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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

American Veterans' Association on Thursday evening, May 12, 1932, which was unanimously adopted by the association.

"Whereas the people of this country have been intensely aroused during the past several months by the kidnaping of Charles Augustus Lindbergh, jr.; and

"Whereas the daily press of Los Angeles announced this afternoon that Charles Augustus Lindbergh, jr., has been found dead: Now, therefore, be it

"*Resolved*, That the American Veterans' Association request and urge that the Government of the United States exercise its full power to apprehend the responsible parties and punish to the full extent of the law one of the most dastardly of all crimes in American history; and be it further

"*Resolved*, That a copy of these resolutions be forwarded to the President of the United States and to the Senators and Congressmen representing the State of California and to the Governor of the State of California."

Yours very truly,

AMERICAN VETERANS' ASSOCIATION,
By H. CRANSTON JOHNSTONE, *Secretary*.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the board of directors of the American Water Works Association, at Memphis, Tenn., favoring the passage of the bill (S. 1234) to authorize an emergency appropriation for special study of and demonstration work in rural sanitation, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a letter from Richard B. Watrous, general secretary of the Providence (R. I.) Chamber of Commerce, inclosing copy of a letter mailed to the President of the United States and bearing the names of a large number of citizens of Rhode Island, favoring immediate retrenchment in governmental expenditures "coupled with the quickest possible enactment of a wise tax bill, so that there may be the certainty of a balanced Budget," which, with the accompanying paper, was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the City Council of Chicago, Ill., favoring the passage of legislation authorizing an immediate bond issue of sufficient amount to finance public improvements, for the purpose of starting the wheels of industry, and relieving unemployment, which was referred to the Committee on Finance.

Mr. TYDINGS presented a petition of sundry citizens of Baltimore, Md., praying for the adoption of the so-called Bingham plan to legalize the manufacture and sale of 4 per cent beer, and to levy taxes thereon, so as to avoid increased excise taxes, etc., which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Albany Realty Board (Inc.), of Albany, N. Y., protesting against the abolishment of customs facilities at the Port of Albany, which was referred to the Committee on Finance.

He also presented a resolution adopted at Cincinnati, Ohio, by 420 companies, members of supply and machinery manufacturers' associations, favoring an investigation of the workings of all phases of the antitrust laws, with a view to enacting legislation to permit cooperative agreements between sellers, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at White Sulphur Springs, W. Va., by the board of governors of the Investment Bankers Association of America, favoring the retention of the right of member banks of the Federal reserve system to underwrite and merchandise securities, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted at New York City, N. Y., by members of the American Association for the Recognition of the Irish Republic, protesting against the entry of the United States into the World Court or the League of Nations, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Yonkers (N. Y.) Chamber of Commerce, favoring the balancing of the Budget by means of drastic retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented petitions of sundry citizens of the State of New York, favoring the imposition of an adequate duty on importations of oils, fats, and fish meals, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Riders Mills, N. Y., remonstrating against the imposition of a tariff or tax on lumber, gasoline, and automobiles, which was ordered to lie on the table.

He also presented numerous memorials of sundry citizens of the State of New York, remonstrating against the imposition of taxes on the automobile industry and its products, which were ordered to lie on the table.

Mr. WALCOTT presented a telegram in the nature of a memorial from the Riverside League of Women Voters, by Emma K. Perkins, secretary, Old Greenwich, Conn., remonstrating against the passage of proposed pension and bonus legislation for veterans, and favoring retrenchment in governmental expenditures and the adoption of a practical tax program, which was referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from sundry citizens of Avon, Berlin, Bethel, Bridgeport, Bristol, Brookfield, Cannondale, Clinton, Collinsville, Coscob, Danbury, Danielson, Darien, Derby, East Norwalk, Fairfield, Farmington, Glastonbury, Glenbrook, Greenwich, Guilford, Haddam, Hamden, Hartford, Hazardville, Jewett City, Litchfield, Meriden, Middle Haddam, Middletown, Moosup, Mystic, Naugatuck, New Britain, New Canaan, New Haven, Newington, New London, Niantic, Norfolk, Norwich, Oneco, Pomfret, Putnam, Redding Ridge, Ridgefield, Riverside, Rockville, Rowayton, Saugatuck, Sharon, Shelton, Somersville, Southington, South Norwalk, Southport, Springdale, Stafford Springs, Stamford, Sterling, Stonington, Stratford, Taftville, Thompsonville, Torrington, Unionville, Wallingford, Washington, Waterbury, Watertown, West Granby, West Hartford, West Haven, Westport, West Redding, Wethersfield, Willimantic, Winsted, and Woodbridge, all in the State of Connecticut, praying for the balancing of the Budget, the defeat of the cash bonus proposal, retrenchment in governmental expenditures, but the preservation of the national defense, etc., which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from sundry citizens of Allingtown, Branford, Botsford, Coscob, Canaan, Danielson, East Hartford, East Haven, East Norwalk, Guilford, Greenwich, Hawleyville, New Haven, New London, Plainville, South Norwalk, Stamford, West Haven, Wilson, Windsor Locks, West Mystic, and Willimantic, all in the State of Connecticut, praying for the passage of legislation to create a pension system for railroad employees, which were referred to the Committee on Interstate Commerce.

He also presented papers in the nature of petitions from sundry citizens of Bridgeport, Bristol, Coscob, Darien, Danielson, East Hartford, East Haven, Farmington, Fairfield, Greenwich, Glastonbury, Hartford, Hamden, Kent, Middletown, Milford, Meriden, Middlebury, Manchester, New Britain, New London, New Canaan, Norwalk, New Haven, Norwich, Riverside, Stamford, Torrington, Wethersfield, Willimantic, Waterford, West Hartford, Waterbury, Watertown, Westport, Woodbridge, and Wallingford, all in the State of Connecticut, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of memorials from sundry citizens of Bridgeport, Glastonbury, Hartford, Milford, New Britain, New Haven, Torrington, West Hartford, and Willimantic, all in the State of Connecticut, remonstrating against the modification of the Volstead Act or the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

AUTOMOBILE TAX

Mr. TYDINGS obtained the floor.

Mr. SMITH. Mr. President, I send to the desk an editorial from a newspaper called the State, published in my State, in reference to the automobile tax. It will not take

long to have it read. I should like to have it read at the desk.

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

Mr. TYDINGS. I yield.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[From the State, Columbia, S. C., May 18, 1932]

TO RAISE REVENUE BY CRIPPLING BUSINESS IS TO CONDEMN MILLIONS TO WANT AND SUFFERING

South Carolina, Southern States in general, and many of the other States lay an enormous tax on automobiles and derive an enormous income from their use when they place a tax of from 20 to 30 per cent on automobile fuel.

In addition some of these States collect as a license tax on each automobile an amount equal to the South Carolina State tax on real property, with assessed value from $1,500 up to $5,000. In South Carolina the license tax on one of the high-grade cars is more than the State tax on many a 10-horse farm.

That is all right. There is no kicking in South Carolina. But these facts must be borne in mind by southern Senators, especially when it is proposed by the Senate Finance Committee that the National Government put additional and paralyzing burdens upon the automobile industry.

We ask these makers of law to visualize the appearance of any town in any of their States with half the shops having to do with the sale of automobiles, tires, tubes, accessories, and for automobile repairs closed. What would happen to those dependent upon employment in those shops? Or to those dependent upon rent from those shops? And what would happen to the finances of those States so heavily depending upon revenue from the continued full use of cars?

Senators should think seriously about how their States would be affected should the automobile industry be seriously crippled by proposed Federal taxation on cars, trucks, lubricating oil, tires, tubes, and parts.

And the extraordinary fact is that the Senate Finance Committee plans this assault upon the one industry in the country which has demonstrated courage and faith at a time when most industries were afflicted with fear and pessimism; the one industry which has gone forward with a program requiring enormous outlays which would not only give employment to workingmen directly connected with the automobile industry, but by increasing demands for steel and many other products, act as an important bolster to business generally.

To raise revenue by crippling business is to condemn millions to unemployment, want, and suffering. Such measures are criminally stupid. The needed revenues can be raised without crippling business, and they would have been already provided but for the selfish demagogues.

REVENUE, ECONOMY, AND VETERANS' LEGISLATION

Mr. HEBERT. Mr. President, I present petitions of several hundred citizens of Rhode Island praying for the enactment of the general sales tax and legislation to balance the Budget. I ask that the body of the petition marked "No. 1" be made a part of the RECORD, and that the petitions themselves be referred to the appropriate committee.

The VICE PRESIDENT. Without objection, the petition praying for the adoption of the manufacturers' sales tax will lie on the table; the other petition dealing largely with veterans' affairs will be referred to the Finance Committee, and the body thereof will be printed in the RECORD.

The petition last above referred to, without the names, is as follows:

To the UNITED STATES SENATORS AND REPRESENTATIVES FROM RHODE ISLAND.

We, the undersigned citizens of Rhode Island, aroused by the deplorable action of Congress during the past few weeks with respect to revenue legislation, economy legislation, and legislation relating to veterans' compensation and relief, have joined in this petition for the purpose of enlisting your prompt and vigorous support of the measures hereinafter specified.

We heartily indorse President Hoover's message of May 5 and urge upon you the prompt enactment of legislation necessary to accomplish the purposes therein set forth.

We demand "the prompt enactment of a revenue bill adequate to produce the necessary revenue and so designed as to distribute the burdens equitably and not to impede economic recovery."

We demand the prompt enactment of an adequate economy measure along the lines recommended by President Hoover.

We demand (a) the elimination of all expenditures for veterans of the World War who did not in fact suffer disability in war service, (b) a return to the sound policy in which the World War veterans' legislation was first conceived—just and liberal compensation to the dependents of those who lost their lives in war service and to the veterans who in fact suffered some disability in the war, (c) the repeal of the later statutes which permit payments for veterans of the World War who, without suffering any physical detriment to themselves, did no more than perform their duty as citizens, (d) the repeal of the provisions of the Spanish-American pension statutes which permit payments to veterans for disabilities not connected with service in that war, and (e) the reduction of the Federal expenditures by not less than $450,000,000 annually which these reforms would effect.

It is estimated that of all hospital care and treatment for World War veterans over 50 per cent is already for veterans whose disabilities are not connected with war service. Furthermore, as of March 31, 1932, the Veterans' Administration had paid cash disability "allowances" for non-service-connected disabilities to 367,666 veterans of the World War; and it is estimated that by June 30, 1933, 561,000 World War veterans will be receiving disability allowances for non-service-connected disabilities, a prospective increase of 193,334, or 52 per cent in 15 months.

Thus there has insidiously grown up by legislative enactment—so gradually as not to be realized by the people at large—a system of war benefits for men who suffered no physical injury in war service already running into the hundreds of millions of dollars, a burden which will rapidly increase from year to year unless the present laws are repealed.

As testified by the Administrator of Veterans' Affairs before the Ways and Means Committee of the House of Representatives on April 26, 1932, the total amount expended by the Federal Government for veterans of the World War is already "about $6,000,000,000," and if continued "at the present rate without changes in law the Government will have spent $21,500,000,000 in 1945," a sum equal to the cost of the war itself, in addition to which State benefits to veterans of the World War have already amounted to $519,791,000.

The above recitals comprise a few—but a few only—of the facts demonstrating that an immense and growing legalized abuse has been fastened upon the people, which has reached a point which is beyond toleration and demands immediate abatement.

The constantly mounting cost of government has undoubtedly accentuated and is prolonging the present depression. It is estimated that the cost of operating Federal, State, and municipal governments at the present time is over $13,000,000,000 a year, an amount which must be raised by taxation. This is one-sixth of the total estimated annual income of the people of this country. This means that, on an average, each person is devoting one-sixth of his annual income to the support of the Federal, State, and municipal governments, or, expressed in other language, that the wages and other income which he receives for two months' work each year are being turned over to such governments for their support. By far the largest single item in governmental expenditures is that devoted to the payment of soldiers' bonuses and relief.

The fact that an individual pays no income or local tax, or only a small tax, does not mean that he is not contributing his share to the support of the Government. Every single article that he buys, whether it be food, clothing, or anything else, has included in the price that he pays for it a very substantial amount to cover taxes which have been paid by the manufacturers, transportation agencies, and merchants who have produced, transported, and sold the article and the materials that have been used in its manufacture.

When these facts have become known to the American taxpayer, we venture the prediction that such a storm of protest will be raised against reckless and unnecessary public expenditures that the Members of Congress and the other legislative bodies in this country will not dare to ignore it.

Words are inadequate to express our indignation at the way in which Congress has approached these questions. Assailed by the demands of organized minorities, it has weakly yielded to such demands, and by so doing has completely nullified the beneficial effects which would otherwise undoubtedly have resulted from the various constructive financial measures which have been adopted and are now being administered by various agencies, and has brought the country to the brink of economic ruin. It is time that the voice of the vast unorganized majority be heard. You may rest assured that the undersigned, with a host of other voters in the State of Rhode Island, are watching closely the votes of its Senators and Representatives and that a failure on their part to act courageously and in the interest of the public as a whole will be reflected in the vote at the coming election.

This is not a time for the display of partisan politics—the emergency is grave and must be met in a straightforward and statesmanlike manner.

MAY 9, 1932.

USE OF SILVER AS MONEY

Mr. THOMAS of Idaho. Much has recently been said regarding the use of silver as money and the attitude of foreign countries toward that problem. This morning's New York Times contains an article on the restoration of silver and the position of the next French Government toward an international bimetallic standard of currency, which I ask unanimous consent may be printed in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

[From the New York Times, May 19, 1932]

SEES FRENCH MOVE TO RESTORE SILVER—RAYMOND PATENOTRE, WEALTHY DEPUTY, ASSERTS HERRIOT AND CAILLAUX BACK BIMETALISM—HOLDS HOOVER MAY HELP—HE ADVOCATES A RATIO OF 45 TO 1, WITH A MONETARY RESERVE OF 3 PER CENT IN SILVER—SEES CAPITALISM AT BRINK—DECLARES MEASURES MUST BE TAKEN IF IT IS TO SURVIVE—BRITAIN SEEN STEERING POUND

PARIS, May 18.—The next French Government will support a policy of international bimetallic standard of currency, Raymond Patenotre, deputy and one of the wealthiest men in the country, said in an interview with your correspondent to-day.

Patenotre accompanied former Premier Laval to Washington in an effort to win over President Hoover to his views and to induce the President to call a monetary conference. He failed at that time to convince either Mr. Hoover or even the French financial experts in the mission, he admits; but he now says the President seems willing at least to have a conference called, and, on the French side, M. Patenotre asserts he has completely won over Joseph Caillaux and Edouard Herriot to his point of view.

When it is remembered that M. Herriot is to be a most important figure in the new government and that M. Caillaux possibly will be Finance Minister, it will be realized that their support would go far toward swinging financial France into line.

BANK COULD BE OVERRULED

While it is true that Bank of France officials flatly oppose a change from the monometallic, or gold standard and that their influence is naturally very strong, their positions are political appointments, and when they are at odds with the Government they must either resign or change their attitude.

"The world's gold stocks are insufficient for the volume of transactions," M. Patenotre said, "and the production [of gold], far from increasing, is going to diminish after 1934. A return to bimetalism would permit a revival of international trade. It would give back their purchasing power to the Asiatic races. It would reduce hoarding and, in short, reverse the present deflationary trends and start the world back toward normalcy.

"If we don't do something, capitalism is doomed. I don't consider bimetalism the only way out, but monometalism must be abandoned, and it seems to me that a bimetallic standard is the best solution."

What M. Patenotre has in mind is setting a definite ratio of gold and silver at 1 to 45. This would be done at an international monetary conference at which the Banks of France and England and the Federal reserve system would at least agree to adopt bimetalism to the extent of making the currency reserve 3 per cent in silver and the rest of the reserve in gold. In the case of France, for instance, that would mean about $300,000,000 in silver.

