their attention to this by reason of getting Federal aid, which had been neglecting it for years before?

Mr. DOUGLASS of Massachusetts. I am glad the gentleman asked that question. I am satisfied from my study of this subject, that while I am opposed to Federal aid as a rule, the fact that the Federal Government has taken over this economic and useful work has caused the States to take up the work themselves, and they have seen the profit to their citizens.

The reason we ask this legislation at this time, one year in advance, is that, as the system works, the State itself first determines the number of cases to be rehabilitated. The State then goes ahead with the work, and that work is approved by the Federal Rehabilitation Board, and after they are satisfied that the work is progressing properly, then the Federal allotment is made to the State in question. So that the States are really one year ahead of the Federal board. Therefore this act must be approved at this time in order to take care of the fiscal year 1934.

In answer to the question asked by the gentleman from New York [Mr. SIROVICH], may I point out this: Since its inception in 1920 you will find from the report of the committee, which is based upon the report of the Vocational Training Board itself, that over 50,000 disabled persons have been rehabilitated and rendered self-supporting. At present 25,000 are being served. In the past year 5,192 persons were rehabilitated and placed in employment; 2,455 have been trained, but at the close of the year were awaiting employment, and 869 persons have been trained, but were under observation.

Thus during the year 8,516 people were rehabilitated and fitted for employment.

Mr. STAFFORD. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. STAFFORD. Does the testimony before the committee show the amount of funds that have been distributed to the States in the various years under the respective appropriations?

Mr. DOUGLASS of Massachusetts. That may not be found in the report of the committee, but it is to be found in the report of the Federal Vocational Board itself. I can furnish those figures a little later.

Mr. STAFFORD. The author of the bill, the gentleman from Alabama [Mr. BANKHEAD], has favored me with a copy of the hearings, which shows these amounts, and I am grateful to the gentleman from Alabama and also to the gentleman from Massachusetts.

Mr. REED of New York. In the State of Wisconsin the Federal-aid and State funds available for vocational rehabilitation for the year ending June 30, 1921, were $115,446.26, of which $51,325 was from Federal funds, and $64,121.26 from local funds.

Mr. STAFFORD. I have before me, through the courtesy of my friend the gentleman from Alabama, the author of the bill, a statement showing that Wisconsin received for the biennial period 1930–31, $51,325.

Mr. DOUGLASS of Massachusetts. I will say for the benefit of the gentleman from Wisconsin that Wisconsin is one of the leaders in this movement.

Mr. STAFFORD. The gentleman does not need to acquaint me with that fact. Not only the whole country, but the whole world knows Wisconsin is the leader in all progressive legislation of this character.

I want to get the total cost for Wisconsin; that is, how much the State of Wisconsin appropriated and how much it received from the National Government. I notice from the statistics just furnished me that outside of Illinois, New York, New Jersey, Ohio, and Oregon, Wisconsin shows the largest amount expended for this special service.

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

Mr. DOUGLASS of Massachusetts. I yield.

Mr. GOSS. Will the gentleman tell us why, on page 2, line 23, the committee changed the amount carried in the original bill from $65,000 to $97,000 and raised that amount, which is a limitation on the $1,000,000?

Mr. DOUGLASS of Massachusetts. That is to take care of the minimum allotments. The bill appropriates over $1,000,000. Under the bill each State must receive as a minimum $10,000. The $1,000,000 is appropriated proportionately to the population of the States according to the last census. Under that apportionment some States would not receive the full amount of $10,000. So the extra $97,000 in this case is to provide for the difference between the apportionment allotment and the $10,000 contained in the minimum allotment provision.

Mr. GOSS. How is the money allotted to the States?

Mr. DOUGLASS of Massachusetts. It is apportioned according to population.

Mr. GOSS. I understand that, but I mean under this provision?

Mr. DOUGLASS of Massachusetts. There must be a minimum allotment of $10,000.

Mr. GOSS. That is what I am asking about; how is that minimum allotment apportioned?

Mr. DOUGLASS of Massachusetts. By the law. Each State must receive $10,000. Under the proportional population allotment a number of them would not receive that much. The $97,000 takes care of that situation.

Mr. GOSS. So it appears that certain States were not able to take up their full allotment to the extent of $32,000; is that right?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. GOSS. What States were those?

Mr. DOUGLASS of Massachusetts. I will give the gentleman that information. To be sure to have that information for the House I requested the Chief of the Federal Board for Vocational Education to write me a letter on the subject, which I ask unanimous consent to insert in the RECORD in its entirety. This letter was received in reply to a request for information on that very point, and this will be the best answer I can give. The letter is addressed to me as chairman of the committee:

FEDERAL BOARD FOR VOCATIONAL EDUCATION,
Washington, March 2, 1932.

Hon. JOHN J. DOUGLASS,
House of Representatives, Washington, D. C.

MY DEAR MR. DOUGLASS: In response to your request, I am submitting herein an explanation of the operation of that provision in our present rehabilitation act guaranteeing to the States a minimum allotment of $10,000 per annum.

The present act authorizes the distribution of $1,000,000 annually to the States to be allotted on the basis of their respective populations. On this basis, 17 States, inclusive of Hawaii, receive as their portions of the $1,000,000 sums in each case less than $10,000. For illustration, Arizona's share is $3,174.23, while Colorado's share is $8,925.64.

There is, however, a further provision in the act that no State shall receive less than $10,000 in any year as its allotment. Hence in the case of these 17 States, a supplementary appropriation is provided in the amount of $97,000 per annum. Of this amount, the State of Arizona, for example, receives $6,825.76, and the State of Colorado, $1,074.36. These amounts are the differences between their population allotments and the $10,000 minimum.

I am inclosing a table of the allotments for the "minimum" States, which illustrates the points in question. The allotments are given on the two bases, namely, $1,000,000 and $1,500,000.

In conclusion, it should be noted that had your committee reported the bill with an authorization of $1,500,000 per year instead of $1,000,000 per year, the population allotments of the several States would have been increased 50 per cent. This would have resulted in several of the 17 States mentioned above receiving a population allotment in excess of $10,000 and brought the others nearer to that sum. Hence the total amount of the supplementary appropriation needed would have been approximately 50 per cent less than that now provided in the present act, which allots $1,000,000 to the States on the basis of population and $97,000 for supplementary appropriations guaranteeing the $10,000 minimum.

Very truly yours,

JOHN J. KRATZ,
Chief Vocational Rehabilitation.

States	On basis of $1,000,000	Special allotment to guarantee, $10,000	On basis of $1,500,000	Special allotment to guarantee, $10,000
Arizona	$3,174.23	$6,825.76	$4,761.35	$5,238.65
Colorado	8,925.64	1,074.36	13,388.46	3,388.46
Delaware	2,118.33	7,881.67	3,177.50	6,822.50

States	On basis of $1,000,000	Special allotment to guarantee, $10,000	On basis of $1,500,000	Special allotment to guarantee, $10,000
Florida	$9,199.60	$800.40	$13,799.40	$3,799.40
Idaho	4,102.34	5,897.66	6,153.51	3,846.49
Maine	7,295.45	2,704.55	10,943.18	943.18
Montana	5,213.96	4,786.04	7,820.94	2,179.06
Nevada	735.30	9,264.70	1,102.95	8,897.05
New Hampshire	4,208.89	5,791.11	6,313.34	3,686.66
New Mexico	3,423.00	6,577.00	5,134.50	4,865.50
North Dakota	6,144.71	3,855.29	9,217.07	782.93
Oregon	7,441.50	2,558.50	11,162.25	1,162.25
Rhode Island	5,741.23	4,258.77	8,611.85	1,388.15
South Dakota	6,046.63	3,953.37	9,069.95	930.05
Utah	4,268.86	5,731.14	6,403.29	3,596.71
Vermont	3,347.75	6,652.25	5,021.63	4,978.37
Wyoming	1,846.64	8,153.36	2,769.96	7,230.04
Hawaii	10,000.00	10,000.00	10,000.00	10,000.00
Total		96,765.93		73,735.45

Mr. GOSS. So that really the population in the States that can not draw $10,000 would get a much greater allotment than the other States.

Mr. DOUGLASS of Massachusetts. They do in a sense.

Mr. GOSS. Has the gentleman a list of those States which do not come within that class?

Mr. DOUGLASS of Massachusetts. I have the list right here.

Mr. GOSS. Will the gentleman put that in the RECORD?

Mr. DOUGLASS of Massachusetts. I will.

Mr. GOSS. How many States do not qualify for the $10,000?

Mr. DOUGLASS of Massachusetts. There are 17, I think.

Mr. PALMISANO. Is Maryland among them?

Mr. DOUGLASS of Massachusetts. No; Maryland is not among them.

Mr. PALMISANO. How much has Maryland received from this fund? Does it exceed $5,000?

Mr. DOUGLASS of Massachusetts. If the gentleman will give me a little time, I will give him that information. I do not want to take up too much of the time of the House.

Mr. STAFFORD. If the gentleman is pressed for time, I will be glad to yield the gentleman some of the time at my disposal.

Mr. DOUGLASS of Massachusetts. That is all right. I thank the gentleman from Wisconsin.

Mr. GOSS. To further pursue the matter, it will be noticed the State of Arizona by population is entitled to $3,000 under the bill.

Mr. DOUGLASS of Massachusetts. Yes; therefore, under the law we would have to supply to Arizona the difference between $3,174.23 and the guaranty of $10,000, which is $6,825.76.

Mr. GOSS. So that in all previous laws there has not been a minimum of $10,000?

Mr. DOUGLASS of Massachusetts. There has been a minimum all the time.

Mr. GOSS. That is a new feature in this bill?

Mr. DOUGLASS of Massachusetts. No; that has been the provision at all times. There is a change in the bill as introduced by the gentleman from Alabama [Mr. BANKHEAD] and the bill as amended by the committee. The bill as introduced calls for $65,000 for minimum allotments. Of course, if the bill calling for $1,500,000 went through—which it will not—then $65,000 would be enough to take care of those 17 States' minimum allotments, because the board would have $1,500,000 each year to allot, but under this bill the board only gets $1,000,000 a year to allot.

Mr. GOSS. So there has been no change in practice in this bill over what has happened in the past?

Mr. DOUGLASS of Massachusetts. The bill makes no change in the present practice. We are following in this bill what has been the law for 12 years.

Mr. GOSS. Does anyone inquire as to whether Arizona needs the extra money or is it just simply handed to Arizona and these other 17 States regardless of their needs?

Mr. DOUGLASS of Massachusetts. Not regardless of their needs, because the whole matter is supervised by the Federal Board for Vocational Rehabilitation, and the gentleman may be sure that board does not make an allotment unless it knows it is being properly expended.

Mr. ALMON. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. ALMON. Is it not a fact that less than $10,000 would not be sufficient to maintain an organization in any State?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. WELSH of Pennsylvania. Is it not a fact that it has to be matched by the State?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. STAFFORD. Can the gentleman give us any information as to why in some States there are so many more subjects who are entitled to this rehabilitation than in other States?

Mr. DOUGLASS of Massachusetts. In a populous State, where you would have thousands of automobiles running over the roads, for example, there would be many more chances of automobile accidents, and people who are injured in such accidents would come under the purview of this act.

Mr. STAFFORD. According to the table on page 13 of the hearings Alabama has 1,259 on the live roll and Michigan—which certainly is a great automobile State—has 1,246.

Mr. DOUGLASS of Massachusetts. From the very fact that this service covers accidents I can not guarantee or determine the figures in any State. There might be a thousand accidents in one State to-night and 2,000 in another State the next day.

Mr. STAFFORD. There does not seem to be any harmony as to population or any other standard.

Mr. DOUGLASS of Massachusetts. The greater the population and the larger the number of industries in a given State the greater is the need for this act, because more people in that State would be likely to be injured.

Mr. STAFFORD. This table does not confirm that statement. It shows that in agricultural States they have as many cases for rehabilitation as in manufacturing States.

Mr. DOUGLASS of Massachusetts. Men can be hurt on the farm with tractors; they can fall off a load of hay, and then become subject to the provisions of this act. There is no discrimination between injuries received on the farm and injuries received in the cities and no discrimination even as to those who are disabled from disease. The intent of the act is to cover all classes. It is a general law, having a general, good, honest, charitable, humane, and economical purpose. [Applause.]

Mr. STAFFORD. I am trying to get some light. May I inquire whether the explanation may not be that it is dependent upon the amount of money appropriated by those States to match the appropriations of the National Government and that that determines the number on the live roll?

Mr. DOUGLASS of Massachusetts. I would not want to agree to that suggestion. I assume the law is properly and honestly carried out, and I can also see and know where some States have taken fuller advantage of this act than others.

Mr. GLOVER. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. GLOVER. I had the privilege of serving on this committee for two years. My experience is that most of these cases come from among railroad employees, men engaged on public works, and things of that kind, and that is the reason why population does not always govern.

Mr. DOUGLASS of Massachusetts. I might suggest in passing that this law takes in and gives the benefits to all Federal civilian employees.

Mr. PALMISANO. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. PALMISANO. Is it not true that the head of this vocational-education committee and others contend that we are not now taking care of one-tenth of the people who should be rehabilitated?

Mr. DOUGLASS of Massachusetts. Yes; and that is why we need the law. That was one of the reasons why they asked for an increased appropriation. I think they honestly asked for it, but we did not give them the money. They asked for an increased appropriation because it was shown to the committee that only 1 out of 3 cases that should be brought under that act and should be rehabilitated could under the appropriation be attended to. So there is vast room for the use and the administration of this act. In other words, there are more people disabled daily than we have funds to provide for, but under the appropriation of $1,000,000, which we have been granting annually, the board has been doing the very best it can, and I think they should be helped, not by being perpetuated but by the continuation of their work for four years more. [Applause.]

Mr. WILLIAMSON. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. WILLIAMSON. Before the Economy Committee some time ago, when we were considering the matter of abolishing or discontinuing vocational education, we had a witness who stated that a number of cases of this kind had occurred. A disabled person had been trained, for instance, as a cigarmaker and then had lost his job or had become tired of his work, and the board proceeded to train him as a shoemaker, and that there were instances where one man had been trained for two or three different kinds of occupations. Was any testimony of that kind presented to the gentleman's committee?

Mr. DOUGLASS of Massachusetts. I do not think that particular case was brought before our committee, but I know that many very sad cases were brought to our attention and they would far outweigh the case that the gentleman has cited. I could draw tears to your eyes if I wanted to indulge in dramatics by rehearsing to you the stories of the many unfortunates who had been rescued almost from death's door and made self-sustaining, valuable citizens under the operation of this act.

Mr. ALMON. Can the gentleman give us the names of the four States that are not taking advantage of this Federal aid?

Mr. DOUGLASS of Massachusetts. I think I can name them from memory. The four States which have not taken advantage of the act are Delaware, Kansas, Vermont, and the State of Washington. However, we are hopeful they will come under the operation of this act within a short time.

Mr. ARENTZ. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield to the gentleman from Nevada.

Mr. ARENTZ. All that the gentleman has stated about the wonderful manner in which this work is carried on under the provisions of the act is true, but does not the gentleman believe we should curb in every way possible the amount of money we are appropriating for travel and for supervision and administration in the District of Columbia? I notice at the end of the bill there is provided $80,000, which was cut from $100,000, for such expenses.

Mr. DOUGLASS of Massachusetts. No; $80,000 is the present law. The new bill asked for $100,000, but we did not grant the increase, holding the amount to $80,000.

Mr. ARENTZ. I think, however, my argument applies to the $80,000. I believe if we are going to make these 50-50 appropriations for the States, we should guard most carefully the so-called bureaucratic rule which is almost bound to prevail, and every dollar we spend in the District of Columbia is adding to that very thing.

Mr. DOUGLASS of Massachusetts. This bill does not affect the District of Columbia particularly because the District of Columbia has a continuing act and is not considered under this bill. In further answer to the gentleman I may say that I quite agree there should be proper supervision of the administration, but in the absence of any evidence before our committee that there was not proper administration of this act——

Mr. ARENTZ. I do not say there is not proper administration, but I say there is overadministration, and in every one of these bureaus I maintain there is too much money spent on that particular phase of the work.

Mr. DOUGLASS of Massachusetts. I can not speak as to other bureaus, but I can speak as to this bureau from the evidence before the committee, and $80,000 for the administration work of this bureau, whose administrators travel throughout the country in the disposition of a fund of $1,000,000 distributed among 44 States is not too high in our estimation.

Mr. ARENTZ. The gentleman from Pennsylvania [Mr. WELSH] says that the gentleman from Massachusetts [Mr. DOUGLASS] is perfectly right. The gentleman from Pennsylvania is a member of the committee. Nevertheless, this is one of the things we have to guard against, because the complaint that we have coming to us from the country every day is about the amount of money that is spent here in Washington to take care of work that is being done in the States. I have no complaint about the work being carried on in the States if we are not spending too much money in overhead.

Mr. DOUGLASS of Massachusetts. I will say to the gentleman quite frankly that upon investigation and after conducting the hearings, I do not believe $80,000, which has been allowed during the last 12 years, and which is proposed to be allowed for 4 years more under this bill, is an unfair or an unreasonable allowance. I think the $80,000 will be properly spent and that good results in the supervision of this work will accrue to the Government.

Mr. KENNEDY. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield to the gentleman from New York.

Mr. KENNEDY. Is it not a fact that after 12 years the work has developed to such a point that it is necessary to allow more money to carry on properly the work of this bureau? It is not simply a matter of adding employees but of developing the service. We are dealing with a human problem and not a commercial problem.

Mr. DOUGLASS of Massachusetts. I think the gentleman states the problem correctly, and I am pleased that he has brought out the fact that we are dealing with a human problem. Under the terms of this bill we are not trying, as we do in some other bills, to develop better or bigger pigs or cows; we are trying to keep men sound and in the full use of their faculties for the benefit of the States and of the Nation. [Applause.]

I reserve the balance of my time, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I ask recognition to control the time in opposition.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, our distinguished chairman, the gentleman from Massachusetts [Mr. DOUGLASS], has made a very fair and comprehensive statement of the reasons for reporting this bill out of the committee, carrying $1,000,000 instead of $1,500,000, as introduced by my distinguished colleague from Alabama [Mr. BANKHEAD]. Some of us wish to increase the amount and report it out as introduced by the gentleman from Alabama [Mr. BANKHEAD]; but the committee, after carefully studying and taking into consideration the economic conditions and situation of the Treasury, decided to continue this appropriation just as it now is. So the $1,000,000 authorization carried in this bill for four years does not increase the appropriation one dime but carries it just as it is at present.

Mr. BRIGGS. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. BRIGGS. The only change, as I understand, is respecting the allocation in reference to the distribution. You have raised the distribution a little higher, but in the aggregate it does not increase the authorization one dollar.

Mr. PATTERSON. The gentleman from Texas is correct. It just raises the minimum allotment to States that do not receive that now.

Now, there are a few facts I want to bring out briefly, for I feel there is no material opposition to the bill, and we want to get along. I feel it important to bring these out.

I think the work has justified itself from two points, which is important to the Nation. One is I feel it has justified itself economically, and I want to give you these figures. In spite of the fact that it cost only about $221 last year for each case of rehabilitation of one of these persons.

Mr. PALMISANO. If the gentleman will yield, does not the report state it is $291?

Mr. PATTERSON. I am talking about the average.

Mr. PALMISANO. But the report states $291 is the average.

Mr. PATTERSON. The report shows that the chief of the rehabilitation service states that last year, 1931, it cost $221.83, and then it goes over the whole cost from 1924 to 1931, out of 44,829 rehabilitated, the average cost was $241.85. That is in the report of the chief of the vocational service.

We find further that the earnings of the group rehabilitated was $332,132 per year before rehabilitation.

Then, in 1927, the group had an earning capacity of $1,243,301 a year. The earning capacity of the group had increased practically as much per year as the entire cost of the Federal Government in rehabilitating these people.

So it is justified economically.

Not only can we show these figures, but the fact is that a great many States appropriated more money for carrying on the work from a local source than was appropriated by the Federal Government.

Mr. BRIGGS. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. BRIGGS. Is it not far better for the States to assume rehabilitation of these men that are injured, and make them self-sustaining, rather than have them thrown on the various communities and have them become subject to charity? Is it not more economical for the Government generally to rehabilitate them and make them self-sustaining?

Mr. PATTERSON. There is no question about that. Now, secondly, it has justified itself socially. I believe the facts will justify the statement that a State composed of people who can maintain themselves and produce and keep from leaning on charity elevates that people. The distinguished chairman of the committee pointed out in his argument where it cost more to provide charity for one person in an institution for one year than it does to rehabilitate one of these individuals.

A lot of these people who had no hope but to look to some charitable organization or to their families are not able to go forth and be self-respecting citizens and to rear families.

I want to come to some cases that I know of personally. Having been a superintendent of schools myself and having worked in the educational field for some years, I had opportunity to come in touch not only with this kind of work but other vocational work. I have been an ardent supporter of vocational education of all kinds, because I believe it is one sort of education that our system, both National, State, and municipal, does not provide as it should. For instance, since the day of apprenticeship has been more or less done away with, we find lots of young men and women coming to maturity with very little, if any, knowledge of any vocation or training. I had that brought to me very forcibly once. As a young man I went out looking for a position, for something to do. I struck a man and told him I wanted a job. He asked me what trade or profession I was master of. It happened that I was just grown up and I was not master of anything except farming. The greatest thing in our Nation to-day to increase its productive capacity and stability is the training of young men and women in some vocation.

To get back to those who are incapacitated for some reason or another, it seems to me that nothing can show more clearly and forcibly the good in this work than to show, as the gentleman from Massachusetts [Mr. DOUGLASS] did a while ago when he pointed out the large cost of charitable care and the cost of rehabilitation of one of those unfortunates.

I remember once I had a young man in school under me, who was about 19 years of age. He came in a wheel chair. He had no trade or profession. He had a rather bright mind; he could learn his books; but, of course, with the ordinary kind of school that I was teaching that did not prepare him for any trade or profession except perhaps to teach school. Later on, when this work came into my State, these vocational-rehabilitation people contacted this young man and they taught him the trade of a jeweler, which he could continue in his wheel chair and go to his office. This he did, and he built up a very fine business and is now one of the respectable citizens in one of the towns in my district.

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

Mr. PATTERSON. Yes.

Mr. ARENTZ. I know the gentleman has given considerable thought to this idea. Graduating from high and grammar schools in June of this year will be some 500,000 young people. Last year an equal number graduated, and very few of those young men who graduated last year have been able to find work.

Mr. PATTERSON. That is correct.

Mr. ARENTZ. These young men who graduate in June will have nothing but idleness to face. Go throughout this Nation and talk with the chief of police anywhere and he will tell you that his problem to-day is the young man floating around with nothing to do, having no vocation, no trade. I think something must be done by the different organizations throughout our country, by the fraternal organizations and the chambers of commerce and any other organization that we have, to act as a sort of father to these young men.

Mr. PATTERSON. Vocational education will do that. In spite of the depression, we find the earning capacity of all those who have been rehabilitated has not decreased as much as that of the average citizen, and their positions have been more secure than those of the average citizen of our country, so I hope this bill will pass. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. ELLZEY].

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield an additional five minutes to the gentleman from Mississippi.

Mr. ELLZEY. Mr. Chairman, it seems to me that this is one of the most meritorious bills this Congress has considered. In the first place, I consider this legislation economic, and I certainly favor rigid economy. In my humble judgment, any time that you relieve society of a responsibility by taking a man who belongs to the underprivileged class and making him self-supporting it is an economic factor worthy of most careful consideration. I hold before me the picture of a man who is helpless, dependent, with a dim vision of life's opportunities. After having received vocational training the opposite picture presents the same man as a self-respecting and self-supporting citizen. The fact remains that society has been relieved of that burden. This is a very meritorious measure, and one of the most worthy causes, in my judgment, that we have before the Congress.