M. Patenotre feels there are great objections to the bimetalism which the United States tried, in a limited way, by the compulsory purchase of silver during the nineteenth century. He holds that one country acting alone can not adopt the policy effectively. If an international agreement were reached, he says, the fluctuations in the value of silver and its ratio toward gold would be kept at such a minimum as to permit the ratio to stand for at least 5 to 10 years.

Needless to say, the adoption of the Patenotre plan would mean a reversal of France's traditional policy, which is firmly for the gold standard and for a slow and cautious return to normal conditions.

DAIRY AND CREAMERY INDUSTRY IN PENNSYLVANIA

Mr. DAVIS presented a letter from the Philadelphia Dairy Jobbers Association, signed by Joseph Buschel, its secretary, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Senator JAMES J. DAVIS,
3012 Massachusetts Avenue, Washington, D. C.

HONORABLE SENATOR DAVIS: The Philadelphia Dairy Jobbers Association, realizing the importance of proper representation on the various boards and committees to whom is intrusted the task of determining to what industries the Government should extend its aid, want to take this means of going on record regarding certain dealings with such representation.

The Philadelphia Dairy Jobbers Association comprises citizens of the United States and taxpayers of Philadelphia, the largest city in Pennsylvania and the second largest city in the eastern section of the United States. It is engaged in the selling and distribution of farm and dairy products for the farmers of Pennsylvania and surrounding States.

The Pennsylvania farmers and distributors are not in any manner recipients of Government aid, and under the circumstances are greatly handicapped by other Government-aided distributors and farmers from other States that have invaded Pennsylvania territory.

Under date of March 12, 1932, the following nominations of the Farm Board were approved by Senate:

Frank Evans, Samuel H. Thompson, and William F. Schilling.

We quote from the CONGRESSIONAL RECORD, page 5881, March 12, 1932, in substantiation of our contentions of existing discrimination in having to compete with the Government-aided distributors of other States, Senator MCNARY quoted:

"Thirty-nine years ago Mr. Schilling organized the first great creamery in the State of Minnesota, and he is to-day the leading spirit in the Land O'Lakes Creameries (Inc.)."

The true state of affairs is that the Land O'Lakes Creameries (Inc.), of which, according to Senator MCNARY, Mr. Schilling, of Minnesota, is the moving spirit, is the worst competitor in the State of Pennsylvania with which the Pennsylvania farmers and dairy distributors have to contend.

The actual practice of the Land O'Lakes Creameries (Inc.) is very much at variance with the intent and the purposes for which it was chartered. According to the purpose clause of Land O'Lakes Creameries (Inc.), under article 2, cooperative file No. 84, State of Minnesota, department of state, filed June 11, 1924—

"To market and sell on the cooperative plan the creamery, cheese, dairy, poultry, and agricultural products of its members."

Originally, therefore, it was intended to help out only those who could not help themselves in the marketing of their products and their scope limited to members only. In actual practice, however, it has been stated that the Land O'Lakes Creameries (Inc.) has been purchasing products from others than their members and bringing such products into Pennsylvania markets, thereby doing a general merchandising business in competition to private enterprises.

Under date of March 26, 1932, the Produce News quoted W. F. Jensen, secretary-manager of the American Association of Creamery Butter Manufacturers, as follows. Jensen says:

"Government aid alone enables them to rival private firms."

And in a number of other daily papers considerable light has been shed on the Government aid to such cooperatives with a detrimental effect on the private-business enterprises, and contributory to the piling up of losses.

Government advances to such cooperatives have contributed considerably to the present chaotic state of the dairy and creamery industry in Pennsylvania, and we take this means of petitioning you to use your good efforts to remedy this condition by withdrawing Government aid from the privileged organizations and thereby better the conditions of our industry in Pennsylvania.

Yours very truly,

[SEAL.] PHILADELPHIA DAIRY JOBBERS ASSOCIATION,
JOSEPH BUSCHEL, *Secretary.*

THE RELIEF SITUATION

Mr. TRAMMELL presented a letter from members of Local Union No. 177, International Brotherhood of Electrical Workers, of Jacksonville, Fla., which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
Jacksonville, Fla., May 6, 1932.

Hon. PARK TRAMMELL.
Senate Office Building, Washington, D. C.

DEAR SENATOR: We are appealing to you and the Congress of the United States to do something for the jobless, hungry workers of your State and everywhere, where suffering and acute distress exist. We have hoped that spring would bring relief in some form of seasonal employment—in vain. Instead of relief we are faced with more and more unemployment, at a season when industrial employment should show a seasonal gain.

Our people are losing their homes because they are unable to pay rent or taxes. Our relief appropriations are exhausted, and the source of further funds, a majority of which must come from other workers, is closed because of the retrenchment policy of the Federal Government. They can't help but feel insecure in the face of wage and salary reductions forced upon them by employers who follow the example set by Congress.

Such reductions not only affect pay rolls but subsequent retrenchment on the part of others and loss of confidence all the way down the line. Where is it going to end? Those people to whom we are all looking to inaugurate some definite relief program, are going to be faced with something more serious than the feeble protests of a determined populace—unless something is done to end this national tragedy.

This is an emergency if ever there was one—emergency measures should be adopted. Every dollar taken out of circulation only adds to the lengthening soup lines and causes the wheels of industry to slow down.

Now that the railroads and the poor bankers have had their slice of cake, isn't it about time that the policy of wage and salary reductions cease long enough to give the workers their crumb of bread? Are you going to use your influence and vote to give them relief—we want to know.

Yours truly,

MEMBERS OF LOCAL NO. 177,
E. C. VALENTINE, *President.*

PAY OF PRINTERS UNDER ECONOMY PLAN

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter from Clyde M. Mills, president of the Columbia Typographical Union, No. 101, Washington, D. C.

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

COLUMBIA TYPOGRAPHICAL UNION, No. 101,
Washington, D. C., May 18, 1932.

Hon. THOMAS D. SCHALL,
United States Senate, Washington, D. C.

MY DEAR SENATOR: We believe it the duty of this union to point out to Members of Congress some of the inequalities contained in the economy bill, H. R. 11267. Knowing your keen interest in this matter, we will attempt to explain our interpretation of the bill, that you may be able to vote with full knowledge of our position and the reasons therefor.

We will refer, of course, to the position of the printers employed in the Government Printing Office, but the expressions represent all the allied trades, pressmen, bookbinders, women bindery workers, electrotypers, photo-engravers, stereotypers, and machinists. There is very little difference in the wages paid the different trades and the working conditions are practically the same.

Employees of the Government Printing Office work under agreements having definite dates of expiration. The law setting forth the right of employees of the office to make agreements is found in the Kiess bill, H. R. 7996, Public, No. 276, entitled "An act to regulate and fix rates of pay for employees and officers of the Government Printing Office," enacted by Congress June 7, 1924. We quote one paragraph:

"* * * *Provided further*, That except as hereinbefore provided, the rates of wages, including compensation for night and overtime work, for more than 10 employees of the same occupation shall be determined by a conference between the Public Printer and a committee selected by the trades affected, and the rates and compensation so agreed upon shall become effective upon approval by the Joint Committee on Printing; if the Public Printer and the committee representing any trade fail to agree as to wages, salaries, and compensation, either party is hereby granted the right of appeal to the Joint Committee on Printing, and the decision of said committee shall be final; the wages, salaries, and compensation determined as provided herein shall not be subject to change oftener than once a year thereafter * * *."

Section 103, subsection (d) of the present bill, in the first part of the sentence, exempts all employees working under agreements reached under the above law or similar laws; but in the last part of the sentence such wage boards are directed to immediately effect a readjustment in conformity with prevailing local rates for similar work. But the inconsistency is found in section 207, Title II, which specifically provides that no employee shall receive a higher rate of pay for night work, for overtime work, or for work performed on Sundays or holidays; yet the act of Congress granting the power to wage boards to fix such rates is not repealed.

Section 207 referred to reads:

"During the fiscal year ending June 30, 1933, no employee or officer of the Government shall be allowed or paid a higher rate of compensation for overtime work, for night work, or for work on Sundays and holidays. In so far as practicable, overtime work and night work shall be performed by substitutes in lieu of persons who have performed a day's work during the day during which the overtime work or night work is to be performed, and work on Sundays and holidays shall be performed by substitutes in lieu of persons who have performed a week's work during the same week * * *."

The employment of substitutes either for overtime work or other work is not in effect in the Government Printing Office, neither can it be made to apply without drastic changes. There is very little overtime hours worked at the office. Night workers are not employed during any other hours of the day. They work eight hours at night.

There are now employed at night in the office 647 tradesmen. Of this number 501 are printers, 18 platemakers, 85 pressmen, 43 bookbinders. The scale of wages run from $1.15 per hour to $1 per hour. The largest number receive $1.10; this hourly rate multiplied by 8 hours per day totals $8.80. Wages are still based on 48 hours per week, making a total of $52.80 and a yearly total of 52 weeks, $2,745.60. To this is added 15 per cent for night work, $426.84, which will be taken away upon adoption of the existing section 207.

We can not believe there is a Member of Congress who sincerely believes that a printer earning $3,000 per year should be reduced in the amount contemplated in the adoption of section 207. That belief is based on the action of the House in exempting from any reduction earnings of $2,500 or less and letters from several Representatives who say they did not fully understand the full intent of the section.

Practically all work produced at night in the office is for Congress, such as the CONGRESSIONAL RECORD, which must be on the desks of Members of Congress early in the morning; new bills; reports of hearings; and other such items. There would be very little necessity for night work were it not for the requirements of Congress.

We can see no reasonable argument why any reduction larger than that directed to per annum and per diem employees working during the day should be directed to night workers.

We believe that a large number of Members of Congress are under the impression that employees of the Government Printing Office receive sick leave. These employees do not receive any sick leave.

The following tables have been compiled upon our interpretation of the two most-talked-of plans, the President's furlough plan and the direct pay cut. While the totals may vary slightly from Bureau of Efficiency figures, please consider that we are not trained in the matter of statistics, but we believe the figures are very nearly correct:

Comparative losses under the two plans

Hourly rate	$1.10
H. R. 11267:	
11 per cent	37.02
Loss night pay	426.84
Total	463.86
President's furlough plan:	
5-day week	249.60
Loss night pay	426.84
Leave	264.00
Total	940.40

Under the 11 per cent reduction in pay for Members of Congress you will be reduced $825. Under the same plan a printer will be reduced $463.84. Under the President's plan of 10 per cent reduction for Congress you would be reduced $1,000. A printer, under the same plan, will receive $940.40 less. And the printer's salary is $3,000 as against $10,000 for Members of Congress.

The principle of a higher rate of pay for night work and overtime has been established in industry, especially the printing trades, for more than 40 years. It is extremely unfair, in our opinion, for Congress, which should set a standard for all industry, to take from us that which we have gained through years of effort.

We wish to emphasize that night work in the office is not overtime. We also call attention to the fact that printers work 44 hours per week, and again that they do not receive sick leave.

We feel confident of your support in striking out section 207 after considering all these facts.

Thanking you for your past cooperation and support and assuring you of our sincere friendship, I am,

Yours very sincerely,

CLYDE M. MILLS, *President.*

REPORTS OF COMMITTEES

Mr. THOMAS of Idaho, from the Committee on Irrigation and Reclamation, to which was referred the joint resolution (S. J. Res. 148) to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes, reported it with an amendment and submitted a report (No. 711) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7914) granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River, reported it without amendment and submitted a report (No. 712) thereon.

Mr. BINGHAM, from the Committee on Commerce, to which was referred the bill (S. 4565) to amend the railway labor act, reported it without amendment and submitted a report (No. 713) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4680. An act to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands (Rept. No. 714);

H. R. 79. An act to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes (Rept. No. 715); and

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods (Rept. No. 716).

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

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance and operation of said bridge (Rept. No. 717); and

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Common-

wealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge (Rept. No. 718).

Mr. ODDIE, from the Committee on Post Offices and Post Roads, submitted a report (No. 719) to accompany the bill (S. 36) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, heretofore reported by him from that committee with amendments.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H. R. 5242) for the relief of D. Emmett Hamilton, reported it with an amendment and submitted a report (No. 720) thereon.

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 329) for the relief of Beatrice I. Manges, reported it with an amendment and submitted a report (No. 721) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. JOHNSON, from the Committee on Commerce, reported favorably the nomination of Col. Harley B. Ferguson, Corps of Engineers, United States Army, for appointment as member and president of the Mississippi River Commission, as provided by law, vice Brig. Gen. Thomas H. Jackson, relieved.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. ROBINSON of Arkansas:

A bill (S. 4698) to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 4699) relating to publications for the blind; to the Committee on Education and Labor.

By Mr. NYE:

A bill (S. 4700) to allow credit to homestead settlers and entrymen for certain military service; to the Committee on Public Lands and Surveys.

By Mr. STEIWER:

A bill (S. 4701) for the relief of John Hampshire; to the Committee on Claims.

By Mr. NORRIS:

A bill (S. 4702) granting an increase of pension to Calista Lawson; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4703) to authorize the free importation into the United States of goods bartered for farm products; to the Committee on Finance.

By Mr. BLAINE:

A bill (S. 4704) to amend section 25 of the healing arts practice act of the District of Columbia, approved February 27, 1929; to the Committee on the District of Columbia.

By Mr. HAWES:

A bill (S. 4705) granting a pension to Mary Cox (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH of Massachusetts:

A bill (S. 4706) conferring jurisdiction on the Court of Claims to hear and determine the claim of George B. Gates; to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 4707) for the relief of Norris R. Wentworth, Lloyd J. Wentworth, J. K. Wentworth, jr., and George Finley; to the Committee on Claims.

By Mr. HOWELL:

A bill (S. 4708) granting an increase of pension to Sarah M. Williams; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4709) to amend section 60 of the Federal bankruptcy act; to the Committee on the Judiciary.

By Mr. COPELAND:

A joint resolution (S. J. Res. 161) to authorize the erection on public grounds in the District of Columbia of a stone marker designating the zero milestone of the Jefferson Davis National Highway; to the Committee on the Library.

CHANGE OF REFERENCE

On motion of Mr. HOWELL, the Committee on Claims was discharged from the further consideration of the bill (S. 4657) for the relief of Henry Charles O'Dell, and it was referred to the Committee on Finance.

COMPILATION OF LAWS RELATING TO VETERANS

Mr. NORRIS submitted the following concurrent resolution (S. Con. Res. 29), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That the compilation of all Federal laws relating to the veterans of our various wars, transmitted by the Administrator of Veterans' Affairs to the Senate on May 9 (calendar day, May 12), 1932, in response to Senate Resolution No. 412, Seventy-first Congress, be printed as a Senate document with an illustration, and that ——— additional copies shall be printed, to be distributed by the Administrator of Veterans' Affairs; one copy, upon application, to each post of the Grand Army of the Republic, to each camp of the United Spanish War Veterans, to each post of the American Legion, and to each post of the Veterans of Foreign Wars.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2498) to authorize the transfer of jurisdiction over public land in the District of Columbia.

The message also announced that the House had passed a 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, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

S. 1335. An act to remove the limitation upon the filling of vacancy of district judge for the district of New Jersey; and

S. 2498. An act to authorize the transfer of jurisdiction over public land in the District of Columbia.

HOUSE BILL REFERRED

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, was read twice by its title and referred to the Committee on Education and Labor.

"THE FORGOTTEN MAN"—ADDRESS BY GOVERNOR ROOSEVELT

Mr. DILL. Mr. President, at Warm Springs, Ga., on yesterday Governor Roosevelt in an extemporaneous address to the Kiwanis Clubs made some references to the needs of the poor of this country that are so much in point I should like to have them included in the RECORD. I want to read one paragraph from the address.

No one wants government to assume more functions, but it is clear that government in this Nation can not let its people starve. The government in the United States must not allow its men, women, and children to suffer excessive privation.

Then in another part of the address Governor Roosevelt said:

I believe that some one has spoken of the forgotten man. But there is also the forgotten child. One of the great advances of current life is that it is becoming increasingly difficult to find a physically handicapped, forgotten child who requires help.

I think, coming from a man holding the position which the Governor of New York holds, that this address is of

special interest, and I ask that the report of the address as published in the New York Times may be printed in the RECORD as part of my remarks.

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

[From the New York Times, May 19, 1932]

ROOSEVELT RENEWS "FORGOTTEN" PLEA—GOVERNMENT MUST NOT LET ITS PEOPLE STARVE, HE TELLS GEORGIA KIWANIANS—CITES JEFFERSON'S WORDS—"MASS OF MANKIND WAS NOT BORN WITH SADDLES," HE QUOTES, URGING A NEW OUTLOOK

WARM SPRINGS, GA., May 18.—Gov. Franklin D. Roosevelt, in an address before Georgia Kiwanians, made a demand for the "forgotten man" and assailed "privilege in the saddle."

Seizing on sentences from the last letter to Thomas Jefferson, which were sent to the governor by a correspondent who had been stirred by attacks on his previous views expressed on economic relief, Mr. Roosevelt declared that the National Government must take steps to prevent starvation among its men, women, and children. A proper outlook on government, he insisted, would bring this result.

The governor spoke extemporaneously, and while many of his statements were directed specifically toward cooperation in aiding the physically handicapped, they were broadened to include the entire economic picture, when the words of Thomas Jefferson were invoked.

Governor Roosevelt made it clear that he was applying the Jeffersonian formula to the whole social structure when he insisted that the words in which the "Sage of Monticello" attacked the idea of inherent servility of the masses were as sound to-day as in 1826, when they were written.

The governor even used the term "forgotten man" again, the words which, it is said, gave rise to the speech of former Governor Smith denouncing "demagogues."

The governor opened his address by praising the Kiwanis organization for the aid it had offered to the handicapped to obtain treatment.

Kiwanis, he said, had a great opportunity in making itself known as the "friend of the forgotten man."

Mr. Roosevelt continued:

"Only this morning I received a letter in the mail containing a quotation from the last letter of Thomas Jefferson. It was written by him two days before his death on July 4, 1826, and was in response to an invitation to go to the District of Columbia to attend the fiftieth anniversary of the Declaration of Independence.

"Jefferson wrote from Monticello that he was sorry his illness would prevent his attendance. It was a simple letter, and his sentence was written as death was guiding his hand:

"'The mass of mankind was not born with saddles on their backs, nor were a favored few born booted and spurred, ready to ride mankind, either legitimately or by the grace of God.'

"That was a clear, forceful expression, and I think it is as true to-day as it was in 1826. The mass of the people were not born with saddles on their backs. We know that many of them do have saddles on their backs nevertheless. But they can be removed by the right kind of outlook in government in this country.

"No one wants government to assume more functions, but it is clear that government in this Nation can not let its people starve. Government in the United States must not allow its men, women, and children to suffer excessive privation.

"In normal times we all hope that some way will be devised to avoid any increase in governmental functions, but in what you might call exceptional times like these certain functions must be maintained.

"I think these are times when we could well rely on the words of the Bible again—those in one of the commandments. I think that the country would work more readily, not back to great prosperity but to comparative prosperity, if we remember those words.

"We will come more easily to the day when food, clothing, and a roof will be guaranteed to the men, women, and children of the Nation if we appreciate genuinely and apply practically that commandment: 'Love thy neighbor as thyself.'"

The governor avowed earlier in the address that declaration of basic principles of this sort were more necessary now than ever before.

"I want to talk very briefly," he said, "about some of the confusing elements in modern life. We have fallen on evil times. The average man and woman is confused as to his or her rights and duties.

"There is confusion as to the place of private endeavor and government action. In these times we must clarify what the government can let go of and what it must continue to hold."

Governor Roosevelt asserted that government in this country had undoubtedly "overstepped itself in extravagance" in the past decade in city, State, and Nation, and declared that curtailment was necessary as far as possible. At the same time he repeated his demand that social welfare activities of government should not be "scrapped" in economy programs.

"Social welfare functions," he said, "can not be thrown aside in time of stress, for that would mean a regression in our civilization. We must continue them, unless we can find some private group to operate them more cheaply and efficiently."

"I believe that some one," the governor smiled, "has spoken of the forgotten man. But there is also the forgotten child. One of the great advances of current life is that it is becoming increasingly difficult to find a physically handicapped, forgotten child who requires help."

The governor urged the Kiwanians to recognize the economic efficiency of aiding the physically handicapped by expenditure of money for training them for useful occupations, on the ground that the earning power created would be far greater than the money spent for the training and aid."

Gov. Richard B. Russell, jr., of Georgia, was another speaker at the dinner. He said:

"We hear to-day the voice of America summoning this great part-time Georgian to the tremendous task of rehabilitating and rebuilding this Republic. A leader has arisen and is recognized by the people as the one to restore government to the people and reestablish a firm democracy.

"We can feel sure that under his leadership the clouds of depression will be lifted."

Governor Roosevelt received an ovation when Governor Russell concluded.

The governor took his usual exercises in the pool during the day and was guest later at the cottage of Mr. and Mrs. Linn Pierson, of Detroit.

ENCYCLICAL OF POPE PIUS XI

Mr. LONG. Mr. President, I shall send to the desk and ask to have printed in the RECORD a message delivered by Pope Pius XI. I merely want to read one paragraph from it.

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

Mr. TYDINGS. I am willing to do so, provided I do not lose the floor; but I ask the Senator from Louisiana if he will not be as brief as he can?

Mr. LONG. What I desire to be read embraces only seven or eight lines.

Mr. TYDINGS. Very well.

Mr. LONG. I merely desire to read these few lines from the message of Pope Pius XI:

From greed arises mutual distrust that casts a blight on all human dealings; from greed arises hateful envy which makes a man consider the advantages of another as losses to himself; from greed arises narrow individualism which orders and subordinates everything to its own advantage without taking account of others, on the contrary, cruelly trampling under foot all rights of others. Hence the disorder and inequality from which arises the accumulation of the wealth of nations in the hands of a small group of individuals who manipulate the market of the world at their own caprice, to the immense harm of the masses, as we showed last year in our encyclical letter, "Quadragesimo Anno."

Mr. TYDINGS. I thank the Senator from Louisiana for having placed in the RECORD one of the best arguments I have ever heard against the oil tariff.

Mr. LONG. Mr. President, I ask unanimous consent that the encyclical message of Pope Pius XI, issued yesterday, may be printed in the RECORD.

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

(VATICAN CITY, May 18.—Following is the full text of the encyclical of Pope Pius XI calling upon the world to unite in prayer for divine assistance in overcoming the prevailing universal distress:)

ENCYCLICAL LETTER

To the Patriarchs, Primates, Archbishops, Bishops, and other ordinaries in peace and communion with the Apostolic See, on offering prayer and expiation to the sacred heart of Jesus in the present distress of the human race:

Venerable brethren, health and apostolic benediction.

Urged by the charity of Christ, we have invited with the encyclical Nova Impendet of October 2 of last year, all members of the Catholic Church, indeed all men of good will, to unite in a holy crusade of love and succor, in order to alleviate in some measure the terrible consequences of the economic crisis under which the human race is struggling. And truly wonderful was the unanimous enthusiasm with which the generosity and activity of all answered our appeal. But distress has increased, the number of the unemployed has grown in practically all parts, and subversive elements are making use of the fact for their propaganda; hence public order is threatened more and more and the peril of terrorism and anarchy hangs over society ever more ominously.

Such being the case, the same charity of Christ moves us to turn once again to you, venerable brethren, to the faithful in your charge, to the whole world, and to exhort all to unite and to resist with all their might the evils that are crushing humanity and the still graver evils that are threatening.

Chapter I

UNIVERSALITY OF DISTRESS

If we pass in review the long and sorrowful sequence of woes that, as a sad heritage of sin, mark the stages of fallen man's

earthly pilgrimage from the flood on, it would be hard to find spiritual and material distress so deep, so universal, as that which we are now experiencing; even the greatest scourges that left indelible traces in the lives and memories of peoples struck only one nation at a time.

Now on the contrary the whole of humanity is held bound by the financial and economic crisis, so fast that the more it struggles the harder appears the task of loosening its bonds.

There is no people, there is no state, no society, or family which, in one way or another, directly or indirectly, to a greater or less extent, does not feel the repercussion. Even those, very few in number, who appear to have in their hands, together with enormous wealth, the destinies of the world, even those very few who with their speculations were and are in great part the cause of so much woe, are themselves quite often the first and most notorious victims, dragging down with themselves into the abyss the fortunes of countless others; thus verifying in a terrible manner and before the whole world what the Holy Ghost had already proclaimed for every sinner in particular: "By what things a man sinneth, by the same also he is tormented."

This deplorable state of things, venerable brethren, makes our paternal heart groan and makes us feel more and more deeply the need of adopting, in the measure of our insufficiency, the sublime sentiment of the sacred heart of Jesus: "I have compassion on the multitude."

But still more deplorable is the root from which springs this condition of affairs, for if what the Holy Ghost affirms, through the mouth of St. Paul, is ever true, much more it is true at present: "The desire of money is the root of all evils."

Is it not that lust of earthly goods that the pagan poet called with righteous scorn "the accursed hunger for gold"; is it not that sordid egoism which too often regulates the mutual relations of individuals and society; is it not, in fine, greed, whatever be its species and form, that has brought the world to a pass we all see and deplore?

From greed arises mutual distrust that casts a blight on all human dealings; from greed arises hateful envy which makes a man consider the advantages of another as losses to himself; from greed arises narrow individualism which orders and subordinates everything to its own advantage without taking account of others, on the contrary cruelly trampling under foot all rights of others. Hence the disorder and inequality from which arises the accumulation of the wealth of nations in the hands of a small group of individuals who manipulate the market of the world at their own caprice, to the immense harm of the masses, as we showed last year in our encyclical letter Quadragesimo Anno.

FINDS A FEW CONTROL WEALTH OF NATIONS

The right order of Christian charity does not disapprove of lawful love of country and a sentiment of justifiable nationalism; on the contrary, it controls, sanctifies, and enlivens them. If, however, egoism, abusing this love of country, and exaggerating this sentiment of nationalism insinuates itself into the relations between people and people, there is no excess that will not seem justified, and that which between individuals would be judged blameworthy by all is now considered lawful and praiseworthy if it is done in the name of this exaggerated nationalism.

Instead of the great law of love and human brotherhood, which embraces and holds in a single family all nations and peoples with one Father, who is in heaven, there enters hatred, driving all to destruction. In public life sacred principles, the guide of all social intercourse, are trampled upon; the solid foundations of right and honesty on which the state should rest are undermined.

Profiting by so much economic distress and so much moral disorder the enemies of all social order, be they called communists or any other name, boldly set about breaking through every restraint. This is the most dreadful evil of our times, for they destroy every bond of law, human and divine; they engage openly and in secret in a relentless struggle against religion and against God himself; they carry out the diabolical program of wresting from the hearts of all, even of children, all religious sentiment; for well they know that when once belief in God has been taken from the heart of mankind they will be entirely free to work out their will.

Thus we see to-day what was never before seen in history—the satanical banners of war against God and against religion brazenly unfurled to the winds in the midst of all peoples and in all parts of the earth. Polluted and closed are the sources of those ancient traditions which, based on faith in God and fidelity to His law, secured the true progress of nations.

There were never lacking impious men nor men who denied God; but they were relatively few, isolated and individual, and they did not care or did not think it opportune to reveal too openly their impious minds, as the inspired psalmist appears to suggest, when he exclaims, "The fool hath said in his heart, there is no God." The impious, the atheist, lost in the crowd, denies God, his creator, but in the secret of his heart.

ATHEISM SPREADING THROUGH MASSES

To-day, on the contrary, atheism has already spread through large masses of the people. Well organized, it works its way even into the common schools; it appears in theaters; in order to spread it makes use of its own cinema films, of the gramophone, and the radio; with its own printing presses it prints booklets in every language; it promotes special exhibitions and public parades; it has formed its own political parties and its own economic and military systems.

This organized and militant atheism works untiringly by means of its agitators, with conferences and projections, with every means of propaganda, secret and open; among all classes, in every street, in every hall; it secures for this nefarious activity the moral support of its own universities and holds fast the unwary with the mighty bonds of its organizing power.

At the sight of so much activity placed at the service of so wicked a cause there comes spontaneously to our mind and to our lips the mournful lament of Christ: "The children of this world are wiser in their generation than the children of light."

The leaders of this campaign of atheism, turning to account the present economic crisis, inquire with diabolic reasoning into the cause of this universal misery. The holy cross of our Lord, symbol of humility and poverty, is joined together with the symbols of modern imperialism, as though religion were allied with those dark powers which produce such evils among men.

Thus they strive, and not without effect, to combine war against God with men's struggle for their daily bread, with their desire to have land of their own, suitable wages, and decent dwellings—in fine, a condition of life befitting human beings.

ALL RECOGNIZING GOD ARE UNDER ATTACK

The most legitimate and necessary desires, just as the most brutal instincts, everything serves their antireligious program, as if the order established by God stood in contradiction with the welfare of mankind and were not, on the contrary, its only sure safeguard; as if human forces by means of modern mechanical power could combat the divine forces and introduce a new and better ordering of things.

Now it is a lamentable fact that millions of men, under the impression that they are struggling for existence, grasp at such theories, to the utter subversion of truth, and cry out against God and religion. Nor are these assaults directed only against the Catholic religion but against all who still recognize God as creator of heaven and earth and as absolute Lord of all things.

And the secret societies, always ready to support war against God and the church, no matter who wages it, do not fail to inflame ever more this insane hatred which can give neither peace nor happiness to any class of society but will certainly bring all nations to disaster.

Thus this new form of atheism, whilst unchaining man's most violent instincts, with cynical impudence proclaims that there will be neither peace nor welfare on earth until the last remnant of religion has been torn up and until its last representative has been crushed out of existence; as if in this way could be silenced the marvelous concert in which creation chants the glory of its Creator.

Chaper II

THE ADVANCE OF FAITH

We know very well, venerable brethren, that vain are all these efforts, and that in the hour He has established, God will arise and His enemies shall be scattered. We know that "the gates of hell shall not prevail." We know that our Divine Redeemer, as was foretold of Him, "shall strike the earth with the rod of His mouth and with the breath of His lips He shall slay the wicked," and for those unhappy beings terrible above all things will be the hour in which they fall "into the hands of the living God."

And this unshaken confidence in the final triumph of God and the Church is, through the infinite goodness of the Lord, strengthened for us every day by the consoling sight of the generous enthusiasm for God on the part of countless souls in every quarter of the world and in all classes of society.

It is indeed a powerful breathing of the Holy Spirit which is now passing over all the earth, drawing especially the souls of the young to the highest Christian ideals, raising them above all human respect, rendering them ready for every sacrifice, even the most heroic; a divine breath that stirs all hearts, even in spite of themselves, and causes them to feel an inward impulse, a real thirst for God, to be forgiven by those who dare not confess it.

It is also true that our invitation to the laity to take part in the apostolate of the hierarchy in the ranks of Catholic action has been everywhere received with docility and generosity. In the cities and in the country the number is continuously increasing of those who with all their strength devote themselves to the propagation of Christian principles and to their practical application in public life, while they themselves strive to confirm their words with the example of their upright lives.

But none the less, confronted with so much impiety, such destruction of all the holiest traditions, such slaughter of immortal souls, such offenses against the Divine Majesty, we can not, venerable brethren, refrain from pouring out the bitter grief of our soul; we can not refrain from raising our voice and, with all the energy of our apostolic heart, taking the defense of the downtrodden rights of God and of the most sacred sentiments of the human heart that has absolute need of God; and this all the more since these hostile forces, impelled by the spirit of evil, do not content themselves with mere clamor, but unite all their strength in order to carry out at the first opportunity their nefarious designs.

Woe to mankind if God, thus spurned by his creatures, allows in His justice free course to this devastating flood and uses it as a scourge to chastise the world! It is necessary, therefore, venerable brethren, that without faltering we "get up a wall for the house of Israel," that we likewise unite all our forces in one solid, compact line against the battalions of evil, enemies of God no less than of the human race.