In the second place, the dependent and unfortunate man in life, who is so well portrayed in this picture I hold before you, of necessity diminishes the producing ability of the man who is self-supporting and independent. Surely some one has to take care of the dependent. Society must support him. Therefore he helps to decrease the productive ability of the strong citizen. For that reason, certainly I favor this legislation.

My third reason is because there has never been a time in the history of this Nation when there was a more urgent need for this type of legislation. I am advised that the State of Nebraska has now, on an average, 41 accidents per month. That State has a population of 1,340,000. I repeat, there has never been a time in our history when we had more casualties, more than we had during the World War. Just think of it—41 accidents per month in a population of 1,340,000.

Then, the fourth reason is because of the justice to the underprivileged class. Imagine yourself being in the condition of the man shown in this picture. He is helpless, and naturally despondent. He is pessimistic. On the other hand,

when he has had this training, at a most reasonable cost to the Government and to the State, he has a new vision of life. He is inspired with a desire to render a real service to mankind. He has his self-respect, and is independent as he goes down the pathway of life. Gentlemen, this is a most worthy cause.

With your permission, I want to place in the RECORD some reports showing what has actually been accomplished in several States along this line.

This young man whose picture you observe hails from the State of Ohio:

Age: 21 years—married.
Education: Sixth grade.
A. P.: Suffered a double leg amputation in a railroad accident. He had been counterman in a restaurant, and an elevator operator. After his accident he was selling pencils on a street corner.
His friends said: "He is young, in excellent health, not bad looking, and we want to give him a chance."
Artificial limbs were bought, and he was placed at a sedentary job painting valves at $15 per week.

I have another case here. This picture shows a young man from North Carolina. One picture shows him in his helpless condition. In the other you observe him as the producer. Society has been relieved of a responsibility.

Billy used a wheel chair and crutches in moving from place to place, and made rather poor progress even with these aids. After three months' stay in the hospital under a competent orthopedic surgeon, Billy began to walk some.
Almost at once he requested that the rehabilitation department furnish him training in radio repairing. Arrangements were made with Auten's, the leading radio shop in a North Carolina city, for Billy to get some practical training and experience in repairing radios, and this was supplemented by a correspondence course.
From the very start Billy made good. His quiet demeanor, sunny disposition, and native ability, coupled with the desire to do, won him a place in the heart of everyone connected with the establishment.
Now, something over three years later, we find Billy carrying on as head mechanic in the same shop where he received his training. He is earning a good living and is happy in his work.

Next, allow me to present the case of a more mature man. This gentleman hails from the State of Illinois. You will observe that his hands and feet are gone. In the opposite picture he is shown as the producer. This is a splendid example of society being relieved of a great obligation and the man becoming a self-producer and independent in the race of life:

Jack W. was a caretaker of estates on the north shore. His hands and feet became frostbitten, necessitating amputation. Hooks and artificial feet were furnished by the rehabilitation department. He had very little education. At present he is selling men's furnishings at an average wage of $20 per week.

I have one more case from my own State of Mississippi. One picture shows this man as a pitiable object and the other as a self-supporting citizen:

Physical restoration and vocational training have paid big dividends in the life of W. S., of Wilkinson County, Miss.
At the age of 6 William became a helpless cripple from infantile paralysis. From that time to the age of 27 he made his way over the ground on his hands and knees. He lived too far from the schoolhouse to attend regularly and when he was grown he had completed only the fourth grade.
The spirit of the boy remained unbroken through all the years of hardship, and he never ceased to hope that some day something would be done for him that would enable him to walk and to become an independent citizen, able to make a living for himself and his widowed mother.
William applied to the Department of Civilian Rehabilitation and was at once visited by the supervisor, who advised him to have an operation. Under the supervision of the Department of Rehabilitation, William was given four operations and spent nine months in the hospital. For the first time in 20 years William stood erect and was able to walk with crutches. He was given a course in shoe repairing and in six months completed the course and began work in a small shop for himself.
William has been at work eight years. He has enlarged his shop and fitted it with electric machinery. He has trained two crippled people for the Department of Rehabilitation.
The total cost of this case was $332.50.

I remind you of this fact, that the cost of this training is kept reasonably low. I say to you it is very meritorious and is my conception of true economy.

Now, I shall be glad to yield to the gentleman's question.

Mr. McDUFFIE. Will the gentleman yield?

Mr. ELLZEY. I yield.

Mr. McDUFFIE. The gentleman has made a very interesting statement and has cited several illustrations or examples as to the work that has been done in rehabilitation. Does the gentleman not think that if the States themselves had done this work the same results would have been obtained?

Mr. ELLZEY. In answer to this question, I think your same argument would apply to Federal appropriations for highways and other causes. In other words, I think it is just as reasonable, if you please, to help this type of humanity, which is a burden on the Federal Government, as much as on the individual State. It is reasonable and is just as legal and legitimate as it is for the Federal Government to appropriate Federal highway funds for the States. [Applause.]

Mr. McDUFFIE. The gentleman answers very well with reference to the highways. Of course, the question of use in interstate commerce might enter into that, and, of course, the constitutional right to build post roads, but if the gentleman's position is correct or logical, why should not the Federal Government go farther and take care of every individual who becomes ill in this country and furnish a doctor and medicine to restore or rehabilitate him?

Mr. ELLZEY. I shall answer with a question. Would the gentleman favor a withdrawal of all national appropriations from the States?

Mr. McDUFFIE. I am not sure I would favor such a step.

Mr. ELLZEY. Would not the same argument hold true of other Federal appropriations?

Mr. McDUFFIE. I have some doubt as to whether this is a Federal function. I would favor the withdrawal of these particular funds. I do not believe the framers of the Constitution or the makers of the Government ever intended to have such burdens placed upon the Treasury of the Federal Government.

Mr. ELLZEY. Would the gentleman from Alabama favor the withdrawal of Federal funds for highway construction?

Mr. McDUFFIE. As I say, I do not think that is on all fours with this case at all, for the State has a great highway that enters into interstate commerce and is used as post roads.

Mr. ELLZEY. Is the State of Alabama able to build her own highways?

Mr. McDUFFIE. No; but the State of Alabama is able to take care of her crippled and will do it even if this bill fails.

Mr. ELLZEY. Does the State of Alabama participate freely now in the Federal funds for vocational rehabilitation?

[Here the gavel fell.]

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield the gentleman two additional minutes.

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

Mr. ELLZEY. I yield.

Mr. PALMISANO. Do the exhibits the gentleman used have reference to cases coming within his personal knowledge or were they sent to him?

Mr. ELLZEY. I requested them. One case presented is from my own State, and it was my own thought to procure them.

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

Mr. ELLZEY. I yield.

Mr. ALMON. I concur in the statement of my colleague the gentleman from Alabama [Mr. McDUFFIE] that Alabama is able to take care of her cripples, but the State did not do it until Federal aid was provided. Federal aid encouraged the people of Alabama to take an interest in it, and they are now caring for them as they never did before. I am heartily in favor of this measure.

Mr. ELLZEY. May I ask the gentleman from Alabama [Mr. ALMON] whether or not before Federal aid was given these unfortunate children they were a responsibility on your State?

Mr. ALMON. Certainly they were.

Mr. ELLZEY. And is it not further true that many of them now are self-sustaining?

Mr. ALMON. That is a fact. The people of Alabama are unanimously in favor of this legislation, so far as I am advised.

Mr. STAFFORD. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. PALMISANO].

Mr. PALMISANO. Mr. Chairman, I have never before heard of Member of Congress on the floor of the House indict his own State as did the gentleman from Alabama. He admitted that his (their) State had a duty to perform which it neglected until the Federal Government encroached upon that State function.

Mr. PATTERSON. Mr. Chairman, the gentleman is not referring to me.

Mr. PALMISANO. No; I am speaking of the gentleman from Alabama who made the admission. There are other gentlemen from Alabama besides the gentleman who has just spoken.

As I stated, they have admitted that the State of Alabama had a duty to perform, and that had not the Federal Government encroached upon that duty and forced them to do something it would have neglected—what they have an obligation to do—to educate and take care of their citizens.

Mr. ALMON. The gentleman will not claim this was forced on the people of Alabama. They had the right to accept Federal aid and took advantage of it.

Mr. PALMISANO. That was the gentleman's statement.

Mr. ALMON. I did not say it was forced on the people.

Mr. PALMISANO. In substance that is what the gentleman meant.

Mr. ALMON. I did not say it was forced on the people of Alabama.

Mr. PALMISANO. No; but I am correct, for in substance the gentleman said that until the Federal Government took up this function the State of Alabama refused——

Mr. ALMON. No; had neglected these cripples. Other States neglected highway construction until they got Federal aid.

Mr. PALMISANO. I do not yield to the gentleman.

Mr. Chairman, one of the greatest evils of the country today is centralization. In the last 15 or 20 years many public buildings have been built in the District of Columbia and many bureaus have been created encroaching upon State rights, and this is one of those bureaus. The Economy Committee and many Members of the House the other day voted to do away with certain Federal functions. Among other things under consideration was the consolidation of the Army and Navy, a purely Federal Government affair, but now we are asked to vote for a proposition of this kind which is really a matter for the States to take care of.

I have been fair with the people of my State; I have received many letters on this proposition from the people of my State and have replied to all who have written me. Mr. Blackburn, the head of the vocational-education system in Maryland has written to me. I replied as follows:

JANUARY 19, 1932.

Mr. J. D. BLACKWELL,
Director Department of Education,
Lexington Building, Baltimore, Md.

DEAR SIR: I wish to acknowledge receipt of your letter of the 16th instant, in which you request my support for the rehabilitation bill No. 4743. In reply, I wish to state that I have always felt that this appropriation for civilian rehabilitation should be abated. I can not understand in these days of depression, when able-bodied men are unable to obtain employment, how rehabilitation will benefit the more unfortunate by way of obtaining positions. I therefore request you to give me a list of persons, together with their respective ages (not including veterans), who have been rehabilitated during the civilian rehabilitation act.

Very truly yours,

VINCENT L. PALMISANO.

He replied to me and gave me a list of the men and boys that he had rehabilitated, and he gives me 11 in Baltimore City, running from 18 to 47. Just think of it, only 11 in the city of Baltimore from October 1, 1929, to June 30, 1931. In the 23 counties of the State he gave me 12, not 1 in each and every county. Just think of it. From October 1, 1929, until June 30, 1931, they were able to get one individual in each of 11 counties, and the cost for the 21 months has been an average of $760 for each individual. The board of education claims it cost only $221 per individual.

STATE OF MARYLAND,
DEPARTMENT OF EDUCATION,
Baltimore, January 28, 1932.

Hon. VINCENT L. PALMISANO,
House of Representatives, Washington, D. C.

MY DEAR MR. PALMISANO: Our delay in replying to your letter of January 19 concerning the rehabilitation program in Maryland has been due to the absence from the city of our State supervisor, Mr. R. C. Thompson. Immediately upon his return to the office to-day a list of the rehabilitated cases in our State was prepared, and it is being inclosed. We are also sending to you a copy of the Maryland School Bulletin, Volume XII, March, 1931, which explains the nature of the work we are doing and contains a summary of the rehabilitation program for the first 15 months after it was inaugurated. But $5,000 from Federal and $5,000 from State funds were available during the first year of the rehabilitation program in Maryland.

Our department feels that vocational-rehabilitation service is necessary to a well-rounded State program of education, and we further feel that the service should be jointly supported by the Federal Government and the State for reasons which have been advanced before your Committee on Education. It is our sincere hope that you will sponsor the bill now before Congress, since the benefits to be derived by the citizens of Maryland from the appropriation asked for will be far greater than we can estimate.

We shall be glad to give you any additional information that you may desire.

Very truly yours,

J. D. BLACKWELL,
Director of Vocational Education.

Rehabilitated cases in Maryland from the beginning of the program on October 1, 1929, to June 30, 1931, the time of our last annual report

Name and address	
Baltimore city:	
Thomas Baldwin, 5931 Belair Road	18
Alice Bambach, 800 West Baltimore Street	21
Fred Bowers, 627 McKenzie Street	23
Meyer Chapnick, 1830 Walbrook Avenue	17
Charles F. Cook, 515 North Patterson Park Avenue	16
Morris Gibson, 6115 Ridgeview Avenue	18
Harry Hodges, 1650 Ashburton Street	22
Clarence Seidenstricker, 1010 North Washington Street	47
Hal Sherotzsky, 2424 Greenmount Avenue	21
Barrett Smith, 2744 Baker Street	20
Harry Tomlinson, 524 North Brice Street	20
Ida Weinert, 227 East Churchill Street	17
Maryland counties:	
Ted Barnsley, Rockville	21
Hilton Bradley, Salisbury	18
Mary Brown, Lorely	20
Gladys Christy, route No. 1, Golt	24
Herbert Fooks, Preston	23
John B. Gordy, Pocomoke	19
Almeda Kunkleman, Hagerstown	22
Peter Lohr, Accident	18
Alfred Lorenz, Catonsville	23
Carl Van Ausdale, La Vale	32
Albert Winters, Cressaptown	50

Our live roll on January 25, 1932, is 87 cases in Baltimore City and 126 in the counties. Of this number, at least 25 will be rehabilitated before June 30, 1932.

Furthermore, the Baltimore Association of Commerce has also written to me on this subject, the business people of Baltimore, and I replied and gave them my views. The educational board had reported favorably on this bill, but on a vote taken by the members of that association they voted against this bill.

Before this bill was passed by the members of the Education Committee I furnished the committee with some information. I knew at the time I could do nothing before that committee, and I do not expect that my views will be taken here to-day. But I am calling this to your attention, and I called it to the attention of the members of the committee, for the sole purpose of hoping that some day in the near future they will make a thorough investigation of this educational system and ascertain how many men who have been unfortunate enough to require this civilian rehabilitation have been able to obtain positions after being rehabilitated.

Gentlemen, to give you an idea of what they have in mind under this civilian rehabilitation let me say that the chairman of this board contends we are only taking care of one-tenth. A gentleman by the name of O'Grady, of New York, in 1929 came before the committee and said, "Why,

you have not started this civilian rehabilitation. Bear this in mind you have not started." Now, just to inform you what he wants to do. He said, "What are you going to do with the actors in the city of New York who have lost their positions due to the introduction of the moving pictures? What are you going to do with the musicians in the country who are losing their positions due to the radio?"

Well, if you are going to take that into consideration, you will in the next two or three Congresses appropriate $15,000,000 or $20,000,000 more in order to take care of this education. I say, if it is education that is deserved—and I am not condemning it—it is an education that the States should perform. It is an insult to say to the State of Maryland and to the other States where they are spending millions and millions of dollars in education yearly that if the Federal Government does not give us the $5,000 they have been giving since October, 1929, that we would refuse to appropriate the additional $5,000 or $10,000 in order to take care of these unfortunates.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. BANKHEAD. It seems to me the gentleman's indictment is against the Legislature of the State of Maryland, which has by official act availed itself of the benefits of this law.

Mr. PALMISANO. No. The State of Maryland has stood by State rights.

Mr. BANKHEAD. The gentleman does not dispute the fact that the Legislature of the State of Maryland by statute has accepted the benefits of this act?

Mr. PALMISANO. Yes. The answer to that is this, that the bureaus created here in Washington are collecting funds from the people of the State of Maryland for the purpose of taking care of this education, and unless it participates in this fund the people of the State will be paying a tax from which it will derive no benefit.

Mr. WELSH of Pennsylvania. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. WELSH of Pennsylvania. Will the gentleman tell me what the State of Maryland does with the funds appropriated by the State and by the Federal Government for this work if they are not rehabilitating people?

Mr. PALMISANO. I gave you the answer of the gentleman who has charge of this educational work. He said that in 21 months they had rehabilitated 23 people, most of whom were young boys, 18 and 19 years of age, 11 in 23 counties, only one in each of 11 counties, but in 12 other counties they were unable to find an individual case for rehabilitation.

Mr. KVALE. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. KVALE. But the gentleman's State used $10,000 more of Federal funds last year than in the year preceding, so there must be use for that work.

Mr. PALMISANO. The State of Maryland just participated in this fund in October, 1929.

Mr. ELLZEY. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. ELLZEY. Did the State of Maryland feel insulted or fail to accept all other Federal appropriations for that State?

Mr. PALMISANO. I do not know, but I will say this, that as a member of the Maryland Legislature in 1914 I, for one, always voted against any appropriation by the Federal Government whereby the Federal Government would encroach upon State rights.

I think the quicker you do it and the quicker you get the Federal Government to stop encroaching upon State affairs, the better it will be and the sooner the expenditures of the Government will be reduced to the point where they ought to be.

Mr. ELLZEY. Then, the gentleman's attitude is that the State of Maryland should not accept any money by way of Federal-aid appropriations?

Mr. PALMISANO. That is my position, and that applies also to roads. So far as the roads are concerned, unless the Federal Government regulates interstate commerce in reference to trucks and such transportation that makes use of State roads, the States should not participate in Federal aid of roads.

Mr. SIROVICH. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. SIROVICH. From the hearings that have been held before the gentleman's committee, I notice there are about 25,000 men and women who are being rehabilitated throughout the United States.

Mr. PALMISANO. According to the educators of the country; yes.

Mr. SIROVICH. There has been appropriated the sum of $1,000,000 from the Government of the United States toward the rehabilitation of these 25,000 people every year.

Mr. PALMISANO. Twelve million dollars, or $1,000,000 a year.

Mr. SIROVICH. Therefore if you divide the 25,000 people who are receiving the benefit of this rehabilitation work into the sum of $1,000,000, that means that each person is receiving $40 a year as the amount being spent for rehabilitation; and if the State contributes an equal amount, it means that both the State and the Federal Government are spending $80 a year to take care of each one of these persons for rehabilitation purposes.

I wish to state that the pamphlet sent out by John J. Lee, legislative committeeman of the National Rehabilitation Association, contradicts itself regarding the costs per capita for rehabilitation. For instance, he states on page 4 of his pamphlet the costs to be $291 per case and on page 2 the number of persons rehabilitated in 1930 to be 4,589 and in 1931, 5,192, and the money appropriated by the Federal and State Governments in 1930 to be $1,690,344.01, which makes the approximate cost $370, and in 1931 the appropriation by the State and Federal Governments was $2,019,651.74, which shows the per capita cost to be $388. So you will note that after 10 years' experience the per capita cost begins to increase instead of decreasing.

[Here the gavel fell.]

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, as a member of the Committee on Education, it is my purpose to speak in favor of this bill, known as H. R. 4743, the vocational rehabilitation bill. This bill provides for the continuation of the work which was started in 1920 in pursuance to "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment." There is one thought I would like to bring to your mind, namely, that the bill should be enacted into law not on the theory of economy but from a humanitarian viewpoint.

In my State of New York we have acquired leadership in helping the handicapped and disabled. Our workman's compensation law, our widow's pension law, and our other social welfare laws are as good as, if not better than, those of any other State in the Union. When these laws were passed our legislators always took into consideration in their passage that they were not problems of economy but that they were problems involving human welfare. Likewise, I appeal to you to-day to pass this bill, giving emphasis to its humanitarian aspects and not simply regarding it as another economy measure. In my State we have made wonderful strides in this welfare and humanitarian direction. The splendid results of our rehabilitation work justify the enthusiastic support of this bill by the entire delegation from New York.

If this bill becomes a law, we are not only helping the handicapped man but we are benefiting his family. We all know the disappointment and sorrow that comes to a home when one of its members is rendered disabled by disease or accident. If by the appropriations of this bill States can render help to such disabled victims, benefit not only accrues to these individuals but also to their families, to their communities, and to the Nation at large.

I hope this bill will pass unanimously, and in its passage I hope that you will be actuated by a desire to help a dis-

abled citizen to become once more self-supporting rather than by a notion of promoting economy. I would like the RECORD to show that it is the intention and spirit of the House that we are enacting this legislation to help these disabled men in their return to civil employment and that we are not passing merely another economy measure.

Mr. McDUFFIE. May I interrupt the gentleman to ask a question about the bill?

Mr. KENNEDY. Certainly.

Mr. McDUFFIE. Does the bill enlarge upon the act which is expiring or does the bill propose to add anything to the provisions of the old law?

Mr. DOUGLASS of Massachusetts. Will the gentleman allow me to answer that question?

Mr. KENNEDY. I will be delighted to permit the chairman of the committee to answer the question.

Mr. DOUGLASS of Massachusetts. No; this bill essentially continues the old law at the same appropriation with the same allowance of $97,000 to take care of the minimum allowance. There is no increase. The original bill did ask for an increase of $500,000 and the committee rejected that and reported the bill carrying an extension of four years on the old basis.

Mr. McDUFFIE. So far as the conditions precedent are concerned before the receipt of help from the Federal Treasury, there is no change in the bill?

Mr. DOUGLASS of Massachusetts. This bill is really a continuation of the present act with the same appropriation and everything. It is not a permanent act but continues the work for four years with the same appropriation.

Mr. McDUFFIE. To what extent does the disability have to exist before one may have the benefit of this legislation?

Mr. DOUGLASS of Massachusetts. That is determined by the State authority, upon examination, subject to the approval of the Federal Government.

Mr. KENNEDY. There has been some opposition offered to the bill on the ground that it is unconstitutional. These objections have been met by many decisions of the Supreme Court involving similar propositions, and I submit the following cases for your attention: Gibbons *v.* Ogden (9 Wheat. 1, 199); United States *v.* Realty Co. (163 U. S. 427, 440); United States *v.* Gettysburg Electric Railway Co. (160 U. S. 668, 681); Field *v.* Clark (143 U. S. 649, 695).

Of all the money appropriated by the Federal Government to the States there is none spent that brings greater returns to the individuals, to the community, and the State than the money that has been spent in vocational rehabilitation and vocational guidance.

There is nothing more tragic than men, women, and children who have been stricken with disease or stricken down by accident, and who, as a result thereof, are partially or wholly physically handicapped. Because of these disabilities they can not find a place where their services are needed, so they have staring them in the face the humiliation of being objects of charity, which is naturally dreaded, knowing that they are doomed to an existence that will be on the border line of perpetual poverty. For years this was the lot of such physically handicapped men, women, and children, as well as boys and girls of working age. They were literally thrown upon the human junk heap.

The American Federation of Labor, composed of millions of working men and women in every part of the 48 States of our Union, know of the despair of these working men and women. They come in contact with them daily. The story of despair and dread of the future is heart-rending. A quarter of a century ago they advocated vocational rehabilitation for all physically handicapped persons.

They now maintain that vocational rehabilitation is just as necessary as workmen's compensation. Vocational rehabilitation and vocational guidance start where compensation leaves off. For 12 years we have had this law, and the services it has rendered not only to unfortunate civilians but to our disabled veterans as well have been notable in their successes.

It has brought hope into the hearts of our physically handicapped, and the blessings of this legislation are immeasurable.

The record made of placing these rehabilitated workers in employment in 1931 deserves the greatest commendation. They placed more than 6,000 people back in industry. In addition to this they trained and have ready for placement approximately 2,500 more. That there is a very definite need for this service to be continued and that there is a great appreciation of the service already rendered are evidenced by the fact that in the 27 States the rehabilitation appropriations have been increased over those of the preceding biennium; 11 States continued their usual appropriation.

And now, with respect to adequate appropriations, I place it in the hands of the House to decide whether or not we will carry on in terms of social need to completion.

I want to call attention to the fact that this is the only service which is established to train and place handicapped people in employment. That is an absolute fact from the standpoint of any organized program covering other than very local situations.

We appropriate large sums of money for material rehabilitation. Certainly, it would seem that when the welfare of at least 75,000 people depends upon the rehabilitation of citizens, the request I make for a million dollars is the least that a Federal Government could do as its share. And I say that knowing that the States are in a position to meet their share of the responsibility from their own standpoint.

Finally, it appeals to me to indicate the effect so far as the psychology of the handicapped person is concerned when it comes to rehabilitation. I would have you note the philosophy of life which a crippled person follows. The creed of the cripple is this:

> Once more to be useful. To see pity in the eyes of my friends replaced by commendation. To work, to produce, to provide; seeking no favors and giving none; a man among men in spite of my physical handicap.

Mr. Chairman, ladies, and gentlemen, I appreciate the attention you have given me during my talk on this important measure. I hope that when the roll is called all the Members will join with me in my effort to secure the passage of this bill.

Mr. STAFFORD. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. REED].

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield two minutes to the gentleman from New York.

Mr. REED of New York. Mr. Chairman, it is a great pleasure for me, as a member of the Committee on Education, to lend my whole-hearted support to this measure.

The first time I ever came in contact with rehabilitation work was late in the fall of 1917 in France. I was invited by a dear old professor to go out to an ancient agricultural university to see what they were doing for crippled soldiers. There I found at this university hundreds and hundreds of crippled men being taught a suitable vocation so that they might go back to their own communities and become self-supporting.

The legless and armless and blind were there. They had invited blind men and cripples to the university and were having them talk with these men, assuring them that they could still be happy and useful and telling them how they could be trained and again face the world and enjoy life.

Soon after I entered Congress, the rehabilitation bill was enacted. Since that time 50,000 hopeless, discouraged cripples have been placed in gainful occupations. The average wage of these 50,000 persons since their rehabilitation has been about $27 a week. Based upon their life expectancy, these people will earn approximately $2,200,000,000. So much for the economic side.

The question has been raised why the States should not look out for their own. I know of nothing more sad, except death, than to have a loved one crippled and forced to face the world hopelessly handicapped. I want to say to you that there were some States prior to this legislation that failed

in their responsibility to those crippled in industry. As a result of this act, which we now seek to continue, 44 States are now participating in this very humane work.

Let us see what the effect would be if you were to destroy this act. Some of the States would continue it. My State would continue it, and so would the great States of New Jersey, Illinois, Michigan, and many Western States, but there are some States that would ignore this work.

What would happen if those States should fail, as they did prior to the enactment of this legislation? It would mean that every family that had a crippled member would sacrifice every dollar, every local attachment, to move to a State that was carrying on the work. You would have the crippled coming from those States that failed to train them to the States where they could be trained and placed in a gainful occupation. It is far better for the cripple to have the work done in his own home atmosphere, in his own community, where he would have the sympathy of his own people.

Mr. BALDRIGE. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. BALDRIGE. What is the difference between this vocational education and the other vocational education act?

Mr. REED of New York. This relates to vocational education of those who are crippled and unable to gain a livelihood, to teach them some trade to carry on. The other has nothing to do with this, but they cooperate where they can.

Mr. BALDRIGE. How much of this million dollars goes for the administration expense?

Mr. REED of New York. About $80,000. Some question has been raised about that.

[Here the gavel fell.]

Mr. STAFFORD. I yield the gentleman one minute more.

Mr. REED of New York. Since the World War more has been learned about taking care of cripples than ever before in the history of the world. That information has been obtained, not only in this country, but from abroad; it has been brought into one central spot where, through the Board for Vocational Education, it has been made available to all of the States. Every State can utilize the information with the result that people who are supposed to be hopelessly and forever classed as cripples and unable to earn a livelihood, now have facilities available so that they may be trained and placed in a gainful occupation. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, I do not think there is a man or woman in this House who is not in favor of the rehabilitation of people who are disabled in industry. The question is, however, as to whether it is a duty that properly belongs to the Federal Government. I have repeatedly upon this floor opposed measures which provided for Federal aid. I have stated that it is my opinion that the Federal Government should take care of its rivers and harbors, that the Federal Government very properly provides for Federal aid to the States in connection with roads, but that aside from that, unless it be an emergency, it is my opinion it is the duty of the States and not the Federal Government to take care of the people within the boundaries of the States. That statement applies to people who are injured in industry. Who is not in favor of helping a poor individual who suffers some disability by reason of an accident while employed in industry? Why, of course, all favor helping those injured. The gentleman from New York [Mr. REED] has just told us that 44 States in the Union have taken advantage of this law. I venture the opinion that out of those 44 States there are 20 among them that are to-day taking from the Federal Treasury in the way of Federal aid more money than they actually pay into the Treasury of the United States. The Congress of the United States has run wild upon the subject of Federal aid. During the hearings on the economy bill, the attention of the committee was called to the fact that we have six or seven hundred agricultural experiment stations in this country. The Secretary of Agriculture sat with the committee and said to give them to the States, that they are duplicating the work of the States and that if the States do not want them, to close them up. The Secretary of Agriculture made that suggestion. We have in this country over 6,000 extension agents in connection with agriculture, part of their pay paid by the Federal Government. There are only a few over 4,000 counties in the country, and we have one county or extension agent for each county and then 2,000 besides. A map was laid out before the committee, and in some counties in South Carolina, where I happen to have been myself, and where I could not see a chicken or a hog or cattle of any kind, there were as many as seven county agents, the Federal Government paying its portion of their salaries.

I am willing to stand whatever tax the State of Missouri may place on me to take care of people who are injured in industry and try to teach them some vocation whereby they might make a living, but I do oppose this continuation of Federal aid which is simply nothing more than taking money from the pockets of the people of the States, money in the form of taxes, and letting the money be handled here in Washington and in part turned back to the States. [Applause.]

The President of the United States recommended to the Economy Committee that it might be advisable to discontinue agriculture vocational education for one year. He was willing that the Government should continue to rehabilitate those injured in industry. It became known that the Economy Committee was considering the suggestion and I venture the assertion, without fear of contradiction, that there never was such a storm of protest from the four corners of the United States as that received in opposition. The opposition, in my opinion, was justified to a certain extent. The law had been on the statute books for a number of years, placed there to stimulate action by the States in this direction. To stop the aid overnight, without any notice to the States, would have been unfair. As legislatures of the various States did not meet until next year there would have been no way for the States to have provided for the necessary appropriation. The schools would be closed. To me it appears that it is just as much the duty of the States to teach agriculture in the rural sections as it is to teach grammar in the city schools.

When the Economy Committee brought in the bill to cut the appropriations made by the Federal Government gradually year by year, so as to give the States an opportunity to adjust themselves to the situation, the House disapproved and struck the section from the bill.

If you will give the States fair notice that you are going to discontinue this aid after a certain period there will not be a State in the Union now teaching vocational education that will not provide by State funds for its continuance. I say it should be continued, but by the States, and again I say that I am willing to stand any tax that my State places upon me to see that it is continued.

The principle of Federal aid is unsound, unless it be an emergency. I can not subscribe to it, although I know, as my friend the gentleman from Alabama [Mr. OLIVER] told me several years ago, my view is an unpopular one.

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

Mr. STAFFORD. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. MCDUFFIE].

Mr. MCDUFFIE. Mr. Chairman, I find myself this afternoon in a rather unfortunate or an unhappy position, driven to it, if you please, by my own convictions, whether those convictions are right or wrong. I am in an unhappy and almost embarrassing position from several points of view. First, this bill is sponsored by my warm friend, for whom I have a most affectionate regard, the distinguished gentleman from Alabama [Mr. BANKHEAD]. Alabamians and others all about me differ with me as to the position I shall assume on this measure. I hope no one feels I am assuming to be a profound constitutional lawyer or that my judgment is

superior to that of Mr. BANKHEAD or any member of the Committee on Education, or this committee, on this subject. Certainly I have no personal feelings in the matter, and I am sure that they have none at all. I am sure they accord me the right to express my opinion in respect to this important bill. In this forum we are all supposed to express our opinion in matters of this kind whenever the opportunity is afforded, and one feels impelled to do so.

I regret that I can not agree, first, that this is one of the constitutional functions of the Government. We build post roads, of course, under the Constitution, and we develop rivers and harbors, and we do many things under the general-welfare clause of the Constitution, but it occurs to me that if this be a proper function of the Federal Government it is also a proper function of the Federal Government to send for a doctor for every citizen when he is sick or to provide him with an artificial limb if one of his limbs happens to be amputated. There is no escape from that conclusion. Follow the reasoning of this bill and you can not escape the logic of that conclusion. How far should our judgment go in legislation of this character? That is the question.

As the gentleman from Missouri said, Where is the man—he is not in this hall of course, or in this country, I am sure—who would not give all the funds he could spare from his own exchequer to take care of the halt, the lame, and the blind, and all unfortunates? Where is the State which has not now an institution or agencies of its own for that purpose? I want some gentleman to rise in his place and name one. Civic clubs, charitable institutions are now functioning in every State aside from State activities furnished by the taxpayers of those States. To hear some of these gentlemen, one would think our States have all failed in this great social problem. I deny it, and I deny that the failure of this measure will stop the fine work of this kind now carried on by the States.

Is it contended that if the Federal Government does not contribute to the State of Alabama $25,000 the State of Alabama will neglect her unfortunates, her halt, her lame, and her blind? How many industries are carrying insurance to take care of those hurt in accidents? Practically all of them. Oh, we want to relieve all people disabled from the human scrap heap, and take them from the status of the "living dead," as some clever witness said before your committee. Everybody wishes to do that, but the question is: "Is this a proper function of the Federal Government?" Who is urging the measure? I can not but be moved by the fine impulses and the good judgment of the gentleman from Alabama [Mr. BANKHEAD], and the members of this committee, on which there is another distinguished Alabaman [Mr. PATTERSON].

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

Mr. McDUFFIE. I would rather finish my statement, please. The gentleman from Alabama [Mr. BANKHEAD] knows how greatly I respect his judgment. We differ, it so happens, on this particular proposition. If we look over the hearings, we find that those who have urged this legislation, other than the sponsor of the bill, are 90 per cent, I venture to say—and if I am incorrect, I want the chairman to correct me—those who are already drawing some kind of salary from the Government or some local government engaged in this or similar work. Characteristic of all bureaus, this one is clamoring for more and more authority and more and more expansion. This, gentlemen, in my opinion, is one more step, if you please, to that day when Congress will be called upon to create a new department, a department of education, with its head a member of the Cabinet. One step nearer that day when some bureau in Washington will dictate to you in Arkansas or you in New York or Massachusetts or Tennessee as to how your child shall be educated, under what conditions that child shall be educated, what schoolhouse he shall sit in, and the hours of his attendance. Remember, gentlemen, the Federal Government always lays its hand where it puts its money, and properly so. It dictates the expenditure of these funds. The people by taxes raise the funds.

Let me pause here to deny even any intimation that the State of Alabama will refuse or neglect to take care of its halt and its lame or to perform its social duty, because the Federal Government does not give to that great sovereign State the paltry sum of $25,000. [Applause.] Such an indictment can not be made in my presence without protest.

Mr. KVALE. Will the gentleman yield?

Mr. McDUFFIE. I would prefer to finish. I am sorry.

We talk about economies in the Federal Government. Economy! Here is an extra charge upon the Federal Government of $4,000,000. This act has been in operation since 1920, and the Federal Government has expended about $14,000,000, all told, caring for a very small percentage of our cripples. This work is plainly the duty of the States, and most of it is done by the States. Have the States failed in this responsibility? No. They are already engaged in this work, and, of course, the States will continue it.

Some gentleman asked, "Would not your State accept it?" I answer with the question, Where did you ever see a State that would not accept it? Only 4 of the 48 have not accepted this small aid. "Here is something coming from the Federal Treasury," the legislator says. "It comes easy. Let us match it." It is not often that consideration is given to how money gets into the Federal Treasury. They match it, of course, and will continue to do so. For 12 years this act has been in effect. You have a roll to-day of 23,000 people aided and eligible for employment. Do you mean to tell me those 23,000 people would have had no attention from the local governments simply because Uncle Sam had not extended his strong right arm? It is all well enough to talk about crippled humanity. God knows my heart and your heart goes out to anyone who is suffering from a handicap. The question is, after all, Is this the function of the Federal Government? I do not believe, by any logical reasoning, any man can bring his mind to the conclusion that it is the duty of the Federal Government to further carry on this work. There are no limitations if this is a function of the Federal Government. No one knows where Congress will stop, nor what the future may bring forth to our form of government.

Incidentally let me call to your attention the fact that there are very few taxpayers who appeared here in support of this bill. Only about a dozen employers appeared or approved it by letter, and, as I said, the rest of the indorsers were those serving with some kind of an organization similar to this bureau, and they may be classed as propagandists. It is fair to assume that most of them are drawing some kind of pay from somebody. Most of those indorsing this bill belong to a nation-wide organization, ready at all times to propagandize this Congress to enlarge its activities or appropriations, demanding, if you please, more bureaucratic power and more money from the Federal Treasury.

There is a vast deal of difference between this proposal and the building of post roads. There is a vast deal of difference between this kind of an appropriation and an appropriation that comes from the Federal Government for rivers and harbors. This question has never been settled by our Supreme Court, and the Supreme Court said in the case of the maternity act, if I am not mistaken, that the State did not have to take these funds, and on some ground of that kind dismissed the case. The constitutionality of this sort of legislation, as I understand it, has not been passed on by our courts.

When are we going to stop the hand of Uncle Sam or the Federal Government from mixing into the private affairs of the people of this Nation?

Mr. SCHAFER. Will the gentleman yield?

Mr. McDUFFIE. Not right now, if you please.

We created a bureau to teach women how to bring children into this world and care for them, and now another bill is introduced proposing to teach them how to avoid it. Where are we going to stop? There is a bill now for birth control before this Congress. To what extent is the Federal Gov-

ernment going? Let me read to you what Thomas Jefferson said, if I may, in that regard:

It is not by consolidation or concentration of powers, but by their distribution that good Government is effected. Were not this country already divided into States, that distribution must be made, that each might have the benefit of what concerns himself directly, and what it can so much better do than an outside authority. Were we directed from Washington when to sow and when to reap we should soon want bread.

Have we not almost reached that point in our progress? Oh, gentlemen, it is not here a question of cripples but a question of the perpetuity of this Nation and its form of government, which we would all preserve for our children's children.

We are being directed from Washington to-day when to sow, what to sow, what the weather will be, what the harvest will be, and how to reap the harvest.

Jefferson continued, and we should listen to his wise advice to-day:

It is by this partition of care descending in gradation from general to particular that the mass of human affairs may be best managed for the good and prosperity of all.

Mr. Chairman, I do not contend this work is not necessary. I do not contend against the view of the gentleman from Alabama [Mr. BANKHEAD], who will tell you this appropriation is the best-invested money this Government ever expended. I do not deny that. The question is, if you please, a fundamental, basic question. When will you stop extending the hand of Uncle Sam into the affairs of the States and localities and stop assuming the responsibilities of the citizen? Such a policy breaks down individual initiative and enterprise. It destroys that spirit which was in your father and mine, who, when stricken down under panics and distressed economic conditions, half-soled their shoes, patched their trousers, carried on, and climbed up again. To-day the first thought is to turn to Uncle Sam for help and sustenance.

How long, Mr. Chairman, must we continue; how long can this Government be perpetuated, if you please, if we are to continue to make the Federal Government the wet nurse of all the citizens of this Republic? [Applause.]

It is time for us to stop and think. I know I am on the unpopular side of this question. I know my own colleagues differ with me. They have been most gracious and kind to me; they know I am sincere in this matter. In an humble way, and in a respectful way, I again submit to the committee and to my colleagues from Alabama that the time has come when we can at least eliminate this activity which for 12 years has gone on and in which the States themselves now have been thoroughly educated. In this time of stress and strain we can well afford to do without adding $4,000,000 more to the cost of the Federal Government. I thank the gentleman from Wisconsin, my friend Mr. STAFFORD, who gave me this time. [Applause.]

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

Mr. McDUFFIE. I yield.

Mr. KVALE. The gentleman said with reference to those who had indorsed this legislation that 90 per cent of them were job holders.

Mr. McDUFFIE. I said I might be mistaken in that. I said there were about a dozen employers, and looking over the list one would naturally infer that most of the indorsers were those who are on some sort of pay roll now.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, may I inquire whether the gentleman used 15 minutes or whether I have any more time at my disposal?

The CHAIRMAN. The gentleman from Wisconsin has four minutes left.

Mr. STAFFORD. I yield four minutes to the gentleman from Alabama.

Mr. McDUFFIE. If the gentleman will yield me two minutes, I shall be glad to answer the question.

Mr. STAFFORD. I yield the gentleman as much of the four minutes as he desires.

Mr. KVALE. I want to make the observation that in a statement I introduced six indorsements from Minnesota citizens into the RECORD. One was from the governor. The next was from the secretary of the State federation of labor. The next was from the chairman of the Minnesota Committee on Social Legislation. The next was from the secretary-treasurer of the Association for Crippled Children. The next was from the executive secretary of the Minnesota Public Health Association. None of them is a Federal job holder. I think these job holders, though, are among the most consecrated of public servants.

Mr. McDUFFIE. I do not doubt that.

Mr. KVALE. None of these is a Federal job holder, and they undoubtedly are indorsing the bill because they believe it is of some value and will be satisfactory. They are supporting it on its merits, Mr. Chairman.

Mr. McDUFFIE. There should be no limit in helping crippled people; nobody doubts that. Probably in the gentleman's State they feel it is the province of the Federal Government to do it, and to go even further than this.

The gentleman is entitled to his opinion. I am not differing with him in a personal way. I am simply trying to state my own view as to the powers of the Government and the propriety of the Government continuing in this kind of activity; it matters not how humane and appealing the work may be.

Mr. KVALE. I only want to add that I think the author of the measure will attempt to demonstrate that it is not only the financial assistance, but it is the guiding, directing, and coordinating work which the Federal Government does that is of such great value.

Mr. McDUFFIE. And that takes a great deal of this fund, I fear.

Mr. SCHAFER. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. SCHAFER. The gentleman made a bitter attack upon the Federal Government as being a wet nurse for the States and sends out a clarion call. Would the gentleman be willing to rally his colleagues from Alabama in preventing the Federal Government from continuing to be a dry nurse and telling the people what they should drink?

Mr. McDUFFIE. I think the gentleman is facetious in that question.

Mr. ELLZEY. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. ELLZEY. Does the gentleman favor the withdrawal of help by the Federal Government for the disabled veterans of the World War?

Mr. McDUFFIE. No.

Mr. ELLZEY. Is not the gentleman inconsistent?

Mr. McDUFFIE. That is an entirely different proposition.

Mr. ELLZEY. Did the gentleman vote for the $2,000,000,000 appropriation to aid State banks in the various States?

Mr. McDUFFIE. I did not, I am glad to inform the gentleman.

Mr. ELLZEY. I was misinformed.

Mr. McDUFFIE. The gentleman was misinformed.

Mr. BEAM. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. BEAM. Is it not a fact that in practically every State of the Union the workmen's compensation law is in effect, and one of the sponsors of the measure stated that such a great number, and probably a majority, of the men injured and seeking this rehabilitating training were railroad men injured in interstate commerce?

Mr. McDUFFIE. I do not know; but that may have been stated.

Mr. BEAM. Therefore, does not the gentleman feel that is an obligation which the Government ought to assume?

Mr. McDUFFIE. I am not ready to agree that the Government should continue in this activity. If we continue in this work, the field is wide open. We may look for State medicine and a department of education. If these come, what next?

Now, gentlemen, I suggest that you find out how many people this great bureau has really rehabilitated. You can not put a value on a human life; I know that; but I sug-

gest that you find out what each State gets under this authorization and then determine for yourselves whether it is proper for the Federal Government to continue this fund and this Federal bureau. [Applause.]

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield two minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, I am always delighted to hear the distinguished gentleman from Alabama [Mr. McDUFFIE] speak on any subject, and usually I agree with him. I have listened with unusual interest to the very forceful argument made by him to-day. Let me say that I agree with many of the principles enunciated by the gentleman. I am a firm believer in State rights. I agree further that the Federal Government has gradually encroached upon the rights of the States until we have become a strongly centralized Government.

I am unable, however, to agree that those great democratic and fundamental principles of Government have any place in this argument. If the gentleman is so fundamentally opposed to the Federal Government participating in matters of this kind, it just occurs to me that he has raised the issue several years too late. As he very well knows, the pending measure is not a new proposal but merely would make the regular appropriation as has been made in years past; and although I have searched the record, I have not found where my distinguished and beloved friend, whose only objection to the bill is his feeling that this is not a function of the Federal Government, has in the past raised any serious protest against these annual appropriations.

Both the gentleman from Alabama and the gentleman from Missouri [Mr. COCHRAN] have stressed the point that it is the function of the Federal Government to appropriate money from the Treasury to take care of flood control as well as for rivers and harbors. To this policy we all agree, and yet it is significant that both gentlemen live on the banks of the great Mississippi. For my part I would much prefer to cut the appropriation for rivers and harbors, flood control, roads, and highways, or delay the building of some of these monuments of brick and stone in the city of Washington than to eliminate Federal funds for the rehabilitation of the crippled throughout the land who are unable to help themselves. [Applause.]

Let me say that I agree with what the gentleman from Alabama had to say concerning the necessity for this Congress economizing and drastically cutting appropriations. I voted with the gentleman on his House economy bill, as well as on many other measures to cut governmental expenses, but I can not find it in my heart to turn my back on the helpless and crippled humanity who will benefit so materially by this legislation.

During the hearings on this bill I appeared before the Committee on Education and urged favorable consideration of the measure. I call your attention to the fact that the committee has already cut the appropriation more than $500,000 below the amount asked for.

My interest in this legislation dates back several years. As I recall, the vocational rehabilitation bill was originally passed by Congress in June, 1920, but Oklahoma did not accept the act until 1925. I was a member of the Oklahoma State Senate at that time and chairman of the committee on education of that body. I wrote the acceptance act for Oklahoma, introduced it in the State senate, and was vigorous and enthusiastic in my efforts to put it through the legislature that year.

I am glad to say the Oklahoma Legislature passed the acceptance act in the year 1925, and has more than matched the Federal aid, so I am advised, every year since that time.

As the gentleman from Alabama referred to my State of Oklahoma, let me say that since the passage of the acceptance act more than 500 disabled persons in our State have been rehabilitated and placed on jobs representing some 70 different vocations. This has enabled some 500 disabled citizens of Oklahoma to earn an honest living, and I am reliably informed that they now earn annually an average of more than twice the amount it cost to train them. It has taken these cripples off of the streets and made bread-earners of them.

I am advised by the state superintendent of education that the cost of training these 500 disabled people has averaged about $450 per person; that after such training the average individual earnings have been over $1,000 annually. I seriously doubt if any piece of national legislation passed in the last quarter of a century has brought greater returns and done more to alleviate unemployment to any class than has the vocational rehabilitation bill for the unfortunate, disabled people, not only in my State but throughout the entire country. It may be surprising to some when I say further I am officially advised that more than 48,000 such citizens have been trained under the rehabilitation act, and that some 24,000 people in the United States are now in training.

I am supporting the pending bill for the reason that I fear Oklahoma can not adequately carry on this splendid program without Federal aid, and I assume the same situation is true in many other States despite repeated statements to the contrary by the gentleman from Alabama. I said a moment ago that Oklahoma had more than matched Federal aid for this purpose. Our State now exceeds the Federal allotment by nearly $7,000 per annum. The Federal allotment for Oklahoma last year was $19,340, and the State appropriated and spent $25,000 for the same year.

Not only has the State of Oklahoma more than 500 disabled in training, but right now I am reliably informed that my State alone has a waiting list of 750 deserving people who are eligible and pleading for an opportunity for self-improvement as contemplated under this act. Let us bear in mind that these unfortunates have been disabled through no fault of their own, but through disease, accident, birth, and war. Practically all of them can be, and as fast as possible are being, made assets rather than liabilities on society. If rehabilitated, they can be made earners, thereby becoming worthwhile citizens in every sense of the word, instead of being charges upon friends, relatives, and charitable institutions. It would be almost a tragedy to abandon this great work now, but it must be unless aid is continued on the part of the Federal Government.

In face of the fact that Congress has been overgenerous in its attitude toward foreign governments, has protected private bonds of international bankers, has financed and underwritten the powerful banking institutions and big railroads "in order to allay the fear of so-called big business," so we were told, I submit in all seriousness that it can not consistently turn a deaf ear to the thousands of unfortunate but deserving people who are looking to this Congress for relief that can not be obtained from any other source.