For in this conflict there is really question of the fundamental problem of the universe and of the most important decision proposed to man's free will. For God or against God, this once more is the alternative that shall decide the destinies of all mankind. In politics, in finance, in morals, in the science and arts, in the state, in civil and domestic society, in the East and in the West, everywhere this question confronts us as the deciding factor because of the consequences that flow from it. Thus even the advocates of an altogether materialistic conception of the world always see rising before them the question of the existence of God that they thought had been ruled out once and for all and are ever constrained to take up again its discussion.

In the name of the Lord, therefore, we conjure individuals and nations, in the face of such problems and in the throes of a conflict of such vital interest for mankind, to put aside that narrow individualism and base egoism that blinds even the most clear-sighted, that withers up all noble initiative as soon as it is no longer confined to a limited circle of paltry and particular interests. Let them all unite together even at the cost of heavy sacrifices to save themselves and mankind.

In such a union of minds and forces they naturally ought to be the first who are proud of the Christian name, mindful of the glorious tradition of the apostolic time when "the multitude of believers had but one heart and one soul." But let all those also loyally and heartily concur who still believe in God and adore Him, in order to ward off from mankind the great danger that threatens all alike. For, in truth, belief in God is the unshaken foundation of all social order and of all responsible action on earth; and, therefore, all those who do not want anarchy and terrorism ought to bestir themselves with a will in order that the enemies of religion may not attain the goal they have so loudly proclaimed to the world.

ALL LAWFUL MEANS MUST BE USED

We are aware, venerable brethren, that in this battle for the defense of religion we must make use of all lawful means at our disposal. Therefore, following in the wise path of our predecessor, Leo XIII, of saintly memory, in our encyclical Quadragesimo Anno, we advocated so energetically a more equitable distribution of the goods of the earth and indicated the most efficacious means of restoring health and strength to the ailing social body, and tranquillity and peace to its suffering members.

For the unquenchable aspiration to reach a suitable state of happiness even on earth is planted in the heart of man by the creator of all things, and Christianity has always recognized and ardently promoted every just effort of true culture and sound progress for the perfecting and developing of mankind.

However, in the face of this satanic hatred of religion, which reminds us of the "mystery of iniquity," referred to by St. Paul, mere human means and expedients are not enough, and we should consider ourselves wanting in our apostolic ministry if we did not point out to mankind those wonderful mysteries of light that alone contain the hidden strength to subjugate the unchained powers of darkness.

When our Lord, coming down from the splendors of Thabor, had healed the boy tormented by the Devil, whom the disciples had not been able to cure, to their humble question, "Why could not we cast him out?" He made reply in the memorable words: "This kind is not cast out but by prayer and fasting."

It appears to us, venerable brethren, that these divine words find a peculiar application in the evils of our times, that can be averted only by means of prayer and penance.

Mindful, then, of our condition, that we are essentially limited and absolutely dependent on the Supreme Being, before everything else let us have recourse to prayer. We know through faith how great is the power of humble, trustful, persevering prayer; and to no other pious work have ever been attached such ample, such universal, such solemn promises as to prayer:

"Ask and it shall be given you, seek and you shall find, knock and it shall be opened to you. For every one that asketh, receiveth, and he that seeketh, findeth; and to him that knocketh it shall be opened. Amen, amen. I say to you if you ask the Father anything in my name He will give it to you."

ACT OF PRAYER UNITES MAN WITH GOD

And what object could be more worthy of our prayer and more in keeping with the adorable person of Him who is the only "mediator of God and men, the man Jesus Christ," that to beseech Him to preserve on earth faith in one God, living and true? Such prayer bears already in itself a part of its answer; for in the very act of prayer a man unites himself with God and, so to speak, keeps alive on earth the idea of God. The man who prays, merely by his humble posture professes before the world his faith in the Creator and Lord of all things; joined with others in prayer he recognizes that not only the individual but human society as a whole has over it a supreme and absolute Lord.

What a spectacle for heaven and earth is not the church in prayer! For centuries without interruption, from midnight to midnight, is repeated on earth the divine psalmody of the inspired canticles; there is no hour of the day that is not hallowed by its special liturgy; there is no stage of life, great or small, that has not its part in the thanksgiving, praise, supplication, and reparation of the common prayer of the mystical body of Christ, which is the church.

Thus prayer of itself assures the presence of God among men, according to the promise of the Divine Redeemer: "Where there are two or three gathered together in My name, there am I in the midst of them."

In addition, prayer will remove the fundamental cause of present-day difficulties which we have mentioned above; that is, the insatiable greed for earthly goods.

The man who prays looks above to the goods of heaven whereon he meditates and which he desires; his whole being is plunged in the contemplation of the marvelous order established by God, which knows not the frenzy of success and does not lose itself in futile competitions of ever-increasing speed; and thus automatically, as it were, will be reestablished that equilibrium between work and rest, whose entire absence from society to-day is responsible for grave dangers to life, physical, economic, and moral.

If, therefore, those who through the excessive production of manufactured articles have fallen into unemployment and poverty made up their minds to give the proper time to prayer, there is no doubt that work and production would soon return to reasonable limits and that the conflict which now divides humanity into two great camps struggling for transient interests would be changed into a noble and peaceful contest for goods heavenly and eternal.

In like manner will the way be opened to the peace we long for, as St. Paul beautifully remarks in the passage where he joins the precept of prayer to holy desires for the peace and salvation of all men:

"I desire, therefore, first of all, that supplications, prayers, intercessions and thanksgivings be made for all men; for kings and all that are in high station, that we may lead a quiet and peaceful life in all piety and chastity. For this is good and acceptable in the sight of God our Saviour, who will have all men to be saved and to come to the knowledge of truth."

ASKS PEACE FOR ALL BE IMPLORED

Let peace be implored for all men, but especially for those who in human society have the grave responsibilities of government; for how could they give peace to their peoples if they have it not themselves? And it is prayer precisely that, according to the apostle, will bring the gift of peace; prayer that is addressed to the Heavenly Father, who is the Father of all men; prayer that is the common expression of family feelings, of that great family which extends beyond the boundaries of any country and continent.

Men who in every nation pray to the same God for peace on earth can not be at the same time bearers of discord among peoples; men who turn in prayer to the Divine Majesty can not foment that nationalistic imperialism which of each people makes its own god; men who look to the "God of Peace and of Love," who turn to Him through the mediation of Christ, who is "our peace," will know no rest until finally that peace which the world can not give comes down from the Giver of every good gift on "men of good will."

"Peace be to you" was the Easter greeting of our Lord to His apostles and first disciples; and this blessed greeting from those first times until our day has never been absent from the sacred liturgy of the church, and to-day more than ever it should comfort and refresh aching and oppressed human hearts.

Chapter III

NEED FOR PENANCE

But to prayer we must also join penance, the spirit of penance, and the practice of Christian penance. Thus our Divine Master teaches us, whose first preaching was precisely penance: "Jesus began to preach and to say, do penance." The same is the teaching of all Christian tradition, of the whole history of the church.

In the great calamities, in the great tribulations of Christianity, when the need of God's help was most pressing, the faithful, either spontaneously or more often following the lead and exhortations of their holy pastors, have always taken in hand the two most mighty weapons of spiritual life—prayer and penance.

By that sacred instinct, by which, unconsciously as it were, the Christian people is guided when not led astray by the sowers of tares, and which is none other than that "mind of Christ" of which the apostle speaks, the faithful have always felt immediately in such cases the need of purifying their souls from sin with contrition of heart, with the sacrament of reconciliation, and of appeasing divine justice with external works of penance as well.

Certainly we know, and with you, venerable brethren, we deplore the fact that in our day the idea and the name of expiation and penance have with many lost in great part the power of rousing enthusiasm of heart and heroism of sacrifice.

In other times they were able to inspire such feelings, for they appeared in the eyes of men of faith as sealed with a divine mark in likeness of Christ and His saints. But nowadays there are some who would put aside external mortifications as things of the past without mentioning the modern "autonomous man," who despises penance as bearing the mark of servitude.

As a fact, the notion of the need of penance and expiation is lost in proportion as belief in God is weakened and the idea of an original sin and of a first rebellion of man against God becomes confused and disappears.

UPHOLDING IDEAS A DUTY OF PASTORAL OFFICE

But we, on the other hand, venerable brethren, have the duty of the pastoral office of bearing aloft these names and ideas and of preserving them in their true meaning, in their genuine dignity, and still more in their practical and necessary application to Christian life. To this we are urged by the very defense of God and religion, which we sustain, since penance is of its nature

a recognition and reestablishment of the moral order in the world that is founded on the eternal law that is of the living God.

He who makes satisfaction to God for sin recognizes thereby the sanctity of the highest principles of morality, their internal binding power, the need of a sanction against their violation.

Certainly one of the most dangerous errors of our age is the claim to separate morality from religion, thus removing all solid basis for any legislation. This intellectual error might, perhaps, have passed unnoticed and appeared less dangerous when it was confined to a few and belief in God was still the common heritage of mankind and was tacitly presumed even in the case of those who no longer professed it openly. But to-day, when atheism is spreading through the masses of the people, the practical consequences of such an error become dreadfully tangible, and realities of the saddest kind make their appearance in the world.

In place of moral laws which disappear together with the loss of faith in God, brute force is imposed, trampling on every right. The old-time fidelity and honesty of conduct and mutual intercourse extolled so much even by the orators and poets of paganism now give place to speculations in one's own affairs as in those of others without reference to conscience.

In fact, how can any contract be maintained and what value can any treaty have in which every guarantee of conscience is lacking? And how can there be talk of guarantees of conscience when all faith in God and all fear of God has vanished?

Take away this basis and with it all moral law falls and there is no remedy left to stop the gradual but inevitable destruction of peoples, families, the state—civilization itself.

Penance, then, is, as it were, a salutary weapon placed in the hands of the valiant soldiers of Christ who wish to fight for the defense and restoration of the moral order in the universe. It is a weapon that strikes right at the root of all evil, that is, at the dust of material wealth and the wanton pleasures of life.

By means of voluntary sacrifices, by means of practical and even painful acts of self-denial, by means of various works of penance, the noble-hearted Christian subdues the base passions that tend to make him violate the moral order. But if zeal for divine law and brotherly love are as great in him as they should be, then not only does he practice penance for himself and his own sins but he takes upon himself the expiation of the sins of whole generations, imitating even the Divine Redeemer, who became the Lamb of God "who taketh away the sins of the world."

Is there not, perchance, venerable brethren, in this spirit of penance also a sweet mystery of peace? "There is no peace to the wicked," says the Holy Spirit, because they live in continuous struggle and conflict with the order established by nature and by its creator.

DECLARES MORAL LAW MUST TRIUMPH

Only when this order is restored, when all peoples faithfully and spontaneously recognize and profess it, when the internal conditions of peoples and their outward relations with other nations are founded on this basis—then only will stable peace be possible on earth. But to create this atmosphere of lasting peace neither peace treaties nor the most solemn pacts nor international meetings nor conferences, not even the noblest and most disinterested efforts of any statesman, will be enough unless in the first place are recognized the sacred rights of natural and divine law. No leader in public economy, no power of organization, will even be able to bring social conditions to a peaceful solution unless first in the very field of economics there triumphs moral law based on God and conscience.

This is the underlying value of every value in the political life as well as in the economic life of nations; this is the soundest "rate of exchange." If it is kept steady, all the rest will be stable, being guaranteed by the immutable and eternal law of God.

And even for men individually penance is the foundation and bearer of true peace, detaching them from earthly and perishable goods, lifting them up to goods that are eternal, giving them, even in the midst of privations and adversity, a peace that the world with all its wealth and pleasures can not give.

One of the most pleasing and joyous songs ever heard in this vale of tears is without doubt the famous Canticle of the Sun, of St. Francis. Now, the man who composed it, who wrote and sang it, was one of the greatest penitents, the poor man of Assisi, who possessed absolutely nothing on earth and bore in his emaciated body the painful stigmata of his crucified Lord.

Prayer, then, and penance are the two potent inspirations sent to us at this time by God, that we may lead back to Him mankind that has gone astray and wanders about without a guide. They are the inspirations that will dispel and remedy the first and principal cause of every revolt and every revolution—the revolt of man against God.

But the peoples themselves are called upon to make up their minds to a definite choice: Either they intrust themselves to these benevolent and beneficent inspirations and are converted, humble and repentant, to the Lord and the Father of Mercies, or they abandon themselves and what little remains of happiness on earth to the mercy of the enemy of God, to the spirit of vengeance and destruction.

Nothing remains for us, therefore, save to invite this poor world that has shed so much blood, has dug so many graves, has destroyed so many works, has deprived so many men of bread and labor, nothing else remains for us, we say, but to invite it in the loving words of the sacred liturgy: "Be thou converted to the Lord thy God."

Chapter IV

PERIOD OF PENANCE

What more suitable occasion can we point out to you, venerable brethren, for such a union of prayer and reparation than the approaching Feast of the Sacred Heart of Jesus? The proper spirit of this solemnity, as we amply showed four years ago in our encyclical letter Miserentissimum, is the spirit of loving reparation and therefore it was our will that on that day every year in perpetuity there should be made in all the churches of the world a public act of reparation for all the offenses that wound that divine heart.

Let, therefore, this year, the Feast of the Sacred Heart be for the whole church one of holy rivalry of reparation and supplication. Let the faithful hasten in large numbers to the eucharistic board, hasten to the foot of the altar to adore the Redeemer of the world, under the veils of the sacrament, that you, venerable brethren, will have solemnly exposed that day in all the churches.

Let them pour out to that merciful heart that has known all the griefs of the human heart the fullness of their sorrow, the steadfastness of their faith, the trust of their hope, the ardor of their charity. Let them pray to Him, interposing likewise the powerful patronage of the Blessed Virgin Mary, mediatrix of all graces, for themselves and for their families, for their country, for the church. Let them pray to Him for the Vicar of Christ on earth and for all the other pastors who share with him the dread burden of the spiritual government of souls. Let them pray for their brethren who believe, for their brethren who err, for believers, for infidels, even for the enemies of God and the church, that they may be converted, and let them pray for the whole of poor mankind.

Let the spirit of prayer and reparation be maintained with keen earnestness and intensity by all the faithful during the entire octave, to which dignity we have determined to raise this feast; and during this octave, in the manner that each of you, venerable brethren, according to local circumstances, shall think opportune to prescribe or counsel, let there be public prayers and other devout exercises of piety for the intentions we have briefly touched on above, "that we may obtain mercy and find grace in seasonable aid."

May this be indeed for the whole Christian people an octave of reparation and of holy sadness; let these be days of mortification and of prayer. Let the faithful abstain at least from entertainments and amusements, however lawful; let those who are in easier circumstances deduct also something voluntarily, in the spirit of Christian austerity, from the moderate measure of their usual manner of life, bestowing rather on the poor the proceeds of this retrenchment, since almsgiving is also an excellent means of satisfying divine justice and drawing down divine mercies.

And let the poor, and all those who at this time are facing the hard trial of want of work and scarcity of food, let them in a like spirit of penance suffer with greater resignation the privations imposed on them by these hard times and the state of society, which Divine Providence in an inscrutable but ever-loving plan has assigned them. Let them accept with a humble and trustful heart from the hand of God the effects of poverty, rendered harder by the distress in which mankind is now struggling. Let them rise more generously even to the divine sublimity of the cross of Christ, reflecting on the fact that if work is among the greatest values of life, it was nevertheless love of a suffering God that saved the world. Let them take comfort in the certainty that their sacrifices and their troubles borne in a Christian spirit will concur efficaciously to hasten the hour of mercy and peace.

The divine heart of Jesus can not but be moved by the prayers and sacrifices of His church and He will finally say to His spouse, weeping at his feet under the weight of so many griefs and woes, "Great is thy faith; be it done to thee as thou wilt."

With this confidence, strengthened by the memory of the cross, sacred symbol and precious instrument of our holy redemption, the glorious invention of which we celebrate to-day, to you, venerable brethren, to your clergy and people, to the whole Catholic world, we impart with paternal love the apostolic benediction.

Given at Rome, at St. Peter's, on the Feast of the Invention of the Holy Cross, the 3d of May, in the year of 1932, the eleventh of our pontificate.