In closing let me say that when this bill was before the committee I received a letter from Hon. John Vaughan, State superintendent of public instruction of Oklahoma, together with some statistics relative to the work done in Oklahoma in connection with rehabilitation since the act was adopted in the year 1925. I believe this information will be of especial interest to many teachers and others who have written me in connection with the Bankhead bill.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein the statement by Hon. John Vaughan, superintendent of public instruction and director of vocational education in Oklahoma.

STATE OF OKLAHOMA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Oklahoma City, January 27, 1932.

Hon. JED JOHNSON,
House of Representatives, Washington, D. C.

DEAR MR. JOHNSON: House Resolution No. 4743, by Mr. BANKHEAD, dealing with civilian rehabilitation has been presented to the Committee on Education.

For your information I am inclosing an accumulative record of rehabilitation in Oklahoma since the act was accepted in 1925. I know of no type of service that has yielded larger returns than the rehabilitation work in Oklahoma. The report will show how effectively this work has given training and employment to a number of people who otherwise would have been dependents on their family or society.

I appreciate your interest in this matter, because I remember how effectively you worked for the cause of rehabilitation when you were in the Oklahoma State Senate.

Respectfully,

JOHN VAUGHAN, *State Superintendent.*

Summarized statistical and financial report of rehabilitation service in Oklahoma from July 1, 1925, to June 30, 1931, showing case load, number of cases in training, number cases rehabilitated, average per capita cost of training, average annual income of each person rehabilitated, and total amounts expended for the 6-year period ending June 30, 1931

Year	Eligible cases	Cases in training	Cases rehabilitated [1]	Total expended from all funds
1925-26	236	33	8	$13,848.09
1926-27	445	292	18	23,690.71
1927-28	718	381	69	38,963.99
1928-29	867	296	78	34,258.07
1929-30	874	410	110	42,959.28
1930-31	840	453	181	52,309.42
				206,029.56

[1]Average per capita cost of rehabilitated cases: Only an average of $453.85 per capita for completed cases. These were at end of year 453 cases in training upon whom several thousand dollars have been spent. Average annual per capita income: Over $1,000 per year after training.

This year (1931-32) Oklahoma has 560 persons in training and 750 determined as eligible.

Respectfully,

JOHN VAUGHAN,
Director Vocational Education.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I yield the balance of my time to the distinguished author of the bill [Mr. BANKHEAD]. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I have, of course, listened with a great deal of interest and admiration to the speeches that have been made against the pending proposal, based upon the proposition that legislation of this character is an invasion of the rights of Congress to legislate upon matters which should be essentially performed by the people of the States themselves.

It is not my purpose in undertaking to close this debate to engage in any character of controversy—though I shall make brief answer to some of the suggestions that have been made—that will tend to get this situation into a technical attitude. Of course, I respect the high order of courage and fine clarity of statement made in opposition to this bill by my colleague from Alabama [Mr. MCDUFFIE]. It is merely one of those questions of legislation that come up in the Halls of Congress upon which men, even though they are closely and affectionately associated, sometimes differ.

If I may be pardoned for a moment, gentlemen, I want to give you very briefly the study that first interested me as the original author and sponsor of this bill in 1918 and the justification for the Federal Government undertaking to do something for that vast multitude of citizens of America who have become broken, maimed, hopeless, and disabled. In the first instance, there was the humanitarian appeal involved in it. I first began the study of this question when I was on the Committee on Education and that committee was preparing the bill for the rehabilitation of our disabled American soldiers.

I was absolutely astounded and amazed to learn in an investigation of this sociological problem that at that time no State in this Union, if I remember correctly, had ever undertaken by State action to set up a system for the rehabilitation of the maimed citizens of the respective States.

I realize there is probably a legitimate field, a legitimate deadline, if I may call it that, beyond which under a proper construction of the Federal Constitution, Congress ought not to go by way of interference with the local affairs of the people of the States; but in these investigations, when I saw the thousands and tens of thousands of people in this country maimed in industry, on the farms, on the railroads, in the quarries, and in the workshops, citizens of America, for whom no intelligent thought had ever given opportunity through the States themselves or the Federal Government, or any combination of both, to undertake to rebuild these men and women, undertaking to rehabilitate them in some character of employment by which they could again become useful citizens of this Republic and be taken off the human scrap heap, it occurred to me, from a broad, national aspect, although we might differ as to these academic constructions of the Constitution, out there in front of me, as I saw it, and in front of the Committee on Education, where my friend here then served, as I thought the enlightened public sentiment of this country would see it, surely, there was some legitimate field of operation for the Federal Government to undertake the rôle of stimulation and leadership on this question involving this multitude of our people.

This was the thought behind this bill. This was the thought behind the Committee on Education that first reported it, and it was passed by practically a unanimous vote of both branches of the Congress and has now been in operation for 10 years.

I would not be here asking for this bill to extend the authorizations for the appropriation of $1,000,000 a year for four years longer unless I was convinced, after an intelligent study of the facts under its present operation, that the legislation itself is thoroughly justified.

The appeal for the continuation of this authorization, I want to say in all candor to my friend from Alabama, does not come from those who are specifically interested as salary holders under this proposition.

Mr. MCDUFFIE. Will the gentleman permit an interruption there?

Mr. BANKHEAD. Yes; I will be pleased to yield.

Mr. MCDUFFIE. May I ask the gentleman if he can inform the House how much of this money goes to pay salaries? Of the $25,000 going to Alabama, for instance, how much of it goes for salaries?

Mr. BANKHEAD. I could not answer that question offhand. It has all appeared in the hearings before the committee. But be that as it may, even if some substantial portion of the appropriation is paid by way of salary to the administrators and to the vocational teachers, and that is added to the amount that would remain for the establishment of vocational facilities, if the expenditure, however it may be made, operates to the ultimate advantage of American society and to the rebuilding of our people, under the provisions of this bill, I do not think we ought to quibble about the division of the expenditure, I will say very candidly to my friend from Alabama.

Mr. RANKIN. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. RANKIN. I want to suggest that it is reliably stated here that of the $1,000,000 appropriated, only $80,000, or less than 10 per cent goes for salaries.

Mr. BANKHEAD. I have no doubt that is approximately a correct statement.

Here is the proposition and it is not an involved one. Of course, I can understand the mental attitude of those gentlemen, and they have expressed their views upon the floor this afternoon about the extent the Federal Government should go, but we are not embarking here upon any new enterprise.

We are not exploiting any new field of Federal activity with respect to our people, but we are coming here and asking the Congress, in view of the demonstrated value of this small expenditure over a period of 10 years, to simply reauthorize this appropriation for four years longer at the same amount carried in the law, without the addition of a single dollar. We are not asking for any new interpretation of the powers of these vocational boards. We are simply resting this upon the merits of the record established by a period of 10 years of experimentation as to the value of this law and the use of this money, and I want to repeat the quotation made by my friend from Alabama, that in my deliberate opinion, looking at it from the standpoint of real benefit to those who most need it in this country, this appropriation

for rehabilitation of industrial cripples is the best money paid out of the Treasury of the United States. [Applause.]

I do not want to submit any further argument upon the facts in this case. You will pardon me for a personal reference. I am afraid there is some impropriety in it, and yet I feel justified in making it.

There may be a little sentiment in this, but in the long run sentiment is a pretty good thing to help us keep going in this old, unhappy world of ours. I have been in Congress nearly 16 years. I have tried to do my duty here as I have seen it from day to day upon these questions of economic and fiscal policy and expenditure and programs and legislation, and sometimes in meditating with myself I try to find something I have really done of value to humanity and to my country in this rather long stretch of service. As I look back upon my service and view the efforts I have made—and you have made the same sort of effort here—I have tried to analyze the sum total of this service; and when I close my eyes, as it were, and look out there and see the more than 50,000 American citizens, crippled and maimed and disheartened and discouraged, who under the beneficent provisions and operation of this bill have been placed back in gainful employment in a self-respecting way, earning livlihood, taken off the human scrap heap and placed in positions where the great industrialists themselves have testified before the committee that they made more valuable employees than men in normal physical condition—when I review this picture I feel that at least there is some little compensation in the fact that while I may have failed in most of the other things I have undertaken to do here, I have had the honor of sponsoring a humanitarian proposition that I believe has resulted in real benefit and happiness and economic value to the people of America. [Applause.]

The CHAIRMAN. All time has expired, and the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the first section of the 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 (U. S. C., title 29, secs. 31 and 32), is hereby amended to read as follows:

"That in order to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their placement in employment, there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the fiscal year ending June 30, 1933, and annually thereafter, the sum of $1,500,000. Said sums shall be allotted to the States in the proportion which their populations bear to the total population in the United States, not including Territories, outlying possessions, and the District of Columbia, according to the last preceding United States census: *Provided*, That the allotments of funds to any State shall not be less than a minimum of $10,000 for any fiscal year: *Provided further*, That such portions of the sums allotted that will not be used in any fiscal year may be allotted in that year proportionately to the States which are prepared through available State funds to use the additional Federal funds. And there is hereby authorized to be appropriated annually for each fiscal year the sum of $65,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States provided for in this section.

"All money expended under the provisions of this act from appropriations authorized by section 1 shall be upon the condition (1) that for each dollar of Federal money expended there shall be expended in the State under the supervision and control of the State board at least an equal amount for the same purpose: *Provided*, That no portion of the appropriations authorized by this act shall be used by any institution for handicapped persons except for vocational rehabilitation of such individuals entitled to the benefits of this act as shall be determined by the Federal board; (2) that the State board shall annually submit to the Federal board for approval plans showing (a) the plan of administration and supervision of the work; (b) the qualifications of directors, supervisors, and other employees; and (c) the policies and methods of carrying on the work; (3) that the State board shall make an annual report to the Federal board on or before September 1 of each year on the work done in the State and on the receipts and expenditures of money under the provisions of this act; (4) that no portion of any money authorized to be appropriated by this act for the benefit of the States shall be applied, directly or indirectly, to the purchase, preservation, erection, or repair of any building or buildings or equipment, or for the purchase or rental of any lands; (5) that all vocational rehabilitation service given under the supervision and control of the State board shall be available, under such rules and regulations as the Federal board shall prescribe, to any civil employee of the United States disabled while in the performance of his duty."

The following committee amendments were read:

Page 2, line 5, after the word "ending," strike out down through "$1,500,000" and insert in lieu thereof the following: "June 30, 1934, the sum of $1,000,000; for the fiscal year ending June 30, 1935, the sum of $1,000,000; for the fiscal year ending June 30, 1936, the sum of $1,000,000; and for the fiscal year ending June 30, 1937, the sum of $1,000,000."

Page 2, line 18, after the word "appropriated," strike out down through "$65,000," and insert in lieu thereof the following: "for each of the fiscal years ending June 30, 1934, June 30, 1935, June 30, 1936, and June 30, 1937, the sum of $97,000."

The committee amendments were agreed to.

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

The Clerk read as follows:

Page 2, as amended, line 7, strike out "$1,000,000" and insert "$900,000." Line 8, strike out "$1,000,000" and insert "$800,000." Line 9, strike out "$1,000,000" and insert "$700,000." Line 10, strike out "$1,000,000" and insert "$600,000."

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I make a point of order on the amendment, that the committee amendments have already been adopted.

Mr. HOLADAY. Will the gentleman withhold his point of order?

Mr. DOUGLASS of Massachusetts. I will.

Mr. HOLADAY. Mr. Chairman, the purpose of offering this amendment is to present to the House a question that may go a little further than this particular bill.

For the purpose of this discussion I am willing to admit that the work so far done under these appropriations for previous years has been desirable and beneficial.

But, gentlemen, here is the question that I would like to call to your attention. There is a feeling throughout the country and throughout this House that the Federal Government has gone too far in appropriating Federal funds and forcing the Federal Government into various lines of activity. I am not discussing the question of State rights—that does not worry me especially.

We have gone, and are going year by year, into new and different fields, and as a result of that general policy the country is astounded to discover the amount of Federal expenses.

Admitting that the Government is doing commendable work in the various States, my amendment proposes to cut down the amount $100,000 per year for each of the next four years, looking forward to the day when the Federal Government will be able to retire entirely from this activity.

As far as I know, the money has been well expended. I am not questioning that proposition, but I am calling your attention to the broad general proposition as to whether or not the Government should not commence the policy of retrenchment and gradually withdraw from many fields of activity for which we are now appropriating money. [Applause.]

The CHAIRMAN. The point of order is sustained.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JONES: Page 3, line 14, after the word "board," strike out the words "for approval."

Mr. JONES. Mr. Chairman, my purpose in offering this amendment is not in any way to interfere with the general purposes of the bill, but to make it possible for each State to gage its program to suit the particular needs of that State. The reason I have offered it is because I have observed in the workings under the Smith-Hughes Act and the Smith-Lever Act, as well as the other matching programs, a tendency to put the whole country in a strait-jacket. I say this not in criticism of any program or activity. It is a human tendency. Given a power there is a tendency to use that power. And there is no power like the control of the purse strings. In many of these other activities the State officials are required to report, signing a great long questionnaire giving information; and if they do not carry on their program just exactly

as the Federal board requires, they can not get the money. In other words, the Federal board dictates the method, plans, and policies throughout the country. Industry is a little different in many of the States from what it is in other States. The State officials of the particular States should be allowed to map out their program in accordance with the needs of their particular States.

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

Mr. JONES. Yes.

Mr. BANKHEAD. In reference to the administration of this fund, has the gentleman any knowledge of any conflict, any instance between the direction of the State fund and the Federal board?

Mr. JONES. I have not. I have not had occasion to investigate. I hope it does not exist. But if not, I can see no need in adopting the limitations and thus avoiding any possibility of such a situation arising. But I do know that in each activity that I have investigated I find they are frequently handicapped because in the particular locality they want them to carry on some form of education, some form of training, that is not especially suited to the immediate locality.

My amendment would leave the board free to submit their plans, to make such suggestions as they want to to the States, and the States would still be compelled to use the funds in accordance with the general purposes of the bill. The Federal board could no longer require as a condition to the allocation of the funds that the States must comply with the literal circumstances, terms, and dictation of the Federal board. This is the only change I have offered. I do not see why that would not be a better form of administration. It may be that the training provided in the State of New York is a little different in its needs and characteristics to suit the industries of that State to that which might be best for Texas or Utah or California. I believe that the authorities of the States in the West and the North and the Northwest are better suited to arrange their plans to suit their needs than is one person in Washington who may be inclined to turn down a program of the State that he had never seen, and with the industries of which he was not familiar.

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

Mr. JONES. Yes.

Mr. HART. In my State under the Smith-Hughes Act they even dictate the personnel in the schools.

Mr. JONES. I took occasion last summer on complaint to make some investigation, and I found in some instances they have three or four pages of questionnaires, some of them perfectly ludicrous, so far as Texas is concerned. They may be appropriate in some other States. Some of the questions were very proper and pertinent. No doubt all of them were pertinent to some State, some in one and some in another. But I doubt whether all of them were pertinent to any one State. They would be fine as suggestions, but they are poor as dictation. The adoption of this amendment will not interfere in any way with the carrying out of the program. It will simply make the program more flexible, more suited to the needs of the people who would be affected.

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

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent that it be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection; and the Clerk again reported the Jones amendment.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, in the first place, I think the amendment is not at all necessary. That question was briefly discussed before the committee, and we were assured by those in charge of the administration of this act that particular regard was had to the special interests of each State and that the Federal board in Washington, far from trying to antagonize the State authority, was always in cooperation.

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

Mr. DOUGLASS of Massachusetts. Yes.

Mr. JONES. I wish to state in that connection and for the gentleman's comment, that in the particular cases I investigated they had a form outlined and a form system of questionnaires which they have sent throughout the Nation.

Mr. DOUGLASS of Massachusetts. I assume the gentleman is talking about vocational education in a general way?

Mr. JONES. That is correct.

Mr. DOUGLASS of Massachusetts. The House should bear that in mind. All the gentleman has been saying has been in regard to the general vocational education bill. That is a more elaborate structure than this vocational rehabilitation under discussion and has a more extended purpose, but in the work of the vocational rehabilitation, which, after all, is a very simple work and easily understood, there has not been, on the evidence presented before the committee, any contest or controversy whatsoever between the State and the Federal authorities. Therefore, the amendment itself would be the birth of controversy and contention and should not be inserted in this measure. I hope the amendment will not be adopted.

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

The amendment was rejected.

The Clerk read as follows:

Committee amendment: On page 4, after line 6, insert the following:

"SEC. 2. Section 3 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 34), is amended to read as follows:

"'SEC. 3. That in order to secure the benefits of the appropriations authorized by section 1 any State shall, through the legislative authority thereof, (1) accept the provisions of this act; (2) empower and direct the board designated or created as the State board for vocational education to cooperate in the administration of the provisions of the vocational education act, approved February 23, 1917 (U. S. C., title 20, ch. 2), to cooperate as herein provided with the Federal Board for Vocational Education in the administration of the provisions of this act; (3) in those States where a State workmen's compensation board, or other State board, department, or agency exists, charged with the administration of the State workmen's compensation or liability laws, the legislature shall provide that a plan of cooperation be formulated between such State board, department, or agency and the State board charged with the administration of this act, such plan to be effective when approved by the governor of the State; (4) provide for the supervision and support of the program of vocational rehabilitation to be provided by the State board in carrying out the provisions of this act; (5) appoint as custodian for said appropriations its State treasurer, who shall receive and provide for the proper custody and disbursement of all money paid to the State from said appropriations: *Provided*, That any State which, prior to June 30, 1933, has accepted and otherwise complied with the provisions of the act of June 2, 1920, as amended June 5, 1924, as amended June 9, 1930, shall be deemed to have accepted and complied with the provisions of this amendment to said act.'"

Mr. DOUGLASS of Massachusetts. Mr. Chairman, in explanation I will state that this amendment is merely for the purpose of allowing those four States which have not yet come under the provisions of the act to come under it if they so desire. The essential part of the committee amendment is the last sentence, "That any State which, prior to June 30, 1933," which will be the beginning of the operation of the new act if it is adopted, "has accepted and otherwise complied with the provisions of the act of June 2, 1920, as amended June 5, 1924, as amended June 9, 1930, shall be deemed to have accepted and complied with the provisions of this amendment to said act."

That is the section.

Mr. STAFFORD. Will the gentleman yield?

Mr. DOUGLASS of Massachusetts. I yield.

Mr. STAFFORD. Can the gentleman inform the House what four States have declined to come within the purview of the former acts?

Mr. DOUGLASS of Massachusetts. Kansas, Vermont, Washington, and Delaware.

Mr. CONDON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CONDON to the committee amendment: On page 5, in line 13, after the word "act," strike out the period and insert a colon and the words: *"Provided, however,* That no State shall be entitled to the benefits of this act if children under the age of 16 years are permitted to be employed in industry in said State."

Mr. BANKHEAD. Mr. Chairman, I make a point of order against the amendment that it is not germane.

The CHAIRMAN. Does the gentleman desire to be heard upon the point of order?

Mr. BANKHEAD. I do not care to argue it. I do not think it is germane to the section of the bill to which it is offered or to the purposes of the bill. I do not think it is a limitation on the authority contained in the section.

Mr. CONDON. Mr. Chairman, in answer to the contention made by the gentleman from Alabama that it is not germane to the purposes of the bill——

Mr. BANKHEAD. And to the section to which it is offered.

Mr. CONDON. I would like to address myself to the contention that it is not germane to the purpose of the bill. The first section of the bill provides—

To provide for the promotion of rehabilitation of persons disabled in industry.

It seems to me that if children of tender years are permitted to be employed in industry there is far more likelihood of their disablement in industry by reason of their tender years than if a limitation such as is proposed in this amendment were included in the bill.

With reference to the contention that it is not germane to the section, the section itself expressly sets out the manner and procedure by which individual States shall get the benefits of this Federal enactment. If there is any part of the act that would be a proper place for the amendment, it seems to me it would be in section 3, where the procedure to be followed by the States in order to get the benefits of the act is distinctly set out in the committee amendment. [Applause.]

The CHAIRMAN (Mr. OLIVER of New York). The Chair sustains the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. Section 5 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 34), is amended to read as follows:

"SEC. 5. That the Secretary of the Treasury, upon the certification of the Federal board as provided in this act, shall pay in equal semiannual payments, on the 1st day of July and January of each year, to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board. The Federal Board for Vocational Education shall make an annual report to the Congress on or before December 1 on the administration of this act and shall include in such report the reports made by the State boards on the administration of this act by each State and the expenditure of the money allotted to each State."

With the following committee amendment:

In line 14, on page 5, strike out the figure "2" and insert in lieu thereof the figure "3."

Mr. JONES. Mr. Chairman, I have an amendment at the end of section 2. I do not want to lose my right to offer the amendment.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. How far did the Clerk read before the gentleman from Texas proposed his amendment?

The CHAIRMAN. The Clerk has read down to and including line 6 on page 6.

Mr. BANKHEAD. The amendment is to be offered at what point?

The CHAIRMAN. The amendment is proposed at the end of line 13 on page 5.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the amendment would not be in order. It is too late.

The CHAIRMAN. The Chair would sustain the point of order.

Mr. JONES. Mr. Chairman, then I shall offer it as a separate paragraph, at the end of line 13.

The CHAIRMAN. Will the gentleman withhold his amendment until the committee amendment is acted upon?

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

The CHAIRMAN. The gentleman will state it.

Mr. PATTERSON. I think the gentleman from Texas is still under a misapprehension. The Clerk has read on page 6 and has already passed the section to which the gentleman refers.

Mr. JONES. No; the Clerk just started to read that when I offered the amendment.

The CHAIRMAN. There is a committee amendment pending which the Clerk has reported.

Mr. STAFFORD. Mr. Chairman, regular order.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 5, line 13, after the word "act," insert a new paragraph to read as follows:

"The methods and management shall be within the control of the State authorities. The Federal board may make suggestions and furnish information, but the funds shall not be withheld from any State because of failure of the Federal board to approve the plans and method of such State, provided such State is using the funds herein provided in carrying out the general purpose of this act."

Mr. STAFFORD. Mr. Chairman, I make a point of order against the amendment. I believe the gentleman intends to offer it following line 6, page 6, but as reported it is to follow line 13, page 5. We have passed that section.

Mr. JONES. It properly belongs where I first offered it. I would like to have it there, but the gentleman from Alabama made the point of order it was too late to go back.

The CHAIRMAN. The Chair sustains the point of order against it being offered at that place.

Mr. JONES. Has the paragraph ending with line 13, on page 5, been read?

The CHAIRMAN. Yes.

Mr. JONES. I listened for it. I did not understand where the Clerk was reading.

I would like to offer the amendment, then, at the end of line 6, on page 6.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 6, line 6, after the word "State," insert a new paragraph to read as follows:

"The methods and management shall be within the control of the State authorities. The Federal board may make suggestions and furnish information, but the funds shall not be withheld from any State because of failure of the Federal board to approve the plans and method of such State, provided such State is using the funds herein provided in carrying out the general purpose of this act."

Mr. BANKHEAD. Mr. Chairman, I make the point of order the amendment is not germane to the section.

The CHAIRMAN. Does the gentleman from Texas desire to be heard?

Mr. JONES. Yes; I would like to be heard on the point of order, Mr. Chairman.

The last paragraph on page 5, ending on page 6, refers to the withholding of funds:

The Federal Board for Vocational Education shall make an annual report to the Congress on or before December 1 on the administration of this act, and shall include in such report the reports made by the State boards on the administration of this act.

You will note the report refers to the entire act—not merely to this paragraph. And the section further requires

a report and an accounting of the methods used, the moneys involved and accounted for, and a report—

By each State and the expenditure allotted to each State.