PIUS PP. XI.

REVENUE AND TAXATION

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

Mr. TYDINGS. Mr. President, I think it will be generally conceded by the Members of the Senate that I have not been one to delay the expeditious consideration of the pending tax bill. Even with an amendment which I thought would raise half as much as the tax bill itself is estimated to raise, less than a day was consumed. It is therefore with real reluctance that I am forced to take a part in the discussion of the tariff items which I had rather have seen eliminated from this bill, due to their highly controversial nature. But this is a democracy, and many people have appealed to me for tariffs. Only two days ago a group of men interested in wood pulp came to my office and begged me to aid them in securing a tariff on pulpwood. They stated that their busi-

ness would be ruined unless they could receive the consideration of Congress at this time. I attempted to explain, in my humble way, the dire necessity of balancing the Budget, not so much because, perhaps, it was needed, but because the country had been "sold" upon that idea, and if we did not do it a lack of confidence would ensue.

Mr. President, if we are going to impose tariff duties in this bill, why pick out oil, copper, coal, and lumber? There are thousands of men who are crying for tariff protection. Let us give them all an opportunity. If we are going to have a tariff bill, why not let each one of these men, poor and small though the industry in which he is engaged may be as compared with the giant oil companies, have his day in court? Why should we limit this legislation to tariffs on oil, copper, lumber, and coal? Therefore, in the interest of those who want some change in the tariff law, I have on my desk 500 amendments, which I will offer with the greatest reluctance. I will be glad to withdraw these amendments; I will be delighted not to present them for consideration if other Senators will meet me upon that plane; but if they insist upon having the kind of tariffs to fit their own needs, why should I withhold from the people of my State consideration for their needs?

Mr. NORRIS. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. NORRIS. I think the Senator's experience has been similar to mine and, I presume, similar to that of all other Senators. I have hundreds of letters asking either for a decrease or an increase in some specific tariff rate.

Mr. TYDINGS. May I ask the Senator a question?

Mr. NORRIS. Yes.

Mr. TYDINGS. Suppose that we enter upon the consideration of tariff schedules, would not the Senator feel in honor bound to his constituents, if others are to have tariff items in which they are interested considered, to bring those items in which his constituents are interested to the floor of the Senate?

Mr. NORRIS. Of course, I would. I have been writing my correspondents for months, ever since the question arose in the House, that I was not in favor of revising the tariff on this bill; that I did not think it was a proper thing to do; that, while technically it would be in order, I realized that if we started on a revision of the tariff we had months ahead of us; that I did not want to interfere with the procedure; and I declined to do it.

Mr. TYDINGS. May I ask the Senator, out of his riper experience, whether, if we should adopt some of these tariff items, as the vote very soon perhaps will show, he does not believe that many other Senators who have been quiescent on tariff matters will then arise and offer other amendments?

Mr. NORRIS. Certainly; and I think it would be their duty to do so, and there would not be 500 amendments but the number would run into the thousands. As I look at it, if we are going to revise the tariff, in justice to our own constituents and the country we ought to give every person or corporation affected by a tariff an opportunity to be heard.

Mr. TYDINGS. I think I express the thought in the minds of Senators who agree with the Senator from Nebraska when I say that we do not want these tariff matters considered now.

Mr. NORRIS. I do not.

Mr. TYDINGS. I do not want to introduce these amendments now; I do not want to ask for their consideration; but if other Senators say, "We are going into the tariff matters," I can not sit by while men come to my office with tears in their eyes and say they are facing bankruptcy unless, for example, we put a tariff on wood pulp. Gentlemen interested in paper mills at Elkton, Md., and groups of constituents from Charles County and St. Marys County, where the cutting of wood as an industry goes back for centuries, and is one of the most important industries of that section, came to my office the other day and went away discouraged and somewhat displeased with me because I told them that I could not offer the amendment they desired at this time; but if we are going to have tariff items to take care of certain sections of the country, let us have others to take care of the entire country.

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

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

Mr. TYDINGS. Yes; I yield.

Mr. LONG. As I understand, the Senator is strongly against a tariff on oil at any time.

Mr. TYDINGS. I do not say what I would do if there were brought in a tariff bill so that the whole picture of the tariff might be before the Senate. I will not commit myself.

Mr. LONG. Did not the Senator vote against the oil tariff when it was up before the Senate a couple of years ago?

Mr. TYDINGS. I did.

Mr. NORRIS. Mr. President, will the Senator yield farther?

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

Mr. TYDINGS. Yes.

Mr. NORRIS. I should like to call the attention of the Senate, in view of the suggestion made by the Senator from Louisiana, that when we had a tariff bill up we fought out the tariff on oil; we fought out the tariff on lumber and on coal. They all had their day in court. It was the same with a good many other commodities, some of which went in the tariff bill at rates that seemed to me to be outrageously high. Those interested in having lower rates can come in and say, with the same logic, it seems to me, "We were beaten in the tariff fight before; we did not want the tariff so high; but we insist that you make the fight now to reduce the tariff on this article as well as to raise it on other articles."

Mr. TYDINGS. Of course, I apprehend that some of the strongest advocates of the tariff on oil are going to welcome these amendments because many of them deal with reductions. Some of the tariff advocates for oil spoke very vehemently against the Smoot-Hawley tariff bill as taxing people unjustly, and, therefore, why should they not welcome an opportunity to take from the backs of their people this unfair and overwhelming burden? So long as we are going into tariff matters, I look for support from some of those who advocated a tariff on oil to get the tariff on other commodities reduced; for instance, the duty on aluminum. I will not call any names, but I could call the names of several who advocated a tariff on oil who are very much opposed to a tariff on aluminum. The first amendment I intend to offer is for a reduction of the aluminum tariff, because no aluminum is being imported; the Treasury is not getting any revenue from aluminum at all, but if Congress would reduce the tariff on aluminum slightly, the Treasury would get some revenue from it. This is a revenue measure. The duty on aluminum constitutes an embargo now and many of those who previously voted against the aluminum tariff I know would welcome an opportunity, notwithstanding they are for a tariff on oil, to help me get this amendment adopted.

Mr. WALSH of Massachusetts. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. WALSH of Massachusetts. Do I understand the Senator's position to be that if any tariff items are incorporated in the Senate bill he proposes to press each of the amendments he has?

Mr. TYDINGS. That is right.

Mr. WALSH of Massachusetts. That he proposes to debate them and have roll calls on them?

Mr. TYDINGS. Yes. And does not the Senator think my position is fair, when I say that I am willing to withdraw all these tariff amendments if others will do likewise? I ask no more for myself than I am ready to concede to others, and I only ask from others what they ask for themselves.

Mr. WALSH of Massachusetts. I think the Senator ought to admit that in such circumstances there is a possibility

of no action being taken in the immediate future on the revenue bill.

Mr. TYDINGS. No one regrets that more sincerely than I do. I offered a resolution four or five weeks ago to instruct the Finance Committee to strike all tariff matters from the revenue bill, realizing that this very thing was going to happen.

Mr. WALSH of Massachusetts. Has the Senator conferred with the proponents of the tariff items in the hope of getting them to withdraw these amendments?

Mr. TYDINGS. No, I have not; but I have been hoping they would see the great need of withdrawing them and speeding the passage of the tax bill.

Mr. WALSH of Massachusetts. I hope the Senator will not press his amendments until we have had a vote in the Senate upon the items in the bill.

Mr. TYDINGS. I am rather inclined to press them, I will say to the Senator from Massachusetts, because I rather apprehend that Senators are going to fight for these tariff items, and I want the people of Maryland to have their day in court, too. I think my constituents who are interested in wood pulp are just as much entitled to a hearing here and to protection for the commodity they produce, if they can make out a case as they see it, as any other group or the entire country is entitled to.

Mr. THOMAS of Oklahoma. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. THOMAS of Oklahoma. I hope the Senator will permit me to make a suggestion in reply to the suggestion made by the distinguished Senator from Nebraska. His suggestion was that the question of a tariff on oil was fought out in connection with the so-called Smoot-Hawley bill. At that time we had no data upon which to base arguments that were acceptable. Every statement made was denied; and the denial came because of the fact that we had no official information upon which we could base a statement.

At this time we are in a different position. We have two reports from the Tariff Commission, and each report finds a differential between the cost of producing oil abroad and at home of more than $1 per barrel. If there is any virtue whatever in the scientific making of tariffs, we now have the groundwork upon which to apply a rate based upon science.

It is admitted now, and must be admitted, that the facts as set forth in these two reports are correct. The question is whether or not we desire to apply the scientific principles of tariff making to facts that are established; and, having these facts, we are only asserting that we are in good conscience entitled to have the consideration of the Congress.

Mr. TYDINGS. There is a great deal in what the Senator from Oklahoma says; and may I say that that argument applies to a great many other things that have not been offered for consideration.

Moreover, there is already going on before the Committee on Ways and Means a hearing for the purpose of looking over the whole tariff subject to find out what the depreciation in world currency has to do with imports and exports; and before we conclude this debate many facts will be brought out which will cause even other amendments to be offered.

Mr. NORRIS. Mr. President——

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

Mr. TYDINGS. Yes.

Mr. NORRIS. I think the Senate has passed a resolution right on that point, calling on the Tariff Commission for a report to ascertain what effect the going off of the gold standard of some of the leading nations of the world has had on our tariff schedules.

Mr. TYDINGS. That is right.

Mr. NORRIS. On that point I should like to call the attention of the Senator to an item that he has already mentioned.

The Senator from Oklahoma says we have information now that we formerly did not have. I think that is true; but take aluminum, which the Senator has mentioned. We have now had—I may be mistaken, but I think I am right—the experience of the operation for quite a while of the tariff on aluminum that is in the present law; and the effect of it has been to keep aluminum out of the country. It is a practical embargo, if I am correctly informed.

Mr. TYDINGS. It is not producing any revenue at all.

Mr. NORRIS. We did not know that when we passed the bill. We have passed it, however; and the operation of the bill has disclosed that, instead of raising revenue, instead of furnishing some competition for the Aluminum Trust in the United States, we have strengthened them in their stronghold. The same argument would apply now to taking up a tariff discussion on that question, and it is true of a lot of other things.

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

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

Mr. TYDINGS. I yield to the Senator.

Mr. BARKLEY. It is fair to say that the act of 1930 did not increase the tariff on aluminum. The fight that was made in the Senate was to reduce it. I offered an amendment to reduce the tariff on aluminum, and the Senator from Montana offered an amendment to reduce the tariff on another type of aluminum, which was carried on the floor of the Senate, but was defeated in conference. The rates on aluminum in the present law are the same rates that have been in effect since 1922, so that whatever has happened to aluminum can not be charged to the present act any more than to the act of 1922.

Mr. NORRIS. I would not say that; but it can be charged to existing law.

Mr. BARKLEY. That may be.

Mr. NORRIS. And what I think we ought to do, if we are going into the tariff subject, is to correct that tariff.

Mr. TYDINGS. For revenue purposes.

Mr. NORRIS. Yes.

Mr. TYDINGS. Well enough.

I hope those who may be listening will regard with some earnestness what I am now about to say.

I do not want to offer these amendments. I do not want to delay the passage of this bill. I am ready to vote to strike out every tariff item in the bill and pass it before the end of this week, if we can conclude on other matters; but if there is to be a tariff bill, the people of my State are going to have their say, the same as the people of every other State in the Union.

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

Mr. TYDINGS. Yes; I yield.

Mr. FESS. Has consideration ever been given to the feasibility of preparing an emergency tariff bill that might include these four items for a limited period of time, as we dealt with agriculture in 1921?

I am inclined to take the position the Senator from Maryland takes.

Mr. TYDINGS. I thought the Senator would.

Mr. FESS. I do not want to make a tariff bill out of a tax bill, and yet I have pronounced sympathy for what these people are trying to do. I voted for the tariff on oil, I think, five times. I think the copper situation is quite obvious, and I should like to be put in a position where I can give it such support as these people are asking. I think it is due them. It does seem to me, however, that we are really going into untried fields when we start out to protect an article under the head of raising revenue, and are opening up the tax bill to interminable debate.

In response to the applications of many different people in Ohio, including those engaged in producing matches, jute, crockery, and other things, I have said that we do not want to insert tariff items in the bill. If we do, it seems to me that I should have to take the same position that the Senator from Maryland does, and that I could not deny to these people their right to be heard upon the question.

Mr. TYDINGS. I am glad the Senator from Ohio has brought out that point. I do not want to deny these gentlemen the right to have a bill come in here dealing with the tariff, and to have their case considered. I do not say that that should not be done; but when we get into tariff matters in connection with this revenue bill, which ought to be passed soon, in my judgment, it is going to bring on a period of delay and debate and amendment, because everybody ought to have the same right to consideration, which will make the thing go away into the summer, with no hope of balancing the Budget.

Mr. FESS. I was wondering whether any thought had been given to the suggestion I made a while ago, that an emergency bill be introduced. I should like to vote for a measure like that.

Mr. TYDINGS. I think I should look with favor upon that plan.

Mr. ASHURST. Mr. President——

Mr. TYDINGS. I yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, I am pained and astonished. From the lamentations to which we have listened, which out-lament Jeremiah, one would suppose that the advocates of a tariff on oil, copper, lumber, and coal had adopted a censorious attitude and had gone about the Chamber demanding that nothing else be put into this tariff bill.

I respectfully defy the Senator from Maryland to point to a single Senator urging tariff items who has said, "You must not include in this bill anything but our items." Nobody is holding the Senator. He is a free man. He may offer all the amendments he desires. If the bill is bad as the Senator says, because, forsooth, it has tariffs, he is going to make it good by more tariffs. That is his logic. If it be bad because of tariff items, therefore it is to be made better by more tariff items.

If the bill be bad, forsooth, because of the tariff items therein, surely the Senator, unless he outrivals Beau Geste himself, is not going to make it better by doing more of that which he thinks is bad.

Mr. TYDINGS. Assuming that the Senator's logic is sound—and I can not find any fault with it—we can make the bill still better than it is now if the Senator will withdraw his copper amendment, taking his own argument.

Mr. ASHURST. Mr. President, I could not in fairness accuse the Senator from Maryland of being remiss in the performance of a duty, because he has a remarkable industry; and when industry coupled with a pungent intellect are found in the same person, that is a pretty good Senator, and that describes the Senator from Maryland. The proponents of these tariff items went to the Tariff Commission. The Senator from Maryland has not gone to the Tariff Commission to obtain the report of that body. Let the Senator go to the tribunal provided by law, viz, the Tariff Commission, and if he brings an item to this body regarding which the Tariff Commission asserts that there should be a tariff he will probably find me supporting him, and I shall not be censorious of his able efforts in trying to secure justice for his constituents.

The Senator from Michigan [Mr. VANDENBERG], the Senator from Montana [Mr. WHEELER], and the Senator from Arizona [Mr. HAYDEN] introduced the appropriate resolution in the last Congress, calling upon the Tariff Commission for a report respecting copper. How many resolutions has the Senator from Maryland passed through the Senate calling upon the Tariff Commission for a report?

Mr. TYDINGS. The Senator condemns me for what he admits is my own virtue. He first says that I did not offer these amendments to the committee; I did not ask that they be incorporated in the tariff bill. I have "sinned away my day of grace," showing, I thought, my good faith in my own position as taken now; and then he claims that it is a sin, and if I had done it, I would have sinned still more. So he has both sides of the argument on that question, and, of course, it is impossible.

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

Mr. TYDINGS. Yes; I yield.

Mr. JOHNSON. Returning to the Senator's argument for a moment, as I understand it, his argument thus far presented is that this particular item in this kind of a bill is an inappropriate thing; and therefore, because it is a tariff item in a tax bill he opposes it.

Mr. TYDINGS. No; I do not contend that. The bill is here; and this proposition has as much right to be here, parliamentarily or otherwise, under the rules of this body, as any other measure has. I concede that. I am simply trying to bring out the point that many of us heretofore have withheld from the bill tariff proposals for which, under ordinary conditions, we would have been inclined to obtain consideration; and inasmuch as we have done that, and the committee has seen fit to put some tariff proposals in the bill, we should be permitted to put in our proposals.