My amendment provides a change in the form of the service that must be rendered. In other words, this whole question of the method of handling, the method of administering, the method of reporting their conduct under, and the handling of the funds under this act are involved, and in this section are the provisions for making the annual report. Here is where they give an accounting of the funds, and here is where provision is made for an accounting as to the general purpose and scope of the act. Any change along the line suggested that covers the general purpose of the act would, it seems to me, be germane at the end of that particular section.

Mr. GREEN. And in that connection, if the gentleman will permit, the committee has just adopted an amendment offered by the committee which was a reinsertion or a reaffirmation of the old act. Therefore, the gentleman's amendment is in order, because we have just adopted one which repeats the old act.

Mr. JONES. I thank the gentleman, and I wish to call attention to the first part of section 5, on page 5:

That the Secretary of the Treasury, upon the certification of the Federal board as provided in this act, shall pay in equal semi-annual payments, on the 1st day of July and January of each year, to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act.

There is the provision for the payment of the funds. I offer an amendment which will enable him to pay those funds under a little different circumstance. I liberalize the conditions on which those funds may be paid. It is directly germane to the question of whether the Secretary of the Treasury shall honor the requisition and pay the actual money. And I state in the amendment that the funds shall not be withheld because of the failure of the Federal board to approve any plans if the State has complied with the general purposes of the act. It seems to me it is clearly germane to both provisions of section 5.

Mr. BANKHEAD. Unless the Chair is prepared to rule, I would like to make a statement.

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

Mr. BANKHEAD. If I understood the reading of the amendment proposed by the gentleman from Texas [Mr. JONES], the purpose of it, evidently, is to undertake to formulate a different provision from that set out in the bill with reference to the plans for the operation of this law; that is, probably, with reference to the curriculum, methods of training, and things of that sort.

There may have been a proper place, Mr. Chairman, for the gentleman to have offered his amendment, where it might have been germane. For instance, on page 3 of the bill, which we have now passed, are set out matters with reference to the planning of this fund, how the plans shall be made, and such matters; but the gentleman, either by inadvertence or otherwise, failed to offer the amendment at an appropriate place in the bill.

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

Mr. BANKHEAD. I will yield in a moment. I ask that the Chair read section 5 of the bill. My point of order is based upon the proposition that the amendment is not germane to this section. The Chair, it seems to me, must inevitably come to the conclusion that the gravamen, the substance of section 5 of the bill has nothing whatever to do with the plans of operation under this bill, but only deals with the fiscal policy of making an accounting of the way in which the funds are expended.

By no possible elasticity of construction, it seems to me, could the Chair read into the proposed amendment germaneness to this section 5 because it says:

That the Secretary of the Treasury, upon the certification of the Federal board, as provided in this act, shall pay in equal semi-annual payments, on the 1st day of July and January of each year, to the custodian of each State appointed as herein provided the moneys to which it is entitled under the provisions of this act. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board.

It merely relates, of course, to a bookkeeping proposition. It does not go—and it can not go, it seems to me—to an elaboration of the plans with reference to how this fund should be expended or used by the different vocational boards.

The CHAIRMAN (Mr. OLIVER of New York). The Chair is prepared to rule. The point of order is sustained.

The Clerk read as follows:

SEC. 3. Section 6 of such act of June 2, 1920, as amended (U. S. C., title 29, sec. 39), is amended as follows:

"SEC. 6. That there is hereby authorized to be appropriated to the Federal Board for Vocational Education the sum of $100,000 annually, commencing July 1, 1932, for the purpose of making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by this act, including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders, including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books, and periodicals, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding to be done at the Government Printing Office, and all other necessary expenses."

With the following committee amendment:

Page 6, line 7, strike out the figure "3" and insert in lieu thereof the figure "4."

The committee amendment was agreed to.

Page 6, line 11, strike out, after the word "of," the remainder of the line and insert in lieu thereof "$80,000 annually for a period of four years, commencing July 1, 1933."

Mr. McDUFFIE. Mr. Chairman, I move to strike out of the bill, on page 6, line 12, the figures "$80,000" and substitute the figures "$50,000."

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

The Clerk read as follows:

Amendment offered by Mr. MCDUFFIE to the committee amendment: In line 12, page 6, strike out the sign and figures "$80,000" and insert in lieu thereof the sign and figures "$50,000."

Mr. McDUFFIE. Mr. Chairman, I hope no one thinks I am taking myself seriously enough to believe I am going to stop the passage of this bill, nor that I have gotten to be such an economist I can only see through those glasses. Let me say that I found in 10 minutes after I came here about 13 years ago that this Congress could run pretty well in my absence and for that matter it can get along without any one of us.

However, I want to call attention to this paragraph. It is true this is language carried in many paragraphs of similar nature in appropriation bills. Listen to this:

Actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders, including attendance at meetings of educational associations and other organizations.

There is the opportunity to tie in to some other propagandizing firm or organization in the country.

Rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books and periodicals, stationery, typewriters and exchange thereof, miscellaneous supplies, postage—

And so forth.

Then they have the authority to hire—

Such assistants, experts, clerks, and other employees in the District of Columbia or elsewhere as the board may deem necessary.

It seems to me that while this would only be a saving of a few dollars it would not interfere with the proper functioning of those clothed with the authority to administer this act. It probably might do away with a nice visit of a member of the board to a distant State to contact or see some cripple in somebody's workshop where that cripple is learning how to half-sole shoes or being

educated in some trade. I respectfully submit a letter might serve the purpose just as well. The travel expenses of our bureaus is an enormous fund, running into many millions.

In the first place, I think this bill ought not to pass, but I think in the administration of this law, which has been in operation for 12 years, we can now restrict the funds allotted for its administration. Assuming we have taught the States—and certainly they have learned something in all of this period of 12 years—how to deal with cripples or handicapped persons, surely there is not the same demand for contact on the part of the Federal Government and for other expenses of administration that would justify the expenditure of $80,000. I submit that $50,000 should suffice.

Remember, these funds are only given to a State after the State complies with the rules and regulations laid down by the Federal Government. Uncle Sam dictates, and properly so, when we use his money.

Mr. ARENTZ. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. ARENTZ. The gentleman has made exactly the same statement I would like to have made when I interrupted the gentleman from Massachusetts [Mr. DOUGLASS] during the delivery of his speech. I am in accord with the gentleman's statement. I think that unless we curtail expenses of this kind we are going to ruin this type of governmental help to those who can not help themselves.

Mr. McDUFFIE. I wish I had the time to read to the committee a report made by a committee that was formed by Secretary Wilbur to study the Federal relations to education. It is quite an interesting volume, and in that report the committee assumes to say that by such proposals as this we have a Federal agency undertaking to dictate as to one particular phase of education or similar activity, and that it is detrimental to the cause of general education in every State. I think that is a fair statement of what that committee said, composed of 40 or 50 great educators of this country.

I call your attention to the possibilities under this language to spend money that is not absolutely essential in a time like this.

I submit to you that $50,000 is ample for the board here in the District of Columbia with which to adequately perform all their duties of supervision. This is a small reduction, it is true, but the principle involved makes it important. The actual work is done and supervised by the various States. The taxpayers of this Nation wish to cut down Government expenses. Let us set an example even in this small sum. I do not doubt the bill will pass as presented by the committee; and I may be wasting your time, yet I hope I may be pardoned for taking the time.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I am a little bit amazed at the attitude of the gentleman from Alabama, considering the fact that in his economy report he expressly precluded the abolition of this Board of Rehabilitation that he is now arguing against. I do not question his sincerity. I have always admired him, but I do not know why the gentleman did not do his work then instead of reserving it until this moment.

Mr. McDUFFIE. I will answer the gentleman. Because this law was to go out of existence, this activity was to cease, and we thought there was some hope of its ceasing. We did not know the gentleman's committee was going to bring it back here and put another $4,000,000 charge on the Federal Treasury.

Mr. DOUGLASS of Massachusetts. In answer to that I will say that if the Economy Committee had been attending to its business and if the Economy Committee had been functioning as it should have been functioning it would have known that the Committee on Education had this report in nearly two months ago. However, that is no answer to my question.

I am not wedded to the amount of $80,000. I must confess that I am taking the word of the Rehabilitation Board as expressed to the committee, and I am but voicing the sentiment of the committee that they were agreeable to what was reported to them by the Rehabilitation Board as the amount necessary to administer this law.

Of course, as the gentleman from Alabama has said, this is the usual authorization in every appropriation bill of this kind. Why did not the gentleman pick his flaws in the other appropriation bills? Why does the gentleman use his eloquence and his ability to attack this particular matter without giving any reason for his position? The gentleman simply makes the broad statement here that $50,000 will be enough, and gives no facts to prove that that amount would be sufficient. On the other hand, I am speaking for the committee, and I am taking the word of what I regard as an honest and efficient agency of this Government, which states that in its opinion it will require this amount for the supervision of the work throughout the 48 States of the Union, and the board has been working on this proposition, under your authority and under your legislation, for 12 years. It is their business, under the law, to supervise the work, to make personal investigations of how these cripples and disabled are making out, and when they say they need this much money, I believe they know the facts. I believe they are honest in their calculation, and I propose that we adopt their recommendation. [Applause.]

Mr. PATTERSON. Will the gentleman yield to me?

Mr. DOUGLASS of Massachusetts. Yes.

Mr. PATTERSON. We have already cut them $20,000 below what they asked for originally.

Mr. DOUGLASS of Massachusetts. That is the fact.

Mr. PATTERSON. And as my distinguished and beloved colleague from Alabama has pointed out, with respect to the item of travel, on this kind of work you can not dispense with travel in getting in contact with these people.

Mr. DOUGLASS of Massachusetts. That is quite true. I want to reinforce the statement that the original proposition was $100,000 and the Committee on Education, in its sincerity, figured it would not give them the $100,000 but would give the present amount of $80,000.

[Here the gavel fell.]

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

I desire to insert in the RECORD copy of a letter and statement I have received from the director of vocational education in Texas, Mr. J. J. Brown, which explains the work that has been done in our State.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks as indicated. Is there objection?

There was no objection.

Mr. PATMAN. I can not understand why there is so much said against a small appropriation for the benefit of crippled children. There is only a small amount involved, and if we are going to make a mistake, let us make the mistake in the interest of the crippled children.

I believe this is a great work. Much has been accomplished for poor people who could not be assisted in any other way.

Mr. McDUFFIE. Will the gentleman permit an interruption there?

Mr. PATMAN. Certainly.

Mr. McDUFFIE. The gentleman's State gets $20,000 of this money. Does the gentleman assume to say that the great State of Texas, of which the entire country is proud, would neglect its crippled, its halt, its lame, and its blind if it did not get this $20,000?

Mr. PATMAN. Possibly not.

Mr. McDUFFIE. Surely not.

Mr. PATMAN. But anything I can do by voting for a bill that will encourage Texas or any other State to conduct this work I shall be very glad to do it.

Mr. McDUFFIE. Texas does not need any encouragement along that line.

Mr. PATMAN. If Texas did continue the work, possibly others would not, and we want to encourage this work throughout the United States.

The gentleman desires to reduce this amount by $30,000. The Committee on Education has passed on this, and I am

willing to follow what the Committee on Education has done. How much is $30,000? There are many ocean mail contracts that have been let in recent years. There was one contract let last year to a steamship company to carry ocean mail and the contract price is $25,000 a trip, with 52 trips a year. How much mail do they carry? As low as 1 pound of mail, and they receive $25,000 a trip for carrying this mail.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PATMAN. Yes; I shall be pleased to yield to the gentleman.

Mr. BANKHEAD. The committee, of course, will bear in mind that this is merely an authorization of this amount. The Committee on Appropriations, which is now giving all these appropriations very careful scrutiny, has the right, if it thinks proper to do so, to cut this appropriation when the time comes.

Mr. PATTERSON. Or even to dispense with it.

Mr. PATMAN. Under one of these contracts to carry ocean mail $25,000 a trip is spent for no good purpose in the world.

Mr. McDUFFIE. Will the gentleman yield?

Mr. PATMAN. Yes; certainly.

Mr. McDUFFIE. Of course, the gentleman does not mean to say the Government is paying $25,000 to carry one letter across the ocean.

Mr. PATMAN. One pound of letters, and I suspect as low as one letter.

Mr. McDUFFIE. That is not the basic purpose. The gentleman knows that when we found ourselves in the throes of a great world-wide conflagration we had no ships upon the sea, and this is a means, if you please, of establishing the American flag upon the seas. The gentleman is not quite as fair as he usually is in comparing this proposition to the ocean mail contracts.

Mr. PATMAN. I know what the gentleman is going to say. The gentleman would leave the impression that it is necessary to subsidize these steamship companies in order to have a merchant marine.

Mr. McDUFFIE. That is absolutely true.

Mr. PATMAN. Why subsidize steamship companies that own foreign ships under foreign flags and operate them over the same routes used by the subsidized lines? They are in that way using the subsidies of the Government of the United States to keep up steamship lines flying foreign flags.

Mr. McDUFFIE. I do not think the Congress has ever been in favor of doing that.

Mr. PATMAN. They are doing it.

Mr. McDUFFIE. I myself am certainly not in favor of subsidizing foreign ships.

Mr. PATMAN. They are certainly doing it indirectly.

Mr. McDUFFIE. It should not be done.

Mr. PATMAN. And they are subsidizing two steamship lines to carry mail to the same port. That should not be done either, but it is being done.

I merely mention these facts to show you the insignificance of this amount. If we are going to make a mistake, let us make a mistake in favor of the crippled children and, certainly, not reduce this amount below $80,000. [Applause.]

SUBSIDIZED STEAMSHIP LINES AND VETERANS' RELIEF

Mr. Archibald Roosevelt heads the self-styled national economy committee, which wants to reduce veterans' relief. In 1930 the Roosevelt Steamship Co., of which Mr. Roosevelt was part owner and a director, secured a 10-year contract from the Government to carry the mail from Baltimore to Hamburg. The distance is 4,077 miles. The contract price is $6 a mile for 52 trips a year, which amounts to $24,462 a trip or $1,272,014 a year. The service commenced July 1, 1931. To date the Government has actually paid by reason of that contract the sum of $807,246. Other steamship lines would have rendered the same service for not to exceed $28,246. Therefore, Mr. Roosevelt's company received a gift from the Government amounting to $779,004. The Roosevelts are jointly interested with J. P. Morgan in several steamship lines that have contracts to carry ocean mail. One of their vessels went from New York by Plymouth to London a short time ago. It carried 2 pounds of letters. The statutory price for such service is 80 cents a pound. The Roosevelts and Mr. Morgan received the contract price of $6 a mile, $20,214 for the trip, or a gift of more than $20,212. Another steamship company during the last fiscal year rendered service of the value of $95 but received from the Government for this service the sum of $607,792.50. Many other amazing illustrations could be given. I commenced a fight against these gifts January 18, 1930, as disclosed by the CONGRESSIONAL RECORD of that date. I have recently been waging a fight against international bankers for sandbagging the small banks and for selling the people worthless foreign securities.

The names of representatives of favored shipping interests and international banks appear on the list of Economy Committee members. This committee would like to distract attention of the people from ocean mail subsidies and Colombian bonds to veterans' relief.

EVERY SENSE OF DECENCY VIOLATED

It violates every sense of decency for a group of persons receiving such gifts from the Government to ask that insurance benefits, which the veterans paid for with their own money, and hospital benefits for service-connected disabled be cut off or reduced. These benefits would have to be eliminated in order to make the reduction requested by the so-called Economy Committee. Why not reduce Government costs by cutting off these outrageous gifts being handed out to Mr. Roosevelt, Mr. Morgan, and other members of the Economy Committee?

I expect to commence proceedings in the House within the next few days to prevent further payments on ocean mail contracts. If such a measure is enacted, the Government will be saved hundreds of millions of dollars in excess of the actual cost of mail transportation and without interfering with the service in any way.

Under leave to extend my remarks I insert the following:

Statement showing the weights of mails conveyed by contract steamers of the Baltimore Mail Steamship Co. (Roosevelt Steamship Co.) each month during the period from July 1, 1931, to April 30, 1932, the contract cost, and what the cost would have been at poundage rates

	United States mails			Cost, weight basis	Cost, contract rate
	Letters	Prints	Parcel post		
1931	*Pounds*	*Pounds*	*Pounds*		
July	31	608	347	$101.20	$24,462.00
August	47	14,664	25,161	3,223.60	48,924.00
September	46	540	27,568	2,285.44	48,924.00
October	144	2,212	36,984	3,257.98	97,848.00
November	222	2,233	38,461	3,433.12	73,386.00
December	2,066	9,998	67,797	7,876.40	122,310.00
1932					
January	409	6,066	21,426	2,426.56	97,848.00
February	103	2,565	18,675	1,781.60	97,848.00
March	110	3,518	23,473	2,247.28	122,310.00
April	70	1,967	17,499	1,613.28	73,386.00

VOCATIONAL REHABILITATION

AUSTIN, TEX., *February 2, 1932.*

Congressman WRIGHT PATMAN,
Washington, D. C.

MY DEAR MR. PATMAN: A rehabilitation bill which deals with our work is now in Congress. It was introduced by Hon. WILLIAM B. BANKHEAD, of Alabama, and is H. R. 4743. This bill provides for a continuance of Federal aid for our work.

On the attached list you will find a few salient facts concerning the work in this State, and I am sending this to you solely for the purpose of better acquainting you with our work and what we have been doing.

We have had 901 cases reported to this department. Out of the 901 cases, we have rehabilitated at the present time 118 and have 221 people in training. This means that 562 cases that have been reported have not been placed in training. Many of these cases have not been visited, quite a few have been found not eligible, and others are in a state of preparation for training. In other words, placed back in high schools or else placed in hospitals for further physical improvement.

The administration of the work in this State has been limited, since our staff consists of myself and one stenographer here in Austin, and an assistant supervisor located in the Chamber of commerce building in Dallas. The assistant was necessary since we had such a heavy load in the Dallas territory, perhaps largely due to the oil fields and industrial plants.

We have tried to place on the attached sheet such information as we thought you would want to have in your possession at the time the bill was brought before the house.

This office will be glad to answer any questions at any time that you may desire to ask of us, and we will be glad, indeed, to furnish you any information of any nature concerning our work.

As a member of the governor's committee for the relief of unemployment, it is our honest opinion that the rehabilitation department in our State has a greater opportunity for the permanent relief of unemployment than any other agency in our State.

We believe that rehabilitation for disabled people is sound to the very core from an economic standpoint, since it has been costing us only about $296 for each case rehabilitated and taken from a state of unemployment to that of making an honest livelihood.

We hope that Texas will receive your support for H. R. 4743, and, in behalf of the disabled people in our State, we appeal to you for your favorable consideration and your support in continuing this "right of citizenship" enjoyed by handicapped people for 13 years and more needed by them at this time than at any time since 1920.

Thanking you for your support and cooperation in helping these disabled people in our State to regain their earning power, in order to be able to work and support their families, we are,

Yours very truly,

J. J. BROWN,
Supervisor Vocational Rehabilitation.

A FEW SALIENT FACTS CONCERNING THE REHABILITATION PROGRAM IN TEXAS

1. Definition: Civilian vocational rehabilitation is a service of vocational counselling, guidance, training, and placement in employment for all disabled adults. It prepares them and helps them become established in occupations in which they can work successfully and support themselves and their dependents.

2. In 1920 the Federal Congress passed the first law providing for the vocational rehabilitation of disabled civilians in cooperation with the States. This service has been continued "as a right of citizenship" to all disabled persons by amendments to the original act in 1924 and 1929. The present act expires June 30, 1933.

3. Since 1920 the Federal Government has appropriated $1,000,000 annually, which has been allotted to the States according to population. Texas receives under the 1930-census allotment $47,631.06.

4. Our State does not match the Federal allotment, but appropriates $30,000, making a total of $60,000 available for rehabilitation each year. The next legislature will more than likely match the full amount since they have given a substantial increase each year to take care of the increase in work.

5. Since rehabilitation service was established in our State 901 people have applied for rehabilitation service.

6. We now have 339 people who have applied for rehabilitation and are being served by our department.

7. Rehabilitation in Texas is administered as a division of the department of public instruction under authority of the State board for vocational education. The personnel of the administrative staff for the State of Texas consists of:

	Salary
State supervisor, Austin	$3,500
Assistant supervisor	3,150
Secretary	1,500
Part-time bookkeeper	250

8. Total expenditures from State funds in our State since rehabilitation was established to January 1, $33,691.06.

9. We have a waiting list of 562 people wanting and needing the services of the rehabilitation department who will be served just as soon as we can get to their cases.

10. At the last session of our State legislature appropriations for rehabilitation were increased from $12,500 to $30,000.

11. During the last two years the number of persons applying for rehabilitation service has increased 477 per cent.

12. Forty-four States have accepted the benefits of the Federal act and are now carrying on rehabilitation programs.

The following information is being sent out by Mr. Brown to the interested people of Texas:

A CHANCE FOR DISABLED CIVILIANS

Service to those (1) injured in industry; (2) disabled through sickness or disease; (3) physically impaired from birth; (4) physically handicapped from public accident.

Division of vocational education, State department of education, Austin, Tex.

VOCATIONAL REHABILITATION

I. Its purpose

It is the purpose of vocational rehabilitation to render physically handicapped persons fit to engage in occupations which will make them self-supporting, thereby creating happiness and contentment among those individuals and families affected, reducing the number of those seeking charity, lowering county and State expenses for public charges, and checking social agitation and distress through proper social and economic methods.

II. Methods of work

Vocational rehabilitation consists of three phases—advisement, training, and placement. The disabled person is counseled in the selection of a desirable vocation, then given training for the occupation selected and agreed upon in such a manner that the trainee may later use the information gained to follow his chosen vocation; and upon the completion of his training every effort is made to place the rehabilitant in satisfactory employment. The placement in employment is followed up with careful, systematic, regard for the ultimate success of the rehabilitation program.

III. Who are eligible

To be eligible for rehabilitation one must:

1. Have a physical defect or infirmity, whether constitutional or acquired by accident, injury, or disease.

2. Be totally or partially incapacitated for remunerative occupation.

3. Reasonably be expected to be fit to engage in a remunerative occupation after completing a rehabilitation course.

4. Be 16 years of age or over. There is no upper age limit so long as rehabilitation is feasible.

5. Have been a bona fide resident of the State of Texas at the time the disability was incurred, or have lived in the State at least one year prior to time of making application for aid.

The disabled person may be male or female, and of any race.

IV. Not eligible

1. Aged or helpless persons requiring permanent custodial care.

2. Epileptic or feeble-minded persons, or any person who in the judgment of the State board of vocational education may not be susceptible of rehabilitation.

This work is for civilians and has no connection with the work being done by the Veterans' Bureau for disabled ex-service men.

V. How you can help

You can materially aid this great movement by reporting any disabled man or woman in your community on the attached post card. Action will be taken promptly upon receipt of your information.

EXPENSE OF TRAINING

Joint Federal and State funds are available for defraying instructional expenses. These expenses include tuition, which may include books, laboratory fees, and any necessary individual equipment not furnished by the institution or shop giving training.

NOT A CHARITY

In no sense of the word is vocational rehabilitation a charity. It is as definite a part of the plan of public education as are our grammar schools, high schools, colleges, and universities. For the highest development, State and Nation have recognized the necessity of offering special training to incapacitated workers in order that they may fulfill their duties of citizenship, just as they have observed the need of educating every child so that he may fulfill his obligation as a citizen.

(For further information, write J. J. Brown, supervisor of vocational rehabilitation, Capitol Station, Austin, Tex.)

Mr. BLACK. Mr. Chairman, I have been a member of this committee since I have been a Member of the House, and I have paid a great deal of attention to this particular proposition. In the hearings on this Bankhead bill I was very critical of the sum expended in the administration of the bill. I dislike very much to leave the committee at this juncture, but I feel that I must support the amendment of the gentleman from Alabama.

Eighty thousand dollars to take care of the salaries and traveling expenses of six workers on this board I think is entirely too much. We have all over Washington too many reports piled up, too many investigations, too many hearings, all of which are never read.