Mr. JOHNSON. I think I follow the Senator, if he will pardon me.

Mr. TYDINGS. Yes; I will.

Mr. JOHNSON. All right. Now let me ask the Senator frankly one question:

If there stood before the Senate to-day a single item of the oil tariff, unconnected with either a tariff bill or the particular measure that we are now considering, with the same ability, the same pertinacity, the same perspicuity, the same emphasis, and exactly in the same manner the Senator from Maryland would oppose that item; would he not?

Mr. TYDINGS. Yes; and, on the other hand, the Senator from Maryland on many other items would join the Senator from California, so that both of us at some time or other would be in opposition.

Mr. JOHNSON. I am speaking of the one single item now, because I recall that when pending before the Commerce Committee were two bills, one relating to an embargo and the other relating to a tariff on oil, the Senator from Maryland appeared and in his usual emphatic and able fashion argued elaborately and emphatically against any such item under any circumstances.

Mr. TYDINGS. That is true.

Mr. JOHNSON. So that the Senator stands here to-day not fighting this particular measure or the other items which are referred to as tariff items because they are tariff items in a tax bill, but because he is against, under any circumstances, an oil tariff at all.

Mr. TYDINGS. Has the Senator finished?

Mr. JOHNSON. No. I am asking, is not that the fact?

Mr. TYDINGS. That is exactly true, with this additional statement; and will the Senator listen?

Mr. JOHNSON. Yes.

Mr. TYDINGS. As I have said over and over again, that is for the plain reason that if we incorporate in the bill this one tariff we are going to have before us a whole tariff bill, which will consume months of debate and call for numerous roll calls, while this tax bill to balance the Budget remains undisposed of.

Mr. JOHNSON. If the Senator will permit me, that does not follow at all; and what I am trying to make plain is that the Senator's attitude is one of fundamental opposition to this tariff item. I want to make plain, therefore, by implication, that the threat he makes of 500 tariff items is a threat that the Senator ought not to make under such circumstances.

Mr. TYDINGS. If the Senator will give me his attention a moment, as I stated a minute ago, several delegations from my State have been coming to see me for a number of months, and particularly in the last month, to ask me to support a tariff on wood pulp. They brought figures with them. One gentleman told me that if we did not put a tariff on that product he would go into bankruptcy. He brought Senator Mitchell, one of the outstanding Democrats of my State, along with him to support his position, and both of them asked me then to help them to get a tariff on wood pulp now because they needed it, or they would be ruined, as they thought.

Although I think no one will question it, I can produce correspondence which passed subsequent to this conversation, in which I said to these groups that I was opposed

to the insertion of any tariff matters in the revenue bill at this time, no matter how just they might be; that if the tariff on wood pulp came up before the Senate, I would give it every consideration, and perhaps might even go so far as to vote for it, but that, notwithstanding this gentleman's great need, the need of balancing the Budget was a higher and a greater need than that, and even though I should be in accord with him on the wood-pulp situation, I would not bring myself to ask the delay of this bill, unless the whole tariff matter was to be brought before the Senate. I concluded that letter with this statement:

If, however, other tariff items are brought upon the floor for discussion and debate, I feel, as your representative, that I owe it to you to see that you have equal treatment for your particular business to that given to others.

Mr. JOHNSON. Mr. President, I will ask the Senator to pardon me, and then I will not continue the interruptions at all.

What the Senator may do rests entirely with him. But the Senator is to-day opposing this item, I want to make clear to the Senate, not upon any theory of this item being in a tax bill——

Mr. TYDINGS. I am opposed to the tariff on oil. I gladly admit that.

Mr. JOHNSON. The Senator is opposing it upon the fundamental idea that he does not want what we assert is this relief accorded at all. And so I think the Senator ought to dismiss from the argument, which doubtless will be sequential, logical, convincing, persuasive, and undoubtedly able—I think he ought to dismiss the idea of a threat of any number of tariff items in this bill. I do not think the Senator would desire to do that in any event, but if he did, that rests with himself. But his opposition here is because he does not want this tariff under any circumstances accorded the oil people.

Mr. TYDINGS. That is true, and, in addition to that, I do not want to see us pass a tariff bill now, because if we attempt to do that, I know that we will not balance the Budget before the end of the fiscal year.

I want to say just this before leaving this part of the discussion: As I recall my correspondence on the wood-pulp matter, it seems to me that I would be honor bound, although it may be defeated here on the floor, to ask for this constituent, who has made out a very good case, in a rough way, that his item also be considered, and that we have a vote on it, and insert it in the bill if possible.

If I feel that way, I know enough about the times to know that many Senators have received similar letters about other products, and therefore we will be in a debate entirely removed from the revenue bill. We will be writing a tariff bill. Excise taxes and admission taxes will be secondary, tariff will be primary, and the delay, which we can avert now, will last for months.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. WALSH of Massachusetts. In view of what the Senator from Arizona stated a few minutes ago, and, in addition, the criticism made that the amendments to be proposed by the Senator from Maryland have not been investigated by the United States Tariff Commission, it ought to be pointed out that an investigation was made by the United States Tariff Commission on the petition of lumber dealers for an increased tariff on lumber, and that in November, 1931, the Tariff Commission reported against the increase, and that in December, 1931, the President approved that report, and no increase was granted.

Mr. TYDINGS. And notwithstanding that, it is in this bill.

Mr. WALSH of Massachusetts. Yet the majority of the Finance Committee report an increased duty, from $1 to $3 per thousand feet, on lumber.

Mr. TYDINGS. There is an illustration. Here is a matter which the Tariff Commission reported against, but here it is in the bill, even though the President approved the report of the Tariff Commission.

Mr. JOHNSON. Is the Senator speaking of the oil tariff?

Mr. TYDINGS. The lumber tariff.

Mr. JOHNSON. I beg pardon.

Mr. WALSH of Massachusetts. Mr. President, in connection with what I have just said I call attention to the statement made by the chairman of the United States Tariff Commission yesterday before the Ways and Means Committee of the House. He stated that in his judgment it would be a great mistake to adjust tariff rates upward against nations with depreciated currencies.

Mr. NORRIS. Who said that?

Mr. WALSH of Massachusetts. The Chairman of the United States Tariff Commission, Mr. Robert L. O'Brien, before the Ways and Means Committee yesterday, and he discussed that very question. When I have the full statement, I desire to have it inserted in the RECORD.

Mr. TYDINGS. Now, Mr. President, I come to the subject of the tariff on oil, leaving the debate which we have just had to a later date.

I oppose the tariff on oil for several reasons. First of all, it will not help the independent producer; it will help the large companies. Secondly, it will increase the cost of gasoline and fuel oil and its by-products. Thirdly, it will throw a number of people out of work who are now employed; and in the last analysis, it will not yield the revenue.

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

Mr. TYDINGS. I yield.

Mr. BORAH. As to the matter of employment, I wish the Senator would explain what he means by saying it will throw a number of people out of work?

Mr. TYDINGS. Assuming that the tariff is effective—and I think an embargo is desired by many who advocate the tariff—along the Atlantic seaboard there are a number of refineries. In the city of Baltimore between 400 and 1,000 people are employed in converting crude oil into various by-products, asphalt, and so on. Moreover, the ships which bring the oil from South America to Baltimore are owned by Americans, manned by American sailors, and buy products from American producers in Baltimore. So I might carry it on down to the refinery in South America I visualize, which is manned largely by American labor taken down there. So that what a tariff would be supposed to bring about in the way of employment in certain parts of the country, if it were effective, would result in putting the people to whom I have referred out of employment and making their huge investment—an American investment, by the way—valueless.

Let us first of all look at this proposition. The Treasury estimated that a 1-cent per gallon tax on the 16,500,000,000 gallons of gasoline used in the United States would return to the Government $165,000,000. That is a straight-out excise tax.

The Senator from Texas and the Senator from Kansas claim that this tariff would tend to increase the cost of the commodity. So that assuming that the increased cost of the commodity because of the tariff would be equivalent to the tariff, each cent per gallon on imported gasoline would drive up the domestic price of gasoline $165,000,000.

In this bill it is proposed to levy a tariff tax of 2½ cents a gallon. Therefore the additional amount of money which the consumer would pay would be $412,500,000. That is nearly half of all the taxes which we are levying in this tax bill. But the Government would not get this tax. It would go into the coffers of the oil companies. We are not proposing to raise this $412,500,000 for the Treasury. They would get only a mere pittance, a handout, a ham sandwich at a gorgeous banquet. The people who would get that would be the oil companies, who would take advantage of the increased cost of gasoline to take the domestic gasoline up to that point, and thereby to place taxation on the American people in the sum of $412,000,000.

Mr. BORAH. Mr. President, what relation has the increased price of crude oil to the gasoline price?

Mr. TYDINGS. Those who advocate the tariff on oil of a half a cent a gallon claim that 2½ cents a gallon on the gasoline is not the proper correlation, that it should be higher. The Senator from Texas made that statement yesterday in the course of his remarks. But I have only taken it at 2½ cents.

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

Mr. TYDINGS. I yield.

Mr. CONNALLY. I beg the Senator's pardon. I did not say what the Senator has indicated I stated. I said that if crude bears 1 cent, then the gasoline ought to bear a heavier rate, so that we will force the companies to bring in crude and refine it here and get the benefit of employment here, rather than induce them to refine the oil in other fields.

Mr. BORAH. The price of gasoline does not necessarily rise and fall with the price of crude oil, does it?

Mr. CONNALLY. I will say to the Senator from Idaho that last summer in Texas when the crude oil was selling at 10 cents a barrel there was no appreciable change whatever in the price of gasoline to the consumer.

Mr. TYDINGS. I will come to that a little later.

Mr. CONNALLY. Gasoline was bringing the same price when crude oil was selling for from 80 cents to $1 a barrel.

Mr. BORAH. But it is also true, is it not, that a tariff would give them some power to control the price of gasoline?

Mr. TYDINGS. I think I can clear that up.

Mr. BORAH. It does not necessarily follow, but it would give them the power to bring it about.

Mr. TYDINGS. They own it all. I will finish the statement I was making and then take that matter up.

Not only is what I have said true, but in addition the gasoline consumer would pay, through the proposed increase of 21 cents, on the 348,630,000 barrels of fuel oil imported, $73,212,000, making a total of $586,000,000 which the oil companies would get out of this tariff, not the independent producers but the oil companies, the 20 largest companies, and why? Because the 20 major companies own 51 per cent of all the production in the United States. They own 73 per cent of all the refining capacity in the country. They own 95 per cent—and this is the apex of the triangle—of all the storage facilities in the country, where they can store up oil, create a demand, let it go; depress the price, refuse to buy. They own 90 per cent of all the pipe lines in the country, and they own 85 per cent of the retail distribution in the country.

They have two-thirds of one year's oil supply in the pipe lines at this hour. They can go along for eight months and not buy one single gallon of oil; and no one can deny that statement. They have two-thirds of a year's supply in the pipe lines. No one denies that. Therefore they can use that supply for eight months, and furnish the entire American market with oil, without buying a gallon of oil from any independent producer in the country.

Who is so naïve and simple, in the face of those facts, as to believe that Mr. Independent Producer is going to get a farthing out of this tariff? He has to sell his oil. He holds back as long as he can, but the pressure of his debts is great, and oil is coming out of the ground anyway. It is necessary to get the militia out to enforce curtailment of production. Men will not curtail production, even with the price almost nothing. It is necessary to get the militia out to force them not to produce oil. But even so, the oil company, when the price goes up, says, "Don't buy any for two or three weeks." One man gives way. He can not wait any longer. He starts to sell, but they say, "No; we will not buy." A month goes by, or two or three months go by, and he is unable to sell. The result is that in the end the poor independent oil producer has got to sell at the price these companies set or not sell at all.

If he does not sell to them, can he refine it in his own refinery? Most of the independent oil producers own no refinery. There is no refinery near many of them. They have to sell to the oil companies who store the oil in their own pipe lines. Further than that, if he does not want to sell to them, even if he owns a refinery, how can he distribute it when the big oil companies already own 85 per cent of the retail distribution?

Instead of this being a bill to help the independent producer, owing to the fact that two-thirds of one year's supply of oil is already owned by the large companies, there will be 2½ cents more per gallon of the inventory value added to the product of the big companies. They will be enriched by $1,000,000 just overnight.

Now, let us come to the poor fellow who gets abused so much and whom everybody loves, whom everybody wants to help, for whom Congress has appropriated $500,000,000 in the form of a Federal Farm Board, the fellow whom we think the backbone of the Nation and whom, particularly at election time, we fairly tear our shirts to save from going completely to the dogs—the poor downtrodden farmer. Let us see where he gets off in this era of 687,000 farms sold in two years under mortgage foreclosures and for delinquent taxes. Let us see where we help him. Here is how we help him.

The farming industry is among the foremost of the users of gasoline and oil and a tariff would add to this burden. The farmers in 1930 owned 4,134,675 automobiles, 900,385 motor trucks, 920,395 tractors, and 1,131,108 stationary engines. These figures are taken from the report of the United States Census Bureau. The total gasoline consumed on the farms amounted to 3,809,000,000 gallons, computed from the gasoline tax, 1930, United States Department of Agriculture. An increase of 2½ cents a gallon in the price would amount to more than $95,000,000 a year.

Mr. LONG rose.

Mr. TYDINGS. If the Senator will wait just a moment, I shall be glad to yield. I have gone to some little trouble to get experts to allocate this amount to each State so each Senator may know exactly how much of a burden he is passing on to the farmers of his State. Here is the way it works out.

In Alabama there were 58,130,856 gallons of gasoline consumed on the farms annually. The additional cost to the farmers of that State of an increase of 2.5 cents per gallon would mean $1,453,271. I think the Senators from Alabama would be very glad to help these large oil companies by extracting that amount from the pockets of the farmers of Alabama, who are already rich, who are rolling in wealth, with cotton soaring, with my good friend from Louisiana going all over the South asking them to plow under every third row. I am sure my good friend from Louisiana wants these poor downtrodden farmers of Alabama, who are already asked by him to plant one-third less cotton next year, to make this contribution of almost $1,500,000 to the 20 large oil companies.

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

Mr. TYDINGS. Let me finish with these figures and then I shall yield to the Senator as long as he wants.

Let us go to Arizona. I remember when the tariff bill was up there were all sorts of tropical things mentioned that are produced in that very beautiful State, so ably represented by the fiery, eloquent, persevering, and forceful senior Senator from Arizona [Mr. ASHURST], and his charming friend and companion and able fellow legislator [Mr. HAYDEN]. The farmers of Arizona had no better advocates than these two gentlemen. I know how they fought to be protected from Arabian dates so those poor devils in Arizona would not go to the dogs.

Mr. WHEELER. Mr. President——

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

Mr. TYDINGS. I would prefer not to yield now.

Mr. WHEELER. I want to get some information at this point.

Mr. TYDINGS. Very well; I yield.

Mr. WHEELER. In my State we, of course, produce some oil. The Standard Oil companies have been charging the farmers of my State in the neighborhood of 24 cents a gallon for gasoline, whereas it is being sold in California and other places for 9 cents and up to as high as 13 or 14 cents. They have no tariff upon it at all. They are getting

cheap oil in California and producing it in Montana, and refining it in Montana. I know as a matter of fact we have produced it and refined it in my State as low as 8 cents a gallon. Yet the Standard Oil Co. comes there and fixes the price of gasoline at 24 cents for the consuming public, which convinces me as a matter of fact that regardless of whether they have a tariff or do not have a tariff the Standard Oil companies of this country absolutely fix the price of gasoline at whatever they think they can get for it.

Mr. TYDINGS. That is not only unimpeachable proof of what I have been saying, but eloquent verification of the statement that the independent oil producers will not get a farthing out of this tax.

Mr. WHEELER. Regardless of whether or not we have a tariff the Standard Oil companies have such control of the price of gasoline in this country to-day that I do not agree with the Senator that they will necessarily have to raise the price of gasoline, because I do not think that enters into the question. They are actually fixing the price of gasoline in every community in this country and getting everything the traffic will bear.