I think the administration of organized charity—and this is a governmental charity, if there is such a thing—has too much overhead for the amount expended in actual service to the cripples. This cut would be a fine example for organized private charities.

I would much rather see the money taken away from the salaries and traveling expenses and the reports and spread over the actual relief for the dependents. It would be a far better proposition to cut down the amount appropriated for administration. I think that is one of the places where we can economize. It is not a large amount proposed to be cut down. Let charity pay those that need it and cut down the overhead. [Applause.]

Mr. SCHAFER. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, I am surprised to find the distinguished chairman of the Claims Committee rising in behalf of the amendment offered by the distinguished economy expert in this House, the gentleman from Alabama.

A careful reading of the bill and committee report indicates that the whole administrative cost has already been reduced from $100,000 to $80,000; and yet in the name of economy, in the name of the taxpayers, the chairman of the Economy Committee, the gentleman from Alabama, proposes

to cut the appropriation still farther, to save a few thousand dollars for the Treasury of the United States.

It was not many weeks ago that the appropriation for prohibition enforcement under the Coast Guard and for the Prohibition Bureau and the Bureau of Industrial Alcohol was pending in the House, with a total annual appropriation for administration expenses of over $40,000,000. Where was the economy expert, the gentleman from Alabama, then?

Mr. McDUFFIE. I did not quite hear the gentleman's statement.

Mr. SCHAFER. A few months ago this House appropriated for the Bureau of Industrial Alcohol, the Prohibition Bureau, and the Coast Guard a total of over $40,000,000 for enforcing the prohibition laws. Where was the gentleman from Alabama, the head of the Economy Committee? Was he bleeding and dying on the floor of the House trying to effect an economy in the name of the taxpayers, the Budget, and the Treasury? No!

A few days ago, after the Economy Committee had supposedly saved $40,000,000 for the poor, battered Treasury, when the House passed the economy bill, after it had been emasculated, by a big majority. Two days later where was the gentleman from Alabama, the chairman of the Economy Committee, when a measure was brought before this House asking for the expenditure of $68,000,000 for Muscle Shoals? That expenditure was not opposed but demanded by the gentleman from Alabama, and the gentleman from Tennessee, who is also a member of the Economy Committee.

This Muscle Shoals appropriation is to be expended in Alabama and Tennessee, so it was deemed proper by the gentlemen from Alabama and Tennessee, members of the Economy Committee, to authorize almost double the estimated savings in the economy bill when it passed the House. And the gentleman from Tennessee is another alleged economy expert. Gentlemen, you are not consistent in your alleged fight for economy in the interest of the taxpayers. I sincerely hope that no Member of this House will follow the chairman of the alleged Economy Committee, the discredited committee of the House, in his bold attempt to make a gesture to show the people that he stands for economy.

The chairman of the Committee on Education properly indicated that the chairman of the Economy Committee did not know what that committee was considering in its drive for economy, because the Education Committee had reported this pending bill and it was on the calendar with a favorable, unanimous report before the Economy Committee was created. The failure of the Economy Committee must satisfy you Democrats. It was your creation and the responsibility is yours. When you voted to create the committee, as I said on the floor of this House in opposition to the creating resolution, you confessed the inability of the Democratic Party, which controls the House of Representatives, to function through the regular standing committees of the House, which are composed of a majority of Democratic Members. Then you are going to ask the people of the country to put the Democrats in power in the Senate and a Democrat in the White House, after you have fallen down so miserably in the control of the House. Oh, you talked about tariff iniquities during the campaign, but when you took control of the House of Representatives where tariff legislation must originate, you did not even attempt to reduce any of the tariff rates you vehemently denounced, not even the tariff on aluminum pants' buttons, but passed a bill to submit all tariff rates to a League of Nations in accordance with the well-established League of Nations policy to which President Wilson had committed the Democratic Party.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I move that all debate upon this paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. REED of New York. Mr. Chairman, when this bill was before the committee, it was proposed to increase the amount over what is now carried in the bill by $500,000. It was also proposed to increase the administrative cost to $100,000. The amount was reduced $500,000, notwithstanding the fact that for every cripple who is obtaining this much-needed service three are unable to obtain it. The committee has cut the administrative cost, and it is proposed now in the name of economy to take $20,000 more off that cost in a service that is dealing with people crippled in industry, and particularly crippled children. I call attention to the fact that a little over 10 years ago the question of rehabilitating children and grown people was almost a new study in this country, and as a result of the stimulation which has been carried on through Federal activity the States have become interested. Fraternal organizations have taken up part of that load, such as the Shrine, Rotary, and the Kiwanis, and they are much interested in looking after the crippled children. It is a new study. You can not put a lot of cripples together into a class under one teacher. It is a specialized work that requires infinite patience, research, and personal supervision.

Mr. HOLADAY. Mr. Chairman, will the gentleman yield? I think the gentleman made a misstatement. The committee has not cut the amount from the original $80,000.

Mr. REED of New York. We cut it in the bill from $100,000 to $80,000.

Mr. HOLADAY. The bureau raised it from $80,000 to $100,000, and this committee put it back to $80,000.

Mr. REED of New York. And it is now proposed to put it back to $60,000. This work requires a lot of research. A man will come in without arms. There was a time when he would be a hopeless derelict. To-day you find such men holding positions, rendering faithful service, helping support families. I know of a case where the child was withered from the hips down, crawling around on all fours, and when company came to the house the parents would put the child out of sight. This child has been educated and trained and is now holding a responsible position helping to support the family. You can take those illustrations by the hundred. It is a subject requiring study not only in this country but in the whole world, and study is being given to it. When I think of all the waste and the pork in some of the bills that go through Congress, the idea of trying to impair this service by a saving of $20,000 seems to me too ridiculous to be brought up before the American Congress. [Applause.]

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

The question was taken; and on a division (demanded by Mr. McDUFFIE) there were—ayes 41, noes 56.

So the amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. This act shall take effect on July 1, 1932.

With the following committee amendment:

Line 5, page 7, strike out the figure "4" and insert the figure "5."

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: In line 5, strike out the figures "1932" and insert "1933."

Mr. CONDON. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONDON: Page 7, line 6, after the figures "1933," strike out the period and insert a comma and the following words: "but it is hereby expressly provided that upon the petition of the governors of at least 13 of the several States the Supreme Court of the United States is hereby invested with the original and exclusive jurisdiction to determine the constitutionality of this act, and said court shall prescribe the procedure in order to bring such petition before it for determination."

Mr. LaGUARDIA, Mr. BANKHEAD, and Mr. PATTERSON made a point of order on the amendment to the committee amendment.

The CHAIRMAN (Mr. OLIVER of New York). The Chair sustains the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. DOUGLASS of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLIVER of New York, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 4743, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. DOUGLASS of Massachusetts. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. HOLADAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOLADAY. I am.

The SPEAKER. Is the gentleman a member of the committee?

Mr. HOLADAY. I am not.

The SPEAKER. Is there any member of the committee opposed to the bill who desires to offer a motion to recommit the bill? If not, the Clerk will report the motion of the gentleman from Illinois.

The Clerk read as follows:

Mr. HOLADAY moves to recommit H. R. 4743 to the Committee on Education with instructions to that committee to report the bill back forthwith with the following amendments: Page 2, line 7, strike out "$1,000,000" and insert "$900,000"; page 2, line 8, strike out "$1,000,000" and insert "$800,000"; page 2, line 9, strike out "$1,000,000" and insert "$700,000"; page 2, line 10, strike out "$1,000,000" and insert "$600,000."

Mr. DOUGLASS of Massachusetts. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HOLADAY) there were—ayes 43, noes 69.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. DOUGLASS of Massachusetts, a motion to reconsider the vote by which the bill was passed was laid on the table.

THE TRADE VALUE OF ALASKA TO THE UNITED STATES

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question of the value of Alaska to the United States.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, there are some powerful and responsible Members of the United States Congress who, having neglected to examine carefully into the intimate financial affairs between Alaska and the United States, declare that it is a mistake for the Government to give further aid toward the development of Alaska; that the great Territory is worthless, its natural resources exaggerated, the public funds spent there wasted; that the Alaska Railroad ought to be wrecked, its rails torn up, and the project abandoned; that the Territory is a burden upon and a loss to the people of the United States. These official criticisms are important, if true—but are they?

For the purpose of correcting these false impressions and presenting the trade value of Alaska in its true relation to the United States the following statement has been prepared from official sources. It will disclose the real value of the great Territory to the people of the United States who own it.

1. UNITED STATES TREASURY CASH ACCOUNT WITH ALASKA, 1867–1931

Following is a Treasury statement made by the Assistant Secretary giving the total receipts from and expenditures on account of Alaska from the date of the purchase from Russia on March 30, 1867, to December 31, 1931, inclusive:

TREASURY DEPARTMENT,
Washington, February 6, 1932.

DEAR MR. WICKERSHAM: Referring to your letter of December 24, 1931, and to conversations with your office since that date in regard to a statement showing the aggregate totals of the expenditures and receipts of the Government pertaining to the Territory of Alaska, the following is now submitted for your information:

Statement of the receipts and expenditures on account of Alaska for the fiscal years 1869 to 1931, inclusive

Fiscal years	Receipts	Expenditures
1869–1924	$28, 476, 960. 23	$127, 116, 424. 60
1925–1931	21, 880, 700. 42	73, 000, 862. 32
Total	50, 357, 660. 65	200, 117, 286. 92

The figures shown above include the Postal Service, but the expenditures are exclusive of the purchase price of $7,200,000 for Alaska. These figures, of course, do not include Territorial receipts that are not deposited in the Treasury of the United States nor the expenditures made by the Territorial government from such receipts.

* * * * * * *

Respectfully,

A. A. BALLANTINE,
Assistant Secretary of the Treasury.

A further statement from the Treasury Department gives the annual receipts and expenditures included in the above totals, as follows:

Statement of receipts and expenditures on account of Alaska by fiscal years from 1869 to 1931, inclusive (Group I, 1869 to 1924, based on Treasury statements; Group II, 1925 to 1931, based on Department of the Interior statements)

	Receipts	Expenditures
GROUP I		
1869	$18, 879. 26	$12, 253. 43
1870	17, 653. 04	96, 700. 41
1871	106, 336. 74	42, 606. 33
1872	325, 684. 06	34, 441. 46
1873	307, 852. 65	32, 492. 44
1874	365, 318. 96	16, 444. 55
1875	318, 938. 56	14, 259. 21
1876	317, 950. 48	11, 742. 73
1877	291, 536. 59	17, 070. 19
1878	259, 336. 13	35, 251. 71
1879	318, 288. 06	27, 502. 85
1880	320, 187. 06	45, 268. 93
1881	320, 297. 91	19, 654. 80
1882	318, 674. 30	39, 798. 76
1883	321, 738. 80	47, 512. 76
1884	253, 439. 93	49, 148. 14
1885	318, 168. 32	101, 284. 77
1886	320, 809. 66	79, 520. 39
1887	322, 647. 04	150, 952. 37
1888	321, 565. 94	133, 572. 86
1889	327, 848. 65	161, 534. 02
1890	291, 000. 70	206, 331. 01
1891	302, 372. 15	194, 861. 85
1892	60, 526. 85	292, 001. 02
1893	41, 226. 68	290, 194. 42
1894	124, 259. 38	249, 854. 82
1895	189, 517. 71	296, 288. 13
1896	175, 991. 60	366, 349. 19
1897	336, 061. 00	307, 732. 96
1898	284, 038. 36	1, 056, 331. 64
1899	302, 295. 53	637, 973. 43
1900	494, 937. 22	671, 721. 42
1901	523, 622. 78	1, 316, 855. 18
1902	474, 325. 09	1, 325, 086. 21
1903	503, 910. 12	1, 769, 832. 69
1904	525, 393. 45	2, 007, 798. 05
1905	459, 299. 12	1, 981, 545. 86
1906	533, 561. 85	1, 778, 107. 66
1907	580, 177. 23	2, 136, 600. 72
1908	579, 705. 95	2, 242, 034. 35
1909	581, 380. 36	2, 666, 341. 87
1910	734, 601. 10	2, 804, 670. 19
1911	901, 166. 01	2, 759, 168. 52
1912	855, 539. 93	2, 755, 017. 94
1913	616, 935. 22	3, 029, 638. 71

Statement of receipts and expenditures on account of Alaska by fiscal years from 1869 to 1931, inclusive (Group I, 1869 to 1924, based on Treasury statements; Group II, 1925 to 1931, based on Department of the Interior statements)—Continued

	Receipts	Expenditures
GROUP I—continued		
1914	$603, 879. 72	$2, 783, 783. 37
1915	459, 167. 80	3, 386, 785. 19
1916	676, 172. 21	7, 006, 801. 62
1917	831, 044. 83	12, 523, 642. 14
1918	1, 097, 678. 30	14, 550, 558. 70
1919	1, 172, 563. 06	8, 023, 526. 58
1920	2, 330, 875. 79	9, 312, 499. 61
1921	1, 966, 836. 44	13, 420, 175. 93
1922	1, 022, 190. 35	7, 178, 865. 29
1923	1, 111, 507. 38	7, 917, 780. 10
1924	940, 046. 79	6, 700, 655. 07
Total, 1869 to 1924	28, 476, 960. 23	127, 116, 424. 60
GROUP II		
1925	2, 566, 478. 58	10, 473, 173. 42
1926	2, 808, 048. 80	10, 023, 893. 98
1927	3, 143, 612. 31	9, 679, 951. 74
1928	3, 180, 460. 41	9, 975, 419. 55
1929	4, 187, 603. 28	10, 211, 318. 32
1930	3, 713, 667. 09	11, 084, 652. 15
1931	2, 280, 829. 95	11, 552, 453. 16
Total, 1925 to 1931	21, 880, 700. 42	73, 000, 862. 32
Total, 1869 to 1931	50, 357, 660. 65	200, 117, 286. 92

These two official statements are quoted at length because they show the total cash account between the United States and Alaska from 1867 to 1931, the total cash receipts paid into the National Treasury by Alaska, and the total cash expenditures paid by the people of the United States out of the National Treasury for all national expenditures for or on account of Alaska for that period.

It is necessary, however, to add to the item of total expenditures given above the amount of the purchase price paid to Russia for Alaska to get the grand total, as follows:

Expenditures as above	$200, 117, 286
Add purchase price	7, 200, 000
Grand total expenditures	207, 317, 286

This grand total includes every dollar spent by the people of the United States out of the United States Treasury for the original purchase price of Alaska from Russia and for and on account of every other expenditure pertaining to Alaska from 1867 to December 31, 1931—a period of 64 years. It represents the total capital investment the people of the United States have made in that Territory through their National Treasury.

From this grand total of "expenditures" against her Alaska is entitled to a credit for cash "receipts" paid in the sum of $50,357,660—

Grand total expenditures by the United States	$207, 317, 286
Subtract "receipts" from Alaska	50, 357, 660
Net balance due the United States	156, 959, 626

This statement shows two important facts clearly: First, that the net investment on the part of the United States in Alaska amounts to $156,959,626 only; and second, that Alaska has repaid to the United States Treasury a sum equal to 25 per cent—one quarter—of the grand total of all rational expenditures charged against the Territory from 1867 to 1931. The Territory has repaid to the United States, in cash, one-quarter of the original purchase price paid to Russia for the Territory; one-quarter of the total cost of establishing and maintaining civil government there; one-quarter of the United States military and naval occupation, official salaries, court expenses, the collection of customs and internal revenue; one-quarter of the total cost of the Alaska Railroad, military roads, trails, and bridges—in short, one-quarter of all United States Government expenditures of every kind and character paid for or on account of Alaska by the United States from 1867 to December 31, 1931.

This Treasury cash account also shows the total net capital investment the United States have in Alaska at the close of the year 1931 amounts to $156,959,626!

2. ALASKA'S CREDIT ACCOUNT WITH THE UNITED STATES

Having ascertained the total and net amount of capital invested in Alaska by the United States, let us now find the total credit due to Alaska from the people of the United States, so these figures may have some meaning to persons interested in the problem. It will be interesting to begin this account with some consideration of the principal sources of natural wealth the Territory has produced, in comparison with the small investment which produced and translated them into American trade values.

ALASKAN FURS

Raw furs were the first of the natural resources of Russian America to be exploited by the Russian discoverers. In 1799 the Czar granted the first charter to the Russian America Co., and with it a monopoly of the fur trade in the colony and the supreme control of its civil government. For more than 100 years prior to 1867 the Russians confined their activities entirely to hunting the rich sea otter and fur seal along the coasts, though they purchased land furs from the interior natives. It is estimated that the Russians took out of Russian America between 1745 and 1867 furs to the value of $44,584,000 and left the region quite bare of its most valuable stock. Russia made no effort to colonize the country with free settlers or to develop its fisheries or other natural resources. Its company servants were generally convicts from Siberia, while its native hunters were impressed and poorly paid. When intensive hunting finally depleted the fur-bearing animals, the Russian Government concluded the country was otherwise worthless and sold it to the United States in 1867 for $7,200,000.

When the flag of the United States was raised at Sitka on October 18, 1867, a crowd of vigorous western Americans, filled with the ideas, genius, and energy of a free colonizing people came upon the scene. While the American and Russian military officials were engaged in arranging the formalities for the transfer, a shrewd Baltimore merchant, who had accompanied the American representative sent out to take possession of Alaska in the name of the United States, was closeted with the retiring governor of Russian America and before the ceremony of transfer had closed that day, he had purchased the fleet of Russian vessels formerly used in the Russian fur trade along the Alaska coast.

In 1870 the Alaska Commercial Co. secured the first United States lease of the fur-seal islands for a term of 20 years; in 1890 the second 20-year lease was signed. In 1910 the Government refused to grant another lease, but through its Department of Commerce entered into the control of this fur-seal business as a Government monopoly, which it has conducted ever since in connection with the international claims of Canada, Japan, and Russia.

The Treasury Department prepared a statement showing the total annual receipts obtained by the United States from the fur-seal islands from 1871 to 1931, of which the following is the official summary:

Summary showing receipts of the United States from the Alaska fur-seal islands, 1871–1931

Tax on sealskins	$8, 451, 711. 67
Sale of sealskins	5, 680, 375. 72
Sale of fox skins	916, 018. 35
Rent of islands for taking seals	990, 000. 00
Rent of islands for propagating foxes	9, 900. 00
Total	16, 048, 005. 74

While this total sum is credited to Alaska in the cash-account "receipts" of $50,357,666, no part of it has ever been paid to or expended in any way for or on account of Alaska—it has gone into the United States Treasury.

THE TOTAL MARKET VALUE OF ALL ALASKA FURS

The above summary showing the receipts of the United States from the Alaska fur-seal islands from 1871–1931 does not include the market value of the seal-island furs nor any account of the market value of raw furs from Alaska generally. The market value of both the seal islands and all other Alaska furs is shown in the following official statement:

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, April 4, 1932.

Subject: Value of fur products of Alaska, 1868–1931.

DEAR JUDGE WICKERSHAM: Referring to your recent oral request, I am pleased to transmit herewith a tabulation showing the production of raw furs by Alaska from 1868 to 1931, inclusive. In accordance with your wishes the value of the fur-seal skins has been separated from the value of other furs. The figures thus submitted have been compiled from the best-known sources for such material. The Bureau of Biological Survey has collaborated and cooperated in this undertaking in regard to figures for furs other than fur-seal skins.

Very truly yours,

HENRY O'MALLEY, *Commissioner.*

Value of raw furs from Alaska, 1868 to 1931, inclusive

Year	Value of fur-seal skins	Value of other furs	Total
1868	$708,734	$446,245	$1,154,979
1869	653,118	446,245	1,099,363
1870	188,126	446,245	634,371
1871	1,584,986	498,567	2,083,553
1872	1,231,580	719,393	1,950,973
1873	1,439,307	565,023	2,004,330
1874	1,498,176	566,704	2,064,880
1875	1,402,662	573,486	1,976,148
1876	857,203	627,058	1,484,261
1877	853,283	587,895	1,441,178
1878	1,110,145	586,949	1,697,094
1879	2,451,954	608,755	3,060,709
1880	2,465,539	638,206	3,103,745
1881	2,167,172	675,869	2,843,041
1882	1,436,906	652,157	2,089,063
1883	1,710,580	702,353	2,412,933
1884	1,454,650	792,735	2,247,385
1885	1,641,101	779,242	2,420,343
1886	1,987,793	789,159	2,776,952
1887	1,716,476	812,629	2,529,105
1888	2,298,204	755,210	3,053,414
1889	2,035,605	814,965	2,850,570
1890	1,673,757	817,587	2,491,344
1891	1,370,376	351,235	1,721,611
1892	1,018,184	372,993	1,391,177
1893	584,680	373,519	958,199
1894	859,259	469,250	1,328,509
1895	877,614	453,390	1,331,004
1896	872,454	313,657	1,186,111
1897	455,758	230,273	686,031
1898	474,340	167,577	641,917
1899	787,334	131,949	919,283
1900	1,282,096	233,858	1,515,954
1901	1,137,611	280,951	1,418,562
1902	1,160,306	277,756	1,438,062
1903	1,066,254	424,180	1,490,434
1904	620,940	164,996	785,936
1905	762,120	414,556	1,176,676
1906	787,006	151,690	938,696
1907	851,427	268,552	1,119,979
1908	822,970	358,658	1,181,628
1909	1,147,663	537,162	1,684,825
1910	472,261	445,364	917,625
1911	432,231	370,519	802,750
1912	141,290	652,866	794,156
1913	68,265	695,635	763,900
1914	87,230	677,051	764,281
1915	90,000	429,950	519,950
1916	200,828	931,771	1,132,599
1917	385,572	1,064,249	1,449,821
1918	2,489,470	1,363,330	3,852,800
1919	430,869	1,390,000	1,820,869
1920	374,428	1,148,723	1,523,151
1921	257,030	871,694	1,128,724
1922	312,042	1,800,003	2,112,045
1923	212,357	1,794,875	2,007,232
1924	368,661	1,707,834	2,076,495
1925	339,760	2,415,621	2,755,381
1926	405,116	2,388,240	2,793,356
1927	489,556	3,699,707	4,189,263
1928	373,155	4,298,637	4,671,792
1929	[1]288,242	4,513,863	4,802,105
1930	[1]297,925	2,141,290	2,439,215
1931	[1]346,752	1,770,324	2,117,076
Total	60,368,489	57,450,425	117,818,914

[1] Estimated.

TOTAL MINERAL PRODUCTION OF ALASKA, 1867–1931

Alaska gold production began in 1880 with the location of the first placer-gold mines in Silver Bow Basin at Juneau and the production of $6,000 in placer gold therefrom. About the same time the famous Treadwell-lode claims were located across the bay from Juneau, but this quartz find did not return a yield of gold until 1882. From those dates placer gravels and quartz veins in Alaska have produced steadily and promise a long and continuous golden harvest. Alaska, with her enormous coal fields and widespread gold, copper, and other mineral deposits, is the greatest and most promising mineral region in continental United States. The following statement shows the annual gold production in Alaska, from placer and lode mines separately, from 1880 to 1931, both inclusive:

DEPARTMENT OF THE INTERIOR,
GEOLOGICAL SURVEY,
Washington, March 21, 1932.

Hon. JAMES WICKERSHAM,
House of Representatives.

MY DEAR JUDGE WICKERSHAM: In accordance with your request, I have brought up to date the table regarding the production of gold from Alaska placer and lode mines, and have entered this information on page 177 of the copy of the article I prepared on the Gold Resources of Alaska, which is sent herewith.

I trust this will furnish you the information you desire.

Very sincerely,

PHILIP S. SMITH,
Chief Alaskan Geologist.

Value of gold produced in Alaska, 1880–1931, by sources

Year	Placer mines	Lode mines	Total
1880	$6,000		$6,000
1881	15,000		15,000
1882	20,000	$3,000	23,000
1883	51,000	5,000	56,000
1884	51,000	21,000	72,000
1885	125,000	300,000	425,000
1886	150,000	390,000	540,000
1887	130,000	527,000	657,000
1888	135,000	530,000	665,000
1889	140,000	700,000	840,000
1890	150,000	680,000	830,000
1891	220,000	780,000	1,000,000
1892	240,000	765,000	1,005,000
1893	250,000	840,000	1,090,000
1894	450,000	870,000	1,320,000
1895	809,000	1,725,000	2,534,000
1896	960,000	1,820,000	2,780,000
1897	665,000	1,770,000	2,435,000
1898	645,000	1,600,000	2,245,000
1899	3,480,000	1,835,000	5,315,000
1900	5,623,000	2,272,000	7,895,000
1901	4,980,000	2,220,000	7,200,000
1902	5,887,000	2,448,000	8,335,000
1903	6,010,000	2,738,000	8,748,000
1904	6,025,000	3,090,000	9,115,000
1905	12,340,000	3,506,000	15,846,000
1906	18,607,000	3,429,794	22,036,794
1907	16,491,000	2,858,743	19,349,743
1908	15,888,000	3,404,818	19,292,818
1909	16,252,638	4,159,078	20,411,716
1910	11,984,806	4,141,943	16,126,749
1911	12,540,000	4,313,256	16,853,256
1912	11,990,000	5,155,951	17,145,951
1913	10,680,000	4,946,813	15,626,813
1914	10,730,000	5,034,259	15,764,259
1915	10,480,000	6,222,144	16,702,144
1916	11,140,000	6,101,713	17,241,713
1917	9,810,000	4,847,353	14,657,353
1918	5,900,000	3,580,952	9,480,952
1919	4,970,000	4,456,032	9,426,032
1920	3,873,000	4,492,560	8,365,560
1921	4,226,000	3,847,540	8,073,540
1922	4,395,000	3,027,367	7,422,367
1923	3,608,500	2,376,814	5,985,314
1924	3,564,000	2,721,724	6,285,724
1925	3,223,000	3,137,281	6,360,281
1926	3,769,000	2,938,000	6,707,000
1927	2,982,000	2,945,000	5,927,000
1928	3,347,000	3,498,000	6,845,000
1929	4,117,000	3,644,000	7,761,000
1930	4,837,000	3,639,000	8,476,000
1931 (estimated)	4,706,000	4,636,000	9,342,000
Total	263,668,000	134,991,000	398,659,000

This table shows the Alaska placer-gold recovery was greatest from 1899 to 1916, and is twice that from the more permanent but slower-developing lode mines. In 1899 the rich placer deposits at Nome were opened, in 1903 those at Fairbanks, and later those at Iditarod. While the World War closed most of these placer mines, they are being reopened now, worked with huge dredges, and will continue indefinitely to yield large returns. In the meantime the widespread gold-quartz veins, whence the placer deposits were eroded by nature, are being rapidly developed by Alaska miners in a steadily increasing output.

TOTAL MINERAL PRODUCTION OF ALASKA

While gold has yielded the greatest value to date in Alaska, copper follows not far behind. Unlimited deposits of all grades of coal are found widely scattered over the Territory, particularly in the Bering mine field and along the line of the Alaska Railroad. These are not being worked for want of a ready market and because of too-strict laws in relation to their ownership and development. The coal-land leasing system has not proven to be successful, and

Alaska coal development must wait for more liberal congressional action in favor of capital.

The following table issued by the Director of the United States Geological Survey, Bulletin 836-A, 1931, shows the value of total mineral production of Alaska, by years, 1880-1931:

1880	$6,826
1881	15,000
1882	23,000
1883	67,146
1884	72,000
1885	425,000
1886	540,000
1887	657,000
1888	667,181
1889	847,490
1890	873,276
1891	1,014,211
1892	1,019,493
1893	1,104,982
1894	1,339,332
1895	2,568,832
1896	2,885,029
1897	2,539,294
1898	2,329,016
1899	5,425,262
1900	7,995,209
1901	7,306,381
1902	8,475,813
1903	9,088,564
1904	9,627,495
1905	16,490,720
1906	23,501,770
1907	20,840,571
1908	20,092,501
1909	21,140,810
1910	16,875,226
1911	20,720,480
1912	22,581,943
1913	19,547,292
1914	19,109,731
1915	32,790,344
1916	48,386,508
1917	40,694,804
1918	28,218,935
1919	19,626,824
1920	23,330,586
1921	16,994,302
1922	19,420,121
1923	20,330,643
1924	17,457,333
1925	18,220,692
1926	17,664,800
1927	14,404,000
1928	14,061,000
1929	16,066,000
1930	13,812,000
1931	12,010,000
Total	641,323,000

In the following table the value of the total mineral production from Alaska, from 1880 to 1931, both inclusive, is distributed among the metals and nonmetallic products. It will be seen that gold leads with a production of approximately 62 per cent; gold and copper together account for about 95 per cent of the total, while silver, coal, and lesser minerals trail along:

Total value of mineral production of Alaska, by substances, 1880-1931

Gold	$398,659,000
Copper	213,964,000
Silver	11,994,300
Coal	7,940,000
Tin	1,094,900
Lead	1,740,500
Marble, platinum, etc	5,930,300
Total	641,323,000

This total mineral production of Alaska from 1880 to 1931, for 52 years, has an average value of more than $12,000,000 per annum, a million dollars per month for 52 years. The gold output alone amounts to an annual average of $7,666,500 for the same period. The people of the United States paid Russia $7,200,000 for Alaska. Alaska gold miners have paid that sum, with interest, annually for half a century into the National Treasury and will, if encouraged in their labors by Congress, continue to do so for centuries to come. An ordinary landlord would consider a return of 100 per cent per annum in gold a good investment in real estate, especially when his tenants also pay 25 per cent of the owner's taxes in addition to the 100 per cent per annum on his investment, as Alaska does.

VALUE OF ALASKA FISHERIES

As large as the mineral production of Alaska has been, it does not equal the value of the Alaska fisheries. Immediately after the purchase of the Territory from Russia in 1867, salmon canners then engaged in packing at the Columbia River began to construct canneries in the far larger and richer shoals of salmon on the coasts of Alaska. Production grew steadily from 1868, and in 1888 the value of Alaska fisheries exceeded $1,000,000 per annum; in 1908 it had increased to more than $10,000,000; in 1918 the value reached $50,000,000 per annum; and in 1928 it rose to the peak of more than $54,000,000 in one year.

The following statement shows the total value of the Alaska fisheries production from 1868 to 1931, inclusive:

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, February 10, 1932.

Subject: Value of Alaska fishery products.

Hon. JAMES WICKERSHAM,
House of Representatives, Washington, D. C.

DEAR JUDGE WICKERSHAM: Referring further to your request of to-day, there is forwarded to you herewith by special messenger a statement showing the annual value of salmon and other fishery products of Alaska for the years 1868 to 1931, inclusive, and the total value of such products for that period.

Very truly yours,

HENRY O'MALLEY, *Commissioner.*

Fishery products of Alaska from 1868 to 1931

Year	Salmon	All others	Total
1868	$16,000	$332,668	$348,668
1869	13,600	300,390	313,990
1870	14,400	291,278	305,678
1871	6,300	182,978	189,278
1872	9,000	175,080	184,080
1873	7,200	112,680	119,880
1874	11,200	123,662	134,862
1875	9,600	146,726	156,326
1876	14,400	221,471	235,871
1877	15,700	121,010	136,710
1878	41,272	157,160	198,432
1879	65,590	194,819	260,409
1880	52,517	150,033	202,550
1881	42,771	148,587	191,358
1882	118,245	162,216	280,461
1883	210,270	266,762	477,032
1884	249,612	269,213	518,825
1885	279,315	271,714	551,029
1886	469,944	294,922	764,866
1887	655,833	279,854	935,687
1888	1,321,845	144,313	1,466,158
1889	2,215,601	150,069	2,365,670
1890	2,210,124	183,938	2,394,062
1891	2,475,504	318,238	2,793,742
1892	1,565,019	260,491	1,825,510
1893	2,041,045	327,263	2,368,308
1894	2,235,380	301,472	2,536,852
1895	1,964,994	213,113	2,178,107
1896	2,996,519	213,325	3,179,844
1897	2,866,630	330,346	3,196,976
1898	3,182,457	315,072	3,497,529
1899	3,404,653	417,457	3,822,110
1900	4,917,065	463,229	5,380,294
1901	6,247,961	519,301	6,767,262
1902	7,851,534	544,770	8,396,304
1903	7,059,252	536,993	7,596,245
1904	5,967,577	586,008	6,553,585
1905	5,972,370	530,983	6,503,353
1906	8,166,373	488,272	8,654,645
1907	9,166,008	560,746	9,726,754
1908	10,671,651	768,664	11,440,315
1909	9,853,388	655,855	10,509,243
1910	11,501,105	1,173,485	12,674,590
1911	15,128,156	1,261,821	16,389,977
1912	17,144,672	1,732,808	18,877,480
1913	14,449,234	1,289,834	15,739,068
1914	19,558,529	1,684,446	21,242,975
1915	19,214,145	1,785,198	20,999,343
1916	24,054,838	2,101,721	26,156,559
1917	47,778,081	3,688,899	51,466,980
1918	53,514,812	5,630,047	59,144,859
1919	44,944,886	5,337,181	50,282,067
1920	36,641,836	4,850,288	41,492,124
1921	20,986,584	3,100,283	24,086,867
1922	31,566,257	4,604,691	36,170,948
1923	34,238,763	4,440,062	38,678,825
1924	34,793,504	5,495,769	40,289,273
1925	33,740,900	6,297,845	40,038,745
1926	48,178,995	6,490,887	54,669,882
1927	32,361,767	7,801,533	40,163,300
1928	47,487,763	7,057,825	54,545,588
1929	42,524,845	8,270,974	50,795,819
1930	31,532,488	6,146,561	37,679,049
1931	31,161,256	5,007,545	36,168,543
Total	799,129,135	108,282,842	907,411,721

The total value of Alaska fisheries imported into the United States markets by United States fishermen during the period from 1867 to the close of 1931 is $907,411,721—it will reach a billion dollars in 1935.

Alaska supplied 60 per cent of the world's total canned-salmon production for 1931. The following is a statement of the world pack for 1931—in cases, each case containing the equivalent of forty-eight 1-pound cans of salmon:

Alaska	5,432,535
Pacific coast States	1,347,957
British Columbia	636,524
Siberia	1,134,702
Japan	458,270
Total world pack, 1931	9,059,988

Alaska's average fishery production from 1867 to 1931 has been more than $15,000,000 per annum. Its waters yield the greatest and best poor man's food supply of any other in the world. Unless Congress can be induced to protect and conserve it from destruction on the spawning beds, and from monopoly and waste in manufacture, it may be depleted and finally destroyed, as has happened in most other civilized countries where these noble fish were once so abundant.

TOTAL VALUE OF ALASKA EXPORTS TO THE UNITED STATES, 1867–1931

While special attention has been given to furs, minerals, and fish in the foregoing tables of Alaska production it is not intended to suggest that they are the only valuable items of export to the United States, but only that they are those of the greatest value. Those items and a wide variety of other products of lesser value are combined and included in the following statement of Alaska exports, though none are particularly named. They will all be found specifically described in the Alaska customs exports.

Accurate information relating to the trade between Alaska and the United States is officially preserved in the customs reports as fully as if it were carried on between that Territory and a foreign country. Controlled by the same laws and dependent entirely upon capital drawn from the United States, Alaska's trade is a United States trade, both coming in and going out. Alaska's apparent gain in trade is really the Nation's gain; it has a double value in this way to the United States.

The following statement taken from Alaska Customs Reports shows the recent annual and the total amount of Alaska production exported from that Territory into the United States from 1867 to December 31, 1931—furs, fish, gold, copper, and all other items of Alaska export:

Exports from Alaska into the United States, 1867–1931

1867–1919	$939,365,741
1920	69,911,422
1921	45,745,338
1922	59,887,550
1923	62,775,307
1924	59,663,682
1925	61,321,892
1926	80,912,059
1927	57,077,968
1928	74,227,334
1929	71,454,721
1930	56,839,455
1931	52,534,752
Total Alaska exports	1,691,717,221

TOTAL VALUE OF ALASKA IMPORTS FROM THE UNITED STATES, 1867–1931

The foregoing statement of Alaska exports into the United States presents only one side of her trade benefit to the Nation. While gathering furs, mining gold and copper, canning fish, building trails, railroads, homes, schools, and cities, and establishing civil government in a pioneer country, her people have purchased merchandise, manufactured articles, and machinery, and all classes of supplies to carry on their work from United States merchants. The total amount of merchandise purchased in the United States and imported into Alaska from 1867 to December 31, 1931, is shown in the following statement:

Merchandise imported into Alaska from the United States, 1867–1931

1867–1919	$524,885,379
1920	36,876,855
1921	19,274,215
1922	$26,777,806
1923	30,781,206
1924	32,050,433
1925	32,352,530
1926	31,587,337
1927	35,604,008
1928	32,037,335
1929	33,219,565
1930	31,303,291
1931	22,483,601
Total Alaska imports	889,233,561

3. BALANCE OF ACCOUNTS, UNITED STATES WITH ALASKA

The foregoing official statistical abstracts enable us to cast a balance of account between the Territory of Alaska on the one hand with the United States on the other and fairly to determine whether Alaska is an asset or a liability to the people of the United States, as follows:

United States cash account with Alaska:	
Purchase price of Alaska	$7,200,000
Total "expenditures" by the United States in Alaska	200,117,286
Total cash account, United States against Alaska	207,317,286
Less total Treasury "receipts" from Alaska	50,357,660
United States cash balance against Alaska	156,959,626
Alaska's trade credit with United States:	
Merchandise purchased by Alaska	889,233,561
Alaska exports (gold, etc.) to United States	1,691,717,221
Total Alaska trade credits	2,580,950,782
Less balance United States "expenditures"	156,959,626
Balance trade credits due Alaska	2,423,991,156

On a net investment, then, of only $156,959,626 made by the people of the United States through their National Congress, the business interests of the Nation have created a trade from Alaska amounting to nearly two and a half billion dollars. That small investment amounts to no more than a 6 per cent charge against the new business thus created, though it has opened and established a trade which is both permanent and easily enlarged to almost unlimited proportions. Every time the business men of the United States have put 6 cents into this Alaska enterprise they have taken out 94 cents, or fifteen and two-thirds for one! Clearly, then, Alaska is a valuable and increasing asset belonging wholly to the people of the United States, and not a liability. No other Territorial investment heretofore made by this Nation has ever yielded such prompt and proportionately large returns and profits to the business interests of the United States at such a small cost as Alaska—excepting only California.

ALASKA HAS NO TERRITORIAL DEBT

Alaska is the only Commonwealth in or Territory belonging to the United States which has no public debt. It does not owe a dollar and conducts its Territorial government on a strictly cash basis. Its budget is always balanced. If it can not pay cash it does not buy. This exceptional and (just now) happy financial condition arises from the limitations against debt and high taxation in section 9 in its organic act of August 24, 1912 (the constitution of Alaska), which provides that neither the Territory nor any municipal corporation therein shall have any power or authority to create any for mof indebtedness beyond its annual income. The same section of the organic act limits the rate of taxation for all Territorial purposes upon the assessed valuation of property to 1 per cent per annum and limits incorporated towns to a 2 per cent rate. In these days of excessive National, State, county, city, and school-district taxes in the States, these low Alaska rates must look good to those outside of Alaska. Alaska has no public debt and the lowest tax rates of any place under the American flag.

Alaska is one-fifth as large as the whole United States, with a total population of less than 60,000 people, whites and Indians evenly divided, though there was an increase in its population in the last census decade of 7.7 per cent. It is a land of great undeveloped resources; it has produced more gold per annum since 1880 than the United States

paid Russia for it, and mining is yet scarcely begun; it has more edible fish in its waters than all other American fisheries combined; greater deposits of better coal than all the Pacific coast besides; better untouched pulp forests than any similar area in American territory; more available agricultural lands than Norway and Sweden; more active volcanoes than Japan; greater glaciers than Switzerland; the highest mountain and one of the greatest rivers in North America.

It has more government per capita, less liberty, and more harmful congressional limitations upon its material development than any other Territory under the American flag. It is almost wholly neglected by its national guardians, and, like Topsy, it has "just growed." Nobody seems to care a damn about what may become of it, but in spite of all these handicaps it is, proportionately, the most valuable asset the United States owns.

GOVERNMENT EXPENSES BETWEEN THE YEARS 1927 AND 1932, AND THE PRESENT EFFORT TOWARD ECONOMY

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of appropriations made by Congress.

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

There was no objection.

Mr. WOODRUM. Mr. Speaker, Members of Congress are being flooded with letters from their constituents protesting against the apparent enormous increase in governmental expenses in recent years and demanding economy in Government. Some of these letters have been inspired by more or less stereotyped circulars or form letters which have been widely broadcast by several of the large business concerns of the United States. Among the letters that have come to my attention is one from the Du Pont Co., of Delaware, from the Standard Oil Co., and from Armour & Co. In each of these circulars there is given in comparative form a statement of the expenses of government from 1927 to 1932.

The statement points out that there was expended for the major departments, commissions, and so forth, of the Government in 1927, $1,964,000,000 as against $3,195,100,000 for 1932, or an increase of $1,231,100,000. This within itself is a startling disclosure, unanalyzed and unexplained; it is an indictment of wanton extravagance in the operation of the Government. Some constituents in commenting on this showing very naturally point out the fact that the tax bill, which is now in the process of being framed to balance the Budget, calls for the collection of practically $1,250,000,000 in new revenue. They follow with the suggestion that Congress reduce the cost of government back to the 1927 level, and then it will be unnecessary to pass a tax bill. This comparison of appropriations is grossly unjust and manifestly unfair unless it is accompanied by a full explanation of the cause.

Mr. Speaker, I do not for one moment justify the enormous Budget of more than $4,000,000,000 for the Federal Government. It should and must be drastically curtailed. Since Congress convened in December I have repeatedly and consistently demanded a reduction in governmental expenses. As a member of the Appropriations Committee I have supported that committee consistently in its effort to reduce public expenses. In that regard I have advocated a temporary reduction in the Federal pay roll, including salaries of Members of Congress, and the elimination of useless bureaus and commissions, and consolidations and curtailments wherever it could be done without impairing efficiency in the Government service.

I make the above statement in order that my position may be clearly understood to be in keeping with the public demand for a reduction of the Federal Budget. I do desire, however, to point out some pertinent facts in connection with the apparent increase in the cost of government between 1927 and 1932. In this connection I desire to cite here a statement issued by the Director of the Budget under date of April 27, 1932, commenting on this increase in public expenses as set out in the letters to which I have alluded:

MEMORANDUM

APRIL 27, 1932.

In a recent printed circular letter issued from the executive offices of a prominent industrial corporation comparison is made between the Federal expenditures of the fiscal year 1927 and the estimated expenditures of the fiscal year 1932. The letter deducts from the total expenditures of each of the two years the interest on the public-debt and sinking-fund payments, together with certain miscellaneous items, and arrives at balances expended by the major departments and commissions, etc., of $1,964,000,000 for 1927, against $3,195,100,000 for 1932, an increase of $1,231,100,000.

It is to be noted that the comparison is made between a year in which expenditures were the lowest since 1917 and the estimated expenditures of a peak year, when unusual expenditures were being made during the emergency in the interest of agriculture and in aiding employment through an extensive enlargement of the public-works program, increased vessel and aircraft construction, and similar activities involving employment in various departments. For example, in 1927, the expenditures for public works were approximately $188,000,000; the estimated expenditures for that purpose in 1932 are $623,000,000, an increase of $435,000,000. This public-works item includes the Federal-aid highway system in the Department of Agriculture, the enlarged public-building program in the Treasury Department, as well as river and harbor and flood-control work and other nonmilitary construction activities in the War Department.

Other increases over 1927 are: Agricultural marketing fund, $155,000,000; postal deficiency, $167,000,000; vessel construction and alteration in the Navy and Shipping Board construction loans, $75,000,000; aircraft construction and aeronautical activities in the Army, Navy, and Department of Commerce, $47,000,000; care of veterans, including adjusted-service certificate fund, $246,000,000; settlement of war claims act, 1928, in the Treasury, $37,000,000. These increases account for substantially the whole of the increase of $1,231,100,000 referred to in the letter with the exception of about $69,000,000, which represents the net amount of increases and decreases scattered throughout the various departments and is largely for such purposes as aids to agriculture, strengthening the activities of the Department of Justice in the detection and prosecution of crimes, in providing better facilities at penal institutions, increased expenses of the Department of Commerce in completing the decennial census of 1930, immigration and naturalization activities in the Department of Labor, etc.

Because of these unusual activities in the fiscal year 1932 a fairer comparison with the 1927 figures is the estimated expenditures for 1932 as contained in the Budget submitted in December last. Using the same items as were used in the comparison of 1932 the increase would be approximately $772,000,000 as compared with $1,231,100,000. Looking into the causes of this increase, as is done above in 1932, the increase is accounted for by approximately $273,000,000 in public works; $15,000,000, agricultural marketing fund; $128,000,000, postal deficiency; $45,000,000, vessel construction and alterations in the Navy and Shipping Board construction loans; $36,000,000, aircraft construction and aeronautical activities in the Army, Navy, and Department of Commerce; and $243,000,000, care of veterans, including adjusted-service certificate fund, leaving an increase in 1933 of only $32,000,000, which represents net amount of small increases and decreases throughout the departments for purposes similar to those indicated in the miscellaneous increase of $69,000,000 referred to in the preceding paragraph for 1932.

In commenting on these same circular letters, Mr. David Lawrence, in a radio address delivered on May 1, 1932, and inserted in the CONGRESSIONAL RECORD under date of May 7, at page 9797, has the following to say:

I have examined the so-called 1932 Budget and compared it with the 1927 Budget to discover why it was we had an increase of $1,231,000,000 in expenses. Practically all of the increase was due to emergency appropriations in the interest of construction or agricultural relief or public roads or veterans' expenses.

After analyzing the comparative statement in detail, Mr. Lawrence makes this further statement:

Actually, if we eliminate only veterans' relief and public construction and roads and items having to do with creating labor for the unemployed, the proposed (1933) Budget, with the pending economies, is the lowest the Government of the United States will have operated on since pre-war days.

With respect to the action of Congress in trying to reduce expenses in the interest of balancing the Budget, let us look at a few facts:

When the estimates for appropriations for the fiscal year ending June 30, 1933, were sent to the Congress by the Bureau of the Budget, with the approval of the President, they were $369,000,000 less than the estimates for the present fiscal year. The administration has pointed to this fact with considerable pride, as an indication of economies. It is quite true that this is a reduction in expenditures, but as I shall undertake to point out, it does not represent any real economy in government. Let us examine some of the items that go to make up this item of $369,000,000. I quote from

a statement made by the chairman of the Appropriations Committee on the floor of the House on May 6, RECORD, page 9716:

The President stated that the Budget submitted in December last provided estimated expenditures for the fiscal year 1933 that were $369,000,000 less than the estimated expenditures for the current fiscal year. These figures are correct, but the $369,000,000 is largely made up by the reduction in construction work and other nonrecurring items which more than offset any increases that are made for 1933. In a statement which was issued from the Executive on December 14 last, showing estimated expenditures, it was shown that the Budget, as submitted in December, contained estimated expenditures for the fiscal year 1933 for construction works of $575,000,000 compared with $780,000,000 for construction works for 1932, a decrease for 1933 under 1932 of $205,000,000. This is a part of the decrease of $369,000,000, which the President referred to in comparing 1933 expenditures with 1932 expenditures. In addition to the construction works decreases there is a reduction in 1933 as compared to 1932 of $140,000,000 in the amounts estimated to be expended from the agricultural marketing fund under the control of the Federal Farm Board. There is a decrease of $37,000,000 in 1933 as compared to 1932 on account of payments of awards under the settlement of war claims act and $3,000,000 on account of subscription to capital stock of Federal intermediate-credit banks. There was an estimated decrease in the amount of the postal deficiency to be paid from the general fund of the Treasury of $40,000,000. Also a decrease of $26,000,000 in refund of internal-revenue taxes illegally collected. Also a decrease of $5,000,000 on account of completion of work on the last decennial census. These decreases more than account for the $369,000,000 of reduction.