Mr. TYDINGS. I think that is true.

Mr. WHEELER. About a year ago I introduced a resolution asking that the Department of Justice investigate the oil companies in my State to ascertain whether or not there was violation of the Sherman antitrust law. They came back after making a very cursory investigation and said there was no violation. I submit that as a matter of fact the Standard Oil companies of this country to-day are violating the Sherman antitrust law. They are doing it boldly and brazenly, and notwithstanding the fact they are doing it the Department of Justice does not act. I believe——

Mr. TYDINGS. Mr. President, will the Senator yield some of my own time to me? I appreciate everything he has said, and it has a great deal of merit, but I want to go on with my presentation and later on I want to yield to my friend from Louisiana. Only a moment ago I denied him the opportunity to ask me a question.

In Arizona there are 10,867,312 gallons of gasoline consumed annually on the farms. That only means that the State is small in population but great in wealth and great in possibilities. The farmers of Arizona pay to the oil companies a tribute of a mere quarter of a million dollars—$271,683 to be exact. I am sure that the Senators from Arizona, knowing the plight of the farmers and knowing they have to have this gasoline, knowing that if the tariff is effective, as it is conceded by the Senator from Texas [Mr. CONNALLY] and the Senator from Kansas [Mr. MCGILL], that it would be, it will tend to increase the price, are going to dislike very much to invite the farmers to make these extra dividends possible for the large oil companies.

In Arkansas the farmers annually consume on the farms 50,800,840 gallons of gasoline annually. The farmers of Arkansas would pay to the oil companies an additional cost of $1,270,021 annually.

Then, in the State of California, where the oil men in their greed want to add to their dividends that they may ride up on the crest of increased prices and pluck the fruits of this tariff legislation, there are 145,395,097 gallons of gasoline used by the farmers annually. It would cost the farmers of California an increase of $3,634,877 over their present bills.

I would like to say, if any Senator wants to know about his State, that if he will be patient I am coming to it. I am going to read the figures as to each of the States.

Mr. TRAMMELL. Mr. President, will the Senator permit a question?

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

Mr. TYDINGS. I yield.

Mr. TRAMMELL. Do the Senator's data also give the total amount of consumption in each State as well as that which is consumed by the farmers?

Mr. TYDINGS. I put that information in the RECORD last year, but I shall be glad to get it again if the Senator is interested. I am just talking about this man whom we are all going to help, this good chap whom we call the farmer. I want to show how we go out and say, "I voted for the Federal Farm Board, which took $500,000,000 of the taxpayers' money; but I do not want you to know that while you were not looking, we reached out and took another $500,000,000 from you which we gave to these large oil companies." In other words, the total cost of this increase will take from the American people for the benefit of the large oil companies the same amount of money that we appropriated to help the farmer. Of course, the Government will not get that extra amount of money. The oil companies will get it.

Now, let us come to Colorado, rather much of a mountain State, but it uses 48,371,448 gallons of gasoline on its farms annually. That means the farmers of that State, by virtue of the levying of this tariff, will pay 1,209,286 more dollars than they would have paid.

Now, we come to Connecticut. We do not think of Connecticut as much of a farming State. We rather think of it as a manufacturing State. But the Department of Agriculture says that the farmers of that State consume 17,193,352 gallons of gasoline annually on the farms. That means that Connecticut farmers would pay $429,834 in additional tribute.

Then we go to little Delaware, rich in truck farming, a regular land of plenty, supplying the markets of New York, Philadelphia, Baltimore, and Trenton with strawberries, cantaloupes, and watermelons, trucking them all there, not sending them on the railroads. They have cooperatives over there. They ship lots of those products overnight by truck. The roads are regular beehives of industry. Are the Senators from Delaware [Mr. HASTINGS and Mr. TOWNSEND] going to go back on the good farmers who put them here? Delaware uses 8,890,640 gallons of gasoline a year on its farms, and this proposed tariff would cost the farmers of Delaware $222,266 additional each year.

That is the way the Senators can help the farmers if they really want to help them. Cut these extra expenses off of them. It will be very interesting to see the votes of those who represent the large agricultural communities. The farmers will then know that the men, whoever they may be, who represent the large farming States were not above making the oil companies rich and the masses of the farmers just that much poorer in an era when farm-mortgage foreclosures and delinquent-tax sales are running riot.

Mr. LONG. Mr. President——

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

Mr. LONG. I hope the Senator will yield, because I want to leave the Chamber.

Mr. TYDINGS. Very well.

Mr. LONG. The Senator seems to be a very rapid calculator and makes his questions and answers them as he goes along to suit himself. I am satisfied the statistics are not all made as the Senator progresses. But I was just wondering if he had a calculation to show how much more the farmers would be paying for gasoline in the respective States if they were paying as much for gasoline in the United States as is being paid in Venezuela, where they produce the oil at $1.03 per barrel less than here?

Mr. TYDINGS. I am going to take that up in due time, but right now I want to take care of that man we call the farmer, for whom Congress has so much love and esteem.

Mr. LONG. Just one more question, and I will promise not to interrupt for a considerable time.

Mr. TYDINGS. Will the Senator ask me questions pertaining to things to which I am addressing myself at the time, because many of the matters involved in his questions will be taken up by me in due time?

Mr. LONG. I was going to ask the Senator if he did not know these poor farmers down in my State have nothing to wear but straw hats?

Mr. TYDINGS. Yes; and if the Senator succeeds in securing a tariff tax on oil, they will not have anything on their heads but God's heaven. [Laughter.]

In the State of Florida the farmers use 32,476,270 gallons of gasoline annually. During the consideration of the tariff

bill the senior Senator from Florida [Mr. FLETCHER] and the junior Senator from Florida [Mr. TRAMMELL] labored here in the morning, in the afternoon, and in the evening for tariff duties on such things as avacados, as I remember, which I understand are alligator pears, and on nuts and dates; but if a tariff duty shall be placed on oil, the same farmers for whom they fought so valiantly will have an extra annual expense, in addition to what they now pay for their gasoline, of $811,907 annually.

Georgia, a large State, a great farm State, is ably represented here by its senior Senator [Mr. GEORGE] and his new compatriot, the junior Senator [Mr. COHEN]. The senior Senator from Georgia was one of the outspoken opponents of the tariff. Let me tell him that in his State the farmers use 74,311,338 gallons of gasoline annually; and if the tax on oil shall go through, the farmers of Georgia will have an increased expense over that now existing of $1,857,806 a year in the form of tribute to the 20 large oil companies.

Idaho uses annually 25,686,179 gallons of gasoline on its farms. The proposed tax on oil, if adopted, will mean that the farmers of Idaho will pay $642,154 more for their gasoline than they now pay. The junior Senator from Idaho [Mr. THOMAS] is a friend of the farmers; he has made several fights here in their behalf; and I can not imagine that at this time he is going to go back on his long train of effort and place a burden on the farmers of his State of $642,154 a year. Without knowing where the senior Senator from Idaho [Mr. BORAH] stands, I can not imagine him embracing any such philosophy as is contained in the pending tariff proposal.

In Illinois 210,842,996 gallons of gasoline are consumed annually on its farms. So, if this proposed tax shall go through, it will mean an increased cost to the farmers of Illinois of $5,271,075. Certainly the senior Senator from Illinois [Mr. GLENN], who is up for reelection this year, aside from the merit or demerit of the case, even if the proposed tariff is sound, would hesitate to go before the farmers of Illinois knowing that their expenses had been increased $5,000,000 a year. I would not want to do it.

Indiana is ably represented by the Republican leader, my good friend the senior Senator from that State [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON]. May I say to the Republican leader that in Indiana there are 135,587,870 gallons of gasoline consumed by the farmers alone each year. So, if this tariff of 2½ cents shall be imposed on oil, it will mean an extra cost on gasoline that the farmers in the State of the Republican leader of the United States Senate will be forced to pay of $3,389,697 a year. I believe that if a postal card addressed to the farmers of Indiana on this question could be sent to them all, there would be about 101 per cent of replies saying "We ask our senior Senator not to vote for this tariff tax"; and I do not believe the Senator will vote for it, because he knows these tariffs have no place here now and they are delaying the passage of the tax bill. However, I simply mention that in passing.

Iowa, in part, is represented by my friend the senior Senator from that State [Mr. BROOKHART], who has probably made more speeches in behalf of the farmers than most of the newer Senators, at any rate. The farmers of Iowa use each year 216,122,393 gallons of gasoline. The farmers of Iowa, of course, are prosperous; there has been no short price for crops there; there have been no mortgage foreclosures or tax sales. It has been stated that about 600 Iowa banks have failed, but, of course, that can not be blamed on the farmers. Anyway, if this new tariff bill goes through, as at present framed, the farmers of Iowa will contribute the huge sum of $5,403,060 more than they are now paying for the gasoline they use on their farms.

Kansas is ably represented by its senior Senator [Mr. CAPPER], who publishes numerous farm journals, and by the new junior Senator [Mr. MCGILL], both of whom are friends of the farmer. A farm relief bill can not be proposed that each of them will not go into panegyrics and ecstacies about what should be done. I can not imagine that these Senators, knowing that the farmers of Kansas use 166,521,226 gallons of gasoline annually, are going to place an additional tax of $4,163,031 on the farmers of that State.

Kentucky: The farmers of Kentucky use 54,993,000 gallons of gasoline annually. If a tariff shall be imposed on oil their increased bill for gasoline will be $1,374,839. I remember the eloquent remarks of the senior Senator from Kentucky [Mr. BARKLEY] against a tariff on oil, when the present tariff law was under consideration, and I commended the straightforward way in which he said that, notwithstanding there were oil interests in his State, he would not put this additional burden on the consumer. I can not imagine now that the other Senator from Kentucky [Mr. LOGAN], who has already demonstrated his great ability and his patriotism by many fine speeches he has made in the Senate, will feel inclined to vote this new burden upon the farmers of Kentucky.

Louisiana: The leader in the oil-tariff fight has the honor to represent the State of Louisiana.

Mr. LONG. Mr. President——

Mr. TYDINGS. I yield.

Mr. LONG. I did not know that the Senator from Maryland had the right to nominate and elect leaders.

Mr. TYDINGS. I am sure, whether the Senator from Louisiana is the titular head or the actual head, everybody here recognizes that he is the spearhead of this battle to obtain an oil tariff. I do not say that as any reflection on him. He is representing what he believes to be the best interest of his State.

However, in Louisiana 39,702,373 gallons of gasoline are used by the farmers every year, and if this tax should be adopted it will cost them nearly a million dollars extra each year. To be exact, it will cost them $992,559 more than they are paying now. The Government will not get the extra amount which they will be required to pay, but the large oil companies will take every cent of it.

Of course I think the Senator from Louisiana wants to represent both the oil interests and the farm interests, as I would want to do if I came from his State, but I am rather at a loss to know how he is going to carry oil on one shoulder and the farmer's empty grain sack on the other in a fight like this, because if he puts the burden of an oil tariff on one shoulder he will lessen the value of the grain sack on the other, for the operating and production expenses of the man who uses the grain sack will be increased.

In Maine the farmers use 26,152,216 gallons of gasoline annually. The figures include no one else but the farmers. So a tariff on oil will mean that the farmers of Maine will pay $653,805 more each year than they are paying now for their gasoline alone.

Maryland: Why pass over that little State? It uses on its farms 35,523,608 gallons of gasoline annually.

Mr. NORRIS. Mr. President, why does the Senator treat Maryland different from the way in which he treats the other States? Why does not the Senator, before he tells us about the gasoline used by the farmers of Maryland, deliver a eulogy on the Senators from Maryland?

Mr. TYDINGS. I was somewhat at a loss to do that, but I rather think that might be appropriate if I were immodest enough to do it, in view of the position I have taken against this outrageous proposition which is pending before the Senate.

The reason I refer to Maryland as a "little State" is because it is very difficult for a small State, no matter how meritorious the claim of one of its citizens might be in a larger sphere, to receive recognition, for the Presidency, for example—and I say this with no one particularly in mind—such as would be accorded to a citizen of Ohio or New York or Massachusetts or Illinois. The same statement applies to the citizens of Western States. A man who lives in New York or Ohio might readily be nominated for the Presidency, whereas, if the same man lived in Nebraska, it would be very difficult for him to secure the nomination. So that I referred to my State as I did, not by way of belittling it, but simply to show its unfair position in the scheme of things, political psychology being what it is.

However, the farmers of my State would pay $888,000 more for the gasoline they use on their farms than they are now paying.

In Massachusetts the farmers use 21,000,000 gallons of gasoline annually, and the adoption of this proposed tax on oil would cost the farmers of that State $545,000 additional a year.

Michigan is represented by the senior Senator from that State [Mr. COUZENS], who has had a very prominent part in the tax fight here, and by the junior Senator [Mr. VANDENBERG], who, with his colleague, is battling, standing here day after day, to keep the crushing excise tax off the automobile industry. I honor them and respect them for representing their State so well; but may I say to them that in that State the farmers use 148,455,000 gallons of gasoline annually, so that the tax on oil would mean that the farmers of Michigan would henceforth pay, in addition to the price they are now paying for their gasoline, the sum of $3,711,371 annually.

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

Mr. TYDINGS. I yield.

Mr. VANDENBERG. Does the Senator reach his figures by multiplying the total consumption by the total proposed tariff? Is that the process by which he reaches his figures?

Mr. TYDINGS. I multiply the tariff rate by the number of gallons consumed.

Mr. VANDENBERG. May I say to the Senator I think his figures will not scare any Michigan farmer, because those farmers listened to precisely the same type of argument on the part of the distinguished Senator from Mississippi——

Mr. TYDINGS. They will not scare me, but they may scare the Senator.

Mr. VANDENBERG. They listened to the same kind of argument presented by the Senator from Mississippi [Mr. HARRISON] in connection with the sugar tariff; but instead of having the net result of adding the tariff to their price of sugar, they now find sugar selling at the lowest price in history.

Mr. TYDINGS. Yes. We find farm products selling at even a lower price than we have known for decades.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. COHEN in the Chair). Does the Senator from Maryland yield to the Senator from Utah?

Mr. TYDINGS. Yes.

Mr. SMOOT. From what source did the Senator find the amount of gasoline that the farmers use?

Mr. TYDINGS. These figures are computed from the gasoline taxes of 1930 by the United States Department of Agriculture.

Mr. SMOOT. Is the gasoline used by the farmers separated from all other gasoline?

Mr. TYDINGS. Yes. The Senator may not know it, but practically every State in the Union exempts the farmer's gasoline from paying tax. Therefore it is not difficult to compute it.

Mr. SMOOT. I was not discussing the question of a tax at all. I simply wanted to know how the Senator arrived at these figures. I asked one of the officials of the Government here just a few moments ago and he does not know.

Mr. TYDINGS. Let me jump to Utah over these other States and see how it affects that State.

Mr. SMOOT. The Senator need not jump over to Utah. We know just exactly what this 2½ cents will amount to.

Mr. TYDINGS. In the State of Utah the farmers use 12,961,701 gallons of gasoline annually on their farms. That means that the farmers of the State of Utah would pay, in addition to the normal expenses which they are now paying, $324,000 a year, which would not come to the Government but which would go to the oil companies. I am sure the Senator from Utah can see no objection to taxing the farmers of his State three hundred or more thousand dollars a year for the benefit of these poor oil companies. As the Senator knows, Rockefeller needs this money, and the Senator's farmers do not need it; and he should take care of men like that, even though they live in New York. Under no circumstances should the farmers of Utah be prevented from contributing to the wealth of a poor man like John D. Rockefeller. [Laughter.]

Mr. SMOOT. Mr. President, again I ask the Senator how those figures can be justified, when in the State of Utah I have seen gasoline sell for 16 or 17 cents a gallon, and within a week it was selling at 9 cents?

Mr. TYDINGS. The record here of the Senator from Utah is so long and his service to his State has perhaps been so satisfactory that I doubt if any man could defeat him in Utah; but may I say, with all due respect, that if it were possible to assemble in the Senate Chamber every farmer in the State of Utah and explain this situation to them, the Senator would not have a ghost of a show for being reelected if he voted for this tariff. [Laughter.]