The House has made further reductions in the bills passed by the House, including the War Department bill now under consideration, of $161,455,101.56. It should be stated here that the amount just quoted will probably be reduced by from ten to twelve million dollars because of the probable action of the House in putting back in the War Department bill the items for Reserve Officers' Training Corps and citizens' military training camps.

The following is a statement showing how these deductions were made:

First deficiency:	
Budget estimates	$139,330,162.75
As passed House	125,159,042.75
Under Budget estimates	14,171,120.00
Agriculture:	
Budget estimates	186,243,405.00
As passed House	175,408,814.00
Under Budget estimates	10,834,591.00
State, Justice, Commerce, and Labor:	
Budget estimates	129,784,136.89
As passed House	124,215,992.33
Under Budget estimates	5,568,144.56
Treasury and Post Office:	
Budget estimates	1,082,575,905.00
As passed House	1,059,778,163.00
Under Budget estimates	22,797,742.00
Independent offices:	
Budget estimates	1,041,395,041.00
As passed House	985,931,431.00
Under Budget estimates	55,463,610.00
Legislative:	
Budget estimates	22,517,842.00
As passed House	20,223,869.00
Under Budget estimates	2,293,973.00
District of Columbia:	
Budget estimates	44,086,919.00
As passed House	39,913,810.00
Under Budget estimates	4,173,109.00
Navy:	
Budget estimates	341,677,450.00
As passed House	326,353,459.00
Under Budget estimates	15,323,991.00
War:	
Budget estimates	$411,363,762.00
As reported to House	386,793,861.00
Under Budget estimates	24,569,901.00
Interior:	
Budget estimates	56,705,352.33
As passed House	50,446,432.33
Under Budget estimates	6,258,920.00
Total reduction under the Budget estimates	161,455,101.56

In addition to the reductions just shown in the appropriation bills, the House saved out of the wrecked economy bill items totaling about $40,000,000, making the total savings in appropriation bills and the economy bill more than $200,000,000.

Of course, in fairness, we must note that in the passage of the pension bill—for which I did not vote—we more than offset the savings in the economy bill.

The following is a statement showing the difference between the appropriations for the current fiscal year (1932) and the fiscal year 1933, for which we are now appropriating. This statement shows a total reduction of more than half a billion dollars.

There is every indication that still further reductions will be made in these items in the Senate:

Agriculture:	
Appropriations for 1932	$235,664,694.00
As passed House	175,408,814.00
Under 1932 appropriations	60,255,880.00
State, Justice, Commerce, and Labor:	
Appropriations for 1932	139,001,704.34
As passed House	124,215,992.33
Under 1932 appropriations	14,785,712.01
Treasury and Post Office:	
Appropriations for 1932	1,104,586,890.00
As passed House	1,059,778,163.00
Under 1932 appropriations	44,808,727.00
Independent offices:	
Appropriations for 1932	1,306,196,777.00
As passed House	985,931,431.00
Under 1932 appropriations	320,265,346.00
Legislative:	
Appropriations for 1932	28,127,386.94
As passed House	20,223,869.00
Under 1932 appropriations	7,903,517.94
District of Columbia:	
Appropriations for 1932	45,711,638.00
As passed House	39,913,810.00
Under 1932 appropriations	5,797,828.00
Interior:	
Appropriations for 1932	69,342,606.73
As passed House	50,446,432.33
Under 1932 appropriations	18,896,174.40
Navy:	
Appropriations for 1932	358,262,123.00
As passed House	326,353,459.00
Under 1932 appropriations	31,908,664.00
War:	
Appropriations for 1932	445,773,235.00
As passed House	386,793,861.00
Under 1932 appropriations	58,979,374.00
Total savings under 1932 appropriations	563,601,223.35

I hope I may say with pardonable pride that of the $161,455,101.56 saved in the 10 appropriation bills passed through the House so far, $54,948,535 of that amount was contributed by reductions in the independent offices appropriation bill. I have the honor to be chairman of the sub-

committee that reported that bill. The reductions as reported to the House were as follows:

Following is a summary statement of the committee's reductions below the Budget estimates:

Arlington Memorial Bridge	$160,000
Board of Mediation	17,730
Board of Tax Appeals	10,000
Civil Service Commission	82,000
Employees' Compensation Commission	32,900
Federal Farm Board	880,000
Federal Oil Conservation Board	5,000
George Washington Bicentennial Commission	152,230
Interstate Commerce Commission	1,533,231
National Advisory Committee for Aeronautics	30,000
Personnel Classification Board	50,000
Public Buildings and Public Parks, Office of	328,002
Smithsonian Institution	5,710
Supreme Court Building Commission	500,000
Veterans' Administration	51,161,732
Total	54,948,535

All of the above reductions were maintained in the passage of the bill by the House. A few additional reductions were made by the House.

Mr. Speaker, there may be some very just criticism of many of the increased expenditures made by Congress in its effort to bring about a revival of business and to furnish employment for the millions of American citizens who are begging for work. It should be understood, however, that ever since the present tragic condition descended upon us there has been a most persistent demand that Congress do something by legislative action to relieve the situation. I have no desire to absolve the House of Representatives from any of the criticism that it deserves. Undoubtedly the action of the House in repudiating its Economy Committee and in many times overruling economy reductions of its Appropriations Committee has made it justly liable to criticism.

It seems to me that out of the chaos of the present situation there are several facts that stand out and of which the American people may very properly take notice:

First. That it is an easy and simple matter to create bureaus and commissions and allow them to grow and expand and an extremely hard matter to ever get rid of them.

Second. That notwithstanding the fact that the Government has been and is a reliable and liberal employer and that its employees from the highest to the lowest have had steady employment, notwithstanding these facts in the present economic crisis, the employees of the Federal Government are unwilling to make any sacrifice whatever or to forego any temporary benefits to help bring the Treasury of the Government back to a sound economic condition. And let it be understood that the employees of the Government apparently have sufficient political strength to prevent any action whatever being taken by Congress that in any way touches their interests.

Third. That when it comes to the consolidation of bureaus and elimination of useless waste and expenses by coordination and cooperation that, so far as the Army and Navy are concerned, there must be a "hands-off policy." Practically every effort to put into effect any economies in either the Army or the Navy has been successfully resisted.

Mr. Speaker, the American taxpayers are long sufferers. In my judgment, a day of accounting is at hand. When we look back at our districts we find a condition that should impress every Member of this body. There is not a business or professional calling that has not felt the blighting hand of the present so-called depression.

The condition among our farmer constituents is deplorable. Doctors, lawyers, business and professional men, and merchants have all been brought suddenly face to face with financial problems. Our laboring people have been cut, not once but many times, and count themselves fortunate if they have any work at all to do. In spite of this condition, we find Members of the House of Representatives yielding to the importunities of this bloc or that bloc, or this group or that group and voting against economies and ofttimes in favor of increased expenditures, knowing full well that an additional tax burden is about to be laid on the backs of the American people.

This is not a partisan matter. Of course, it should be fairly stated that the unbalanced Federal Budget is not a new thing. For the fiscal years 1931 and 1932 there were staggering deficits, and it is not until the appropriations for 1933 are being considered that the demand for a balanced Budget is directed to the attention of the Nation. The Budget should and must be balanced to protect the credit of the Nation and the value of the American dollar, but when it comes to a reduction of public expenses, the wrecking of the economy program, and the refusal to cut salaries or to put into effect economies in the Army and Navy, the honors are equally divided between the two parties. Neither party has the right to place blame or undertake to take the credit.

Mr. Speaker, a few weeks remain until the adjournment of Congress. There is yet time for swift, definite, and effective action by Congress, and we may yet by determined and fearless action write a record we may be able to take back to our constituents as a constructive contribution in the present national crisis.

The House has about finished its work. There is little more of a constructive nature that can be accomplished with the membership in its present mood. There are really only four sources to which we can look for reduced expenditures beyond what we have done, namely, the Federal pay roll, which is nearly a third of the total Budget; the Army and Navy; and the veterans' relief. It has been pretty clearly demonstrated that a majority of the House are now unwilling to make any substantial cuts in these items. Perhaps, after we have gone back to our districts to give an account to our constituents, we will come back next December ready to do the job as it should and must be done.

Congress should adjourn before the political conventions. It is unthinkable to talk of taking a recess without definitely settling the tax problem and passing the appropriation bills. Let the House serve notice on the other body that there will be no recess until we finish. Let us get through and take for ourselves and give the country a much-needed rest.

EDUCATION

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LARRABEE. Mr. Speaker, as a member of the Committee on Education, which has considered carefully and reported favorably on the bill, H. R. 4743, to amend the vocational rehabilitation act, to provide for rehabilitation of persons disabled in industry or otherwise, I desire to make it clear that I personally favored the measure as reported by our committee.

Under ordinary circumstances I do not approve or favor Federal encroachment into any field of endeavor or activity that should be cared for by the States, but the past work of the Vocational Rehabilitation Service has been so successful in securing favorable action in States that have failed heretofore to take steps to provide for those sorely in need of this aid that I feel this work must be carried on at least until every State in the Nation has been won over to the view that it must carry on this work.

This worthy work was first started under the act of June 2, 1920, in cooperation with the States, and was to be carried on for four years. The appropriation for 1921 was only $750,000, and for the three years following was $1,000,000 annually. Due to the success of the work it was continued by act of Congress for six years, with the same appropriation, and in 1930 another extension of three years was granted by Congress to end June 30, 1933. The last appropriation was $1,000,000. The present bill, which I favor, provides for the continuation of this work for four years.

My State—Indiana—has been most fortunate under the appropriation of this money, having in the past few years received the sum of $26,482.55 as its share. This is based

on the ratio of State population as shown by the Federal census.

This money has gone to rehabilitate through hospitalization, treatment, and education many hopeless cripples who otherwise would have continued permanently as public charges, dependent on charity alone. They are able, as the result of the rehabilitation work, to work at gainful occupations and earn their own living.

In addition to being noble and humanitarian in purpose, this program of vocational education and rehabilitation has proven a most successful economic enterprise. It is far ahead of the experimental stage and the savings to the public by removing the helplessly maimed and crippled from that category and putting them back into the ranks of self-supporting persons is enormous.

More than 50,000 persons who were public charges or dependent on others for support have been trained and put back to work or made ready for work since this program was begun. The average cost of rehabilitating one person has been reduced down to $221.83. This means that for the sum of $221.83 a person, formerly a public charge and destined to continue a public charge or depend on the support of relatives for life, has been removed from that category and made self-supporting at a cost less than the cost of maintaining one person in an institution of charity for one year.

I believe that tells the entire story.

It shows the economics of the program and removes all possibility of opposition to the program on the theory that it might be too costly.

I have been most deeply impressed by the statement of the distinguished chairman of the Committee on Education, Mr. DOUGLASS of Massachusetts, when he said in reply to a question:

> I am pleased that the fact has been brought out that we are dealing with a human problem. Under the terms of this bill we are not trying, as we do in some other bills, to develop better or bigger pigs or cows; we are trying to keep men sound and in full use of their faculties for the benefit of the States and of the Nation.

We have appropriated for many years vast sums to be used in the experimental work designed to improve the breeds of livestock and to improve the types of grain, fruit, and vegetables, but this is the only important step ever taken in the direction of improving the human element.

Conditions throughout the country are such that it is not timely to appropriate the funds that were requested by the author of the bill, who sought an appropriation of $1,500,000. The committee, desiring to aid in the general efforts toward economy, felt that it was wise at this time to cut this request, and in making its cut it took drastic action by cutting one-third, or $500,000, from the appropriation bill.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Thursday, May 19, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, May 19, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON WAYS AND MEANS

(10 a. m.)

Hearings on birth control bill.

COMMITTEE ON MILITARY AFFAIRS

(10 a. m.)

National Guard.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Weymouth-Fore River (Mass.) project.

COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

Hearings on grazing bill.

EXECUTIVE COMMUNICATIONS, ETC.

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

581. A letter from the chairman of the United States Tariff Commission, transmitting a textual summary as supplemental to the report (mainly statistical) already submitted to the Senate on April 20, 1932, on the subject of wood pulp and pulpwood; to the Committee on Ways and Means.

582. A letter from the Secretary of War, transmitting a draft of a bill to authorize the transfer to the Department of Agriculture of all or portions of the Fort DeSoto Military Reservation, Fla.; to the Committee on Military Affairs.

583. A letter from the Secretary of War, transmitting a report dated May 16, 1932, from the Chief of Engineers, United States Army, on Devil Track River, Minn.; to the Committee on Rivers and Harbors.

584. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1932, together with drafts of proposed provisions pertaining to existing appropriations (H. Doc. No. 340); to the Committee on Appropriations and ordered to be printed.

585. A communication from the President of the United States, transmitting for the consideration of Congress deficiency and supplemental estimates of appropriations for the District of Columbia for the fiscal year 1930 and prior years, and for the fiscal years 1931 and 1932, and a draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 341); 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. RAMSPECK: Committee on Labor. H. R. 12097. A bill for the relief of distress due to unemployment, to create a committee for Federal, State, and local cooperation in placing qualified unemployed persons on unoccupied farms for the purpose of growing subsistence food crops during the continuance of the unemployment emergency; with amendment (Rept. No. 1359). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIROVICH: Committee on Patents. H. R. 12094. A bill to amend and consolidate the acts respecting copyright and to codify and amend common-law rights of authors in their writings; without amendment (Rept. No. 1361). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 6397. A bill to provide for the acceptance of a donation of land on the campus of the University of Oklahoma, and the construction thereon of suitable buildings and appurtenances for an institution for higher education of American Indians and their descendants, and for other purposes; with amendment (Rept. No. 1370). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 12045. A bill authorizing a per capita payment of $50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; without amendment (Rept. No. 1371). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. S. 3675. An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects; with amendment (Rept. No. 1372). Re-

ferred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Indian Affairs. S. 3864. An act authorizing expenditures from Colorado River tribal funds for reimbursable loans; without amendment (Rept. No. 1373). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on Indian Affairs. Senate Joint Resolution 125. A joint resolution authorizing the attorney general of Wisconsin to examine Government records in relation to claims of Wisconsin Indians; without amendment (Rept. No. 1374). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. EVANS of Montana: Committee on the Public Lands. S. 1040. An act authorizing the issuance to Margaret McCreanor of a patent for certain lands; without amendment (Rept. No. 1360). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 785. A bill to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; with amendment (Rept. No. 1362). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4328. A bill for the relief of Charles Edward Bailey; with amendment (Rept. No. 1363). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 5774. A bill for the relief of Martin-Walsh (Inc.); with amendment (Rept. No. 1364). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7205. A bill for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley; with amendment (Rept. No. 1365). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 11459. A bill for the relief of Harold W. Merrin; without amendment (Rept. No. 1366). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 11460. A bill to authorize credit in the disbursing account of Donna M. Davis; without amendment (Rept. No. 1367). Referred to the Committee of the Whole House.

Mr. FULLER: Committee on the Public Lands. S. 1624. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928; with amendment (Rept. No. 1368). Referred to the Committee of the Whole House.

Mr. BRUMM: Committee on Claims. S. 466. An act for the relief of the Allegheny Forging Co.; without amendment (Rept. 1369). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. MAAS: A bill (H. R. 12140) to abolish the office of certain postmasters and create the office of post-office administrator, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 12141) to grant the President of the United States authority to transfer Federal employees from one department to another temporarily and to create a central bureau; to the Committee on Expenditures in the Executive Departments.

By Mr. BRITTEN: A bill (H. R. 12142) amendatory of the laws relating to the Territory of Hawaii; to the Committee on the Territories.

By Mr. McSWAIN: A bill (H. R. 12143) to amend an act approved January 22, 1932, designated as Public No. 2, Seventy-second Congress, entitled "An act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes"; to the Committee on Banking and Currency.

By Mr. TIERNEY: A bill (H. R. 12144) to provide for the acquisition of a site for a Coast Guard station; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 12145) to fix the privilege of retirement in the Army in certain cases; to the Committee on Military Affairs.

By Mr. RAYBURN: A bill (H. R. 12146) to amend sections 15a and 19a of the interstate commerce act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HART: Resolution (H. Res. 228) investigating all operations and proceedings of the Federal Farm Board and other organizations; to the Committee on Rules.

By Mr. MAAS: Joint resolution (H. J. Res. 389) to create a national revolving fund out of tax revenues; to the Committee on Rules.

Also, joint resolution (H. J. Res. 390) to appoint a joint committee to study the fiscal policy of the Federal Government; to the Committee on Rules.

By Mr. ROMJUE: Joint resolution (H. J. Res. 391) inviting the President to deliver by message to the Congress his views as to the best policy and method to adjust the prohibition question in the best interest of the American people; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the City Council of the City of Chicago, memorializing Congress to authorize immediately a Federal bond issue of sufficient amount to finance public improvements for the purpose of starting the wheels of industry and relieving unemployment; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BACHARACH: A bill (H. R. 12147) granting an increase of pension to Jennie Wood; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 12148) for the relief of Frank J. Miller; to the Committee on Claims.

By Mr. CARY: A bill (H. R. 12149) granting a pension to Kenney Carroll; to the Committee on Invalid Pensions.

By Mr. COX: A bill (H. R. 12150) for the relief of C. J. Williams; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 12151) granting a pension to Mary Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12152) granting a pension to Ida E. Downey; to the Committee on Invalid Pensions.

By Mr. FOSS: A bill (H. R. 12153) for the relief of Hector J. Langelier; to the Committee on Military Affairs.

By Mr. GARNER: A bill (H. R. 12154) authorizing the Secretary of War to lease or to sell certain lands and buildings known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.; to the Committee on Military Affairs.

By Mr. GIBSON: A bill (H. R. 12155) for the relief of Charles Murphy; to the Committee on Military Affairs.

Also, a bill (H. R. 12156) granting an increase of pension to Harriet I. Dartt; to the Committee on Invalid Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 12157) granting an increase of pension to Augusta Grove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12158) granting an increase of pension to Amy J. Kirkpatrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12159) granting an increase of pension to Emma Hanley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12160) granting an increase of pension to Sarah Seward; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 12161) granting a pension to Unoca Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12162) granting an increase of pension to Caroline L. Foreman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12163) granting a pension to William Nichols; to the Committee on Invalid Pensions.

By. Mr. KENDALL: A bill (H. R. 12164) for the relief of Irene Dean; to the Committee on Claims.

By Mr. McMILLAN: A bill (H. R. 12165) for the relief of Charles Humphrey Scrughan; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 12166) granting an increase of pension to Eliza J. Robbins; to the Committee on Invalid Pensions.

By Mr. SELVIG: A bill (H. R. 12167) for the relief of the Dalton Grain & Lumber Co.; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H. R. 12168) for the relief of Nathan Chandler; to the Committee on Pensions.

By Mr. WITHROW: A bill (H. R. 12169) granting a pension to Irene L. Davidson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

7800. By Mr. BOHN: Petition of Houghton (Mich.) Rotary Club, favoring the retention of the appropriation for Reserve Officers' Training Corps and citizens' military training camps in the Army appropriation bill; to the Committee on Appropriations.

7801. By Mr. CRAIL: Petition of Southern California Legion of Valor, petitioning Congress to immediately launch a public-improvement program to create work for citizens of the country by issuing bonds in any amount necessary to finance that work; to the Committee on Ways and Means.

7802. Also, petition of McGilvray Raymond Corporation, of San Francisco, Calif., urging the passage of the Bingham-Goss bill for the protection of subbidders and the restoration of the building industry; to the Committee on Public Buildings and Grounds.

7803. Also, petition of the Council of the City of Los Angeles, Calif., memorializing Congress to act with all possible speed to undertake a comprehensive program of public improvements through the issuance of a bond issue, not less than $5,000,000,000; to the Committee on Ways and Means.

7804. Also, petition of Board of Supervisors of the County of Los Angeles, Calif., memorializing the Senate and House of Representatives of the United States of America to authorize bond issue to finance public improvements; to the Committee on Ways and Means.

7805. By Mr. EVANS of Montana: Resolution of Bagdad Temple, Ancient Order Nobles of the Mystic Shrine, Butte, Mont., urging that "Stars and Stripes Forever" be designated as the authorized and adopted march of the United States; to the Committee on the Judiciary.

7806. By Mr. HADLEY: Petitions of residents of Mount Vernon and Bow, Wash., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

7807. By Mr. MURPHY: Petition of A. L. Michael, president Michael Chevrolet Co., Barnesville, Ohio, and 19 other residents of that city, protesting against additional taxes on automotive products; to the Committee on Ways and Means.

7808. Also, petition of Clifford Reynolds, of Piedmont, Ohio, and 17 others, protesting against any additional taxes on automotive products; to the Committee on Ways and Means.

7809. Also, petition of Rev. J. C. Smith, of Leetonia, Ohio, and 20 other residents of that city, urging a reduction of Government costs; to the Committee on Ways and Means.

7810. By Mr. RUDD: Petition of H. W. Seaman, of Clinton, Iowa, referring to public works department and the United States Army engineers; to the Committee on Economy.

7811. Also, petition of New York Typographical Union, No. 6, New York City, opposing increase in second-class postage rates as proposed in the revenue bill; to the Committee on Ways and Means.

7812. Also, petition of Richey, Browne & Donald, Maspeth, Long Island, N. Y., favoring the balancing of the Budget; to the Committee on Appropriations.

7813. By Mr. SEGER: Resolution of the Sons of the American Revolution, opposing curtailment of national defense; to the Committee on Appropriations.

SENATE

THURSDAY, MAY 19, 1932

(Legislative day of Monday, May 9, 1932)

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

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Monday, Tuesday, and Wednesday, May 16, 17, and 18.

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

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Dill	La Follette	Smoot
Bailey	Fess	Logan	Steiwer
Bankhead	Frazier	Long	Stephens
Barbour	George	McGill	Thomas, Idaho
Bingham	Glass	McNary	Thomas, Okla.
Blaine	Hale	Metcalf	Townsend
Borah	Harrison	Moses	Trammell
Bratton	Hayden	Neely	Tydings
Bulow	Hebert	Norris	Vandenberg
Capper	Howell	Nye	Wagner
Caraway	Hull	Oddie	Walcott
Cohen	Johnson	Reed	Walsh, Mass.
Connally	Jones	Robinson, Ark.	Walsh, Mont.
Coolidge	Kean	Robinson, Ind.	Watson
Copeland	Kendrick	Sheppard	
Costigan	Keyes	Shortridge	
Dickinson	King	Smith	

Mr. FESS. I desire to announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from Vermont [Mr. AUSTIN] are detained in a committee meeting.

I desire also to announce that the following-named Senators are detained in a meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. NORBECK], the Senator from Michigan [Mr. COUZENS], the Senator from Wyoming [Mr. CAREY], the Senator from Iowa [Mr. BROOKHART], the Senator from Kentucky [Mr. BARKLEY], the Senator from Maryland [Mr. GOLDSBOROUGH], and the Senator from Florida [Mr. FLETCHER].

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is detained from the Senate on account of illness in his family.

I also wish to announce that the Senator from West Virginia [Mr. HATFIELD] and the Senator from Pennsylvania [Mr. DAVIS] are detained in a committee meeting.

Mr. SHEPPARD. I wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is necessarily detained from the Senate by serious illness in his family.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

THE LINDBERGH TRAGEDY

The VICE PRESIDENT laid before the Senate a letter, embodying resolutions adopted by the American Veterans' Association, Los Angeles, Calif., relative to the Lindbergh case, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

LOS ANGELES, *May 13, 1932.*

HON. CHARLES CURTIS,
Vice President of the United States, Washington, D. C.

DEAR SIR: We have the honor to place before you the following resolution which was presented at the regular meeting of the