Mr. SMOOT. I am not at all worried about reelection, Mr. President. That is not what I am thinking about.

Mr. TYDINGS. I say that in spite of the hard work the Senator has done here and the esteem in which his colleagues hold him.

Mr. SMOOT. I am not thinking about reelection, and I do not vote with a view to reelection. I simply asked the question of the Senator. I am not saying what power regulates the price of gasoline, but I know that overnight, many times, there is a difference of almost 50 per cent in the price which the farmer pays for gasoline.

Mr. TYDINGS. That proves it exactly. That is what the large oil companies do.

Suppose the Senator from Utah raised apples, and I controlled the storage of 95 per cent of all the apples in the world, and I had three-quarters of a year's supply of apples in my apple-storage plant, and I owned 85 per cent of all the distributing centers at which apples were sold. I could tell the Senator, "If you do not want to sell your apples to me, sell them where you can." The Senator would own no distributing stations; he would have no storage facilities, and he would have to sell his apples in competition with mine at whatever price I fixed, or let his apples rot.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. THOMAS of Oklahoma. If this amendment will be of such vast benefit to Mr. Rockefeller and Mr. Mellon and the Dutch Shell Co., why are they fighting it so viciously?

Mr. TYDINGS. Why are they fighting it? I have not seen any of them fighting it. None of them have been to see me. I have not had a letter from them. All the fighting I have seen done here has been done by Mr. Wirt Franklin, Mr. Bascom Slemp, and Mr. Hitchcock, a former Postmaster General, who, in their usual affable manner, have gone among Senators, hanging up their hats in the Capitol here, buttonholing Senators as they appear through the doors. If those who have been talking about a "locust swarm of lobbyists" want to have some of the king-pin lobbyists taken out of that swarm, I have mentioned where those gentlemen can be found. They are out there now.

Is Rockefeller out there? Who is out there against an oil tariff? Nobody has seen me on the subject, but I tell you those gentlemen are there, and if we could get back to where their inspiration comes from I would not be surprised if the Standard Oil Co. should be seen approaching the Capitol through that liaison of three men.

Mr. LONG. Mr. President, does the Senator mean to say he is so innocent that he does not know that the Standard Oil Co. has fought this tariff for 20 years?

Mr. TYDINGS. Neither the Standard Oil Co. nor any of its representatives, so far as I know, have ever talked to me or have ever sent a communication to me.

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

Mr. TYDINGS. Yes; I yield.

Mr. SMOOT. I should like to have the Senator explain to the Senate——

Mr. TYDINGS. I will yield to the Senator in a moment; but before I leave that subject let me get back to another phase of it.

Who are these three men?

Mr. SMOOT. Will the Senator yield?

Mr. TYDINGS. Yes; I am going to yield. I will not be discourteous, but I want to finish what I started to talk about.

Mr. Slemp was one of the managers of Mr. Hoover's campaign. He was sent over to Paris as a reward, and placed in charge of the Colonial Exposition there—a splendid lucrative, entertaining berth. He is one of the members of what Mr. Hoover called the "locust swarm of lobbyists." Mr. Slemp has been as busy as he can be, and he is the master mind in this oil-tariff fight.

Who else is in it? Mr. Hitchcock, a delightful gentleman. I do not wish to reflect on him. He has a perfect right to accept employment or to stand for anything he wishes to stand for. But Mr. Hitchcock is up here every day. He is up here lobbying. A Senator who is unattached can not walk out without being pulled to one side and entreated by Mr. Hitchcock to help get a tariff on oil.

Mr. Wirt Franklin, I am told, is likely to be, perhaps, a Republican candidate for United States Senator in Oklahoma.

All of these gentlemen have a right to be here. I do not say that they are doing anything wrong; but I might say in passing that the "locust swarm of lobbyists" are very, very close to the highest powers that be in this Government.

Mr. SMOOT. Now, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. SMOOT. I am not interested in lobbyists or anything else.

Mr. TYDINGS. I am, because I have had those boys to fight off before, and we can not get them in here to meet them face to face.

Mr. SMOOT. Now, let us get at this matter.

The price of crude oil on February 1, 1926, was $2.04 a barrel. The average gasoline price on the same day was 18.09 cents a gallon.

The price of crude oil on February 1, 1929, was $1.20 a barrel, nearly one-half less.

Mr. TYDINGS. I am very glad the Senator has asked me that question.

Mr. SMOOT. The average price of gasoline on February 1, 1929, was 18.39 cents.

In other words, when the price of crude oil was $1.20, the price of gasoline was 18.39 cents; and when the price of crude oil was $2.04, the average gasoline price was 18.09 cents.

Mr. TYDINGS. I thank the Senator from Utah, with words which fail to convey to him my gratitude, for proving so well what I have just been contending for, namely——

Mr. SMOOT. Mr. President——

Mr. TYDINGS. The Senator wants my answer. Let him listen for a moment, if he will.

He contends that the price of gasoline and the price of oil have nothing to do with the price paid to the independent oil operator.

Mr. SMOOT. Yes; but the price figured upon that chart——

Mr. TYDINGS. Just a moment; and the Senator said, "What is going to happen to this country if we destroy the remaining competition of these poor little independent oil-well owners?"

Mr. SMOOT. I never said that.

Mr. TYDINGS. Just a minute. The contention is that these big companies then will have a monopoly, when the Senator himself shows that it does not make any difference now what they pay for crude oil; they charge what they want to for gasoline. Further than that, if I may say so to the Senator, the competition which the Senator is complaining about is the competition which is lowering the price. That is the competition he wants to get rid of. What good is competition if it does not lower the price? Why have any competition? So the argument about the competition of the independent producers out here and the need to keep them alive so that they can compete with this monopoly has no substance at all to it. The Senator from Utah is trying to destroy the only competition there is in this country and to give this monopoly such an iron grip on the situation that it can take from the people any amount of money it desires.

Mr. SMOOT. The Senator may say that that is what the Senator from Utah desires, but the Senator from Utah has not said a word about competition. I have not said a word as to the matters now referred to by the Senator. They have no place at all in the argument. What I do say, however, is this:

The Senator takes certain figures here and says the Treasury estimates that a 1-cent tax per gallon on the 16,500,000,000 gallons of gasoline used in the United States would return to the Government $165,000,000; that under the proposed tariff of 2½ cents a gallon, using the Treasury estimate as the basis, the consumer would pay annually an increase of $412,500,000; and that, in addition to gasoline, the consumer would pay, on the proposed increase of 21 cents on 348,630,000 barrels of fuel oil, $73,212,000. That is what the Senator asserts; and that can only happen by reason of assuming some given price for the crude oil and some given price for the gasoline sold. I called the Senator's attention to the fact that the price of gasoline was within a fraction of a cent the same when the price of crude oil was $2.04 a barrel and when it was $1.20 a barrel.

Mr. TYDINGS. The Senator is asking me a question and answering it himself, so I see no need for me to make any further comment on it.

Mr. SMOOT. My statement was in answer to what the Senator said in relation to the position of the Senator from Utah.

Mr. TYDINGS. Of course I do not agree with the Senator. I have already answered that question; but let me go on.

We were at Michigan last. Now let us come to the big farming State of Minnesota.

Mr. NORRIS. Mr. President, if the Senator will permit me to interrupt him——

Mr. TYDINGS. With pleasure.

Mr. NORRIS. I can not resist interrupting here, because I am moved to do it by what it seemed to me the Senator from Utah was advocating. The figures he gave, as to a time when we had no tariff on oil, if they do anything, demonstrate that somebody has a monopoly, and that he is controlling the prices regardless of supply and demand.

Mr. TYDINGS. Why, of course.

Mr. NORRIS. How in the world are we going to remedy that situation if we put a tariff on oil, and thus give the fellows who now control the situation a greater leverage than they have now?

Mr. TYDINGS. Exactly.

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

Mr. TYDINGS. Yes; I yield.

Mr. JOHNSON. And that is exactly the reason, is it not, why the "big four," who control the great oil output of the country, are fighting so vigorously and bitterly this particular tariff?

Mr. TYDINGS. I did not know I was a member of the "big four."

Mr. JOHNSON. No, no. I recognize——

Mr. TYDINGS. I knew the Senator did not mean that. I simply said it jestingly.

Mr. JOHNSON. That is the situation. Now, because they will profit so extraordinarily by this tariff, they are engaged in endeavoring to prevent its enactment! It is a species of altruism on the part of the Standard Oil Co., and the other great oil companies that we may commend, but which, of course, heretofore we have seldom seen.

Mr. TYDINGS. We were speaking of the State of Michigan last, and I now come to the State of Minnesota, where the farmers consume 183,783,628 gallons of gasoline annually. The additional tax of 2½ cents a gallon proposed to be levied by this bill would cost the farmers of Minnesota $4,594,591 a year in addition to that they now have to bear.

I wonder what the Senators from Minnesota [Mr. SHIPSTEAD and Mr. SCHALL] will do on this question which affects their people so vitally? I rather imagine the senior Senato from Minnesota [Mr. SHIPSTEAD], representing the

Farmer-Labor Party, which has the interest of the farmers at heart, will vote against the imposition of this additional tax upon his people, and I rather suspect that perhaps the other Senator from Minnesota [Mr. SCHALL] is not going to see the farmers of that vast agricultural State further burdened beneath the yoke of taxation, not for the benefit of the Government but for the benefit of the oil companies.

It must be very difficult on a man like Mr. Rockefeller. Think of a man who has invested hundreds of millions in securities of all kinds and during this depression sees them come down to a mere seventy-five or eighty or ninety million dollars from one hundred and seventy-five or two hundred million. Think of the loss, having only about $100,000,000 in liquid securities at this moment. Let the farmers not forget his plight, and let them shoulder willingly this burden and help him out of his financial mire.

Mississippi: The farmers of Mississippi consume 63,237,618 gallons of gasoline annually, meaning that the farmers of Mississippi, if the tariff is effective, will shoulder an addtional expense of $1,580,000 a year.

Missouri: The farmers of that State use 142,050,762 gallons of gasoline annually on the farms alone. That means that the farmers of Missouri, if this tariff is effective, will be put to a further annual expense of $3,551,269.

The senior Senator from Missouri [Mr. HAWES], a delightful friend, an able Senator, is not a candidate for reelection; so he is in the position where, when he votes, no one can question his motives. I would be the last man to question the motives of any Senator. But I say to the junior Senator from Missouri [Mr. PATTERSON] I can not think that, representing the great State of Missouri, with all its thousands of farm failures and bank failures, and its utter depression, when the farmers are looking here for relief, when we have loaned money to the railroads, to the insurance companies, and to the banks, and done nothing whatsoever for agriculture except to destroy the market for their goods, the world market for the surplus, to drive their prices down and down and down, below the cost of production—I can not imagine that the junior Senator from Missouri, in a time like this, will vote an extra burden upon his people, the farmers of Missouri, of $3,551,269 annually.

Montana: That State is ably represented by my good friend and colleague the junior Senator from Montana [Mr. WHEELER], who now presides over this body. I know that his regard for fairness and justice, and for the people out in his section, is too strong to permit him to be brought into this tariff matter, and to impose upon the people of Montana an additional burden of $1,043,000 annually, which the farmers of that State would have to pay over and above their expenses now if this tariff were effective.

The senior Senator from Montana [Mr. WALSH], more than any other man, has fought the crookedness of the oil game over and over again, and with signal success. I can not imagine the senior Senator from Montana voting to put this much money into the hands of the oil companies. My regard and respect for him, even if he did vote for it, would cause me to believe that somehow or other his reasoning must be sound, but for the life of me I would have difficulty, with my own poor mental talents, in finding how it was possible to be on the other side of this question.

Nevada: I will pass over that State, to save time.

New Hampshire: The farmers of New Hampshire alone use 10,940,000 gallons of gasoline annually, and therefore if this tariff is adopted the farmers of New Hampshire will pay $273,000 additional each year for the gasoline they use on their farms.

I can not imagine that the senior Senator from New Hampshire [Mr. MOSES] or the junior Senator from New Hampshire [Mr. KEYES], being such great friends of the farmers as they have been in the past, would impose this great burden upon the poor, struggling farmers of New Hampshire.

New Jersey: That is a State ably represented by that fine old gentleman—and I say it affectionately—the senior Senator from New Jersey [Mr. KEAN], and his new colleague, more of a contemporary of mine, the junior Senator from New Jersey [Mr. BARBOUR]. New Jersey is a trucking State. It has one of the biggest markets for farm products to be found in the Union—New York, Brooklyn, Jersey City, Newark, and a regular network of industrial centers. We find that in New Jersey the farmers use 33,000,000 gallons of gasoline a year, and that means that they will pay in additional annual expenses for the operation of their farms, due to this increased cost of gasoline, $827,000, nearly a million dollars. I feel, without knowing, that the intelligence and the patriotism and regard of these two Senators for the people of New Jersey, particularly those engaged in the farming industry, will actuate them to vote against this nefarious tariff.

New York: We might think of New York as just a lot of big cities, but we find that the farmers of New York use 179,000,000 gallons of gasoline annually upon their farms.

Mr. COPELAND. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. COPELAND. I do not want the Senator to think that New York State is simply the city of New York. New York State is the second agricultural State of this Union, so that anything affecting the farmer is a matter of great concern to me.

Mr. TYDINGS. I was in New York once in my life, and I realize that what the Senator says is so.

The farmers of New York, may I say to the senior Senator from that State, would pay $4,482,000 more than they have to pay now to operate their farm machinery if this increased tax were put on gasoline.

North Carolina: I will insert the figures as to North Carolina in the RECORD later.

North Dakota: The farmers in that State alone use 78,000,000 gallons of gasoline annually, and their increased cost due to this tariff tax would be $1,959,000, which would go into the pockets of the 20 largest oil companies in the United States, and not into the coffers of the Government.

I can not imagine that either the able senior Senator from North Dakota [Mr. FRAZIER] or his colleague, the junior Senator [Mr. NYE], would place this heavy burden upon the already oppressed and failing and impoverished farmers of the Northwest.

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

Mr. TYDINGS. I yield.

Mr. FRAZIER. If I should agree with the argument of the Senator from Maryland, I might change my idea in regard to this proposed tariff on oil, but I can not agree with his argument. The tariff does not always mean the difference in the price that one might think it would. For instance, I hold in my hand a clipping from a North Dakota paper, under date of May 14, 1932, which gives the local market prices of grain. No. 1 northern wheat, which is the hard spring wheat, the best grade wheat, is bringing 48 cents a bushel. The tariff is 42 cents a bushel, and that leaves only 6 cents difference between the tariff and the price of wheat. I do not know what the price would be if it were not for the tariff. I think the same thing would apply to oil.

Mr. TYDINGS. I do not think that is a comparable figure. I wish it were possible that a gallon of gasoline could be in solid rather than in liquid form, and that we could put a 2½-cent stamp on each gallon, so that when a farmer bought a gallon of gasoline he would know that the large oil companies, due to this tariff, would have placed in their pockets 2½ cents for every gallon of gasoline the farmer uses on his farm.

Did I pass the State of Nebraska? I mentioned it, did I not?

Mr. NORRIS. I have not heard the Senator mention it.

Mr. TYDINGS. I meant to. The farmers of Nebraska use 135,815,648 gallons of gasoline on the farms alone, and the cost to the farmers of Nebraska will be $3,395,391 more, if this tariff is effective, than they are now paying for their gasoline, which will not go into the coffers of the Government, but which will go into the coffers of the large oil

companies. I am glad to say that the State of Nebraska need not worry, because I rather imagine, without knowing too well, that both of its Senators will see that the farmers are protected from this outrageous rate upon their slender and remaining resources.

Ohio: That is the home of the chairman of the Republican National Committee, the affable Senator from Ohio [Mr. FESS], who always insists, in Republican conventions, that the farmer get what is coming to him, at least in the platform. He ought to have it somewhere. I want to read from the Republican Campaign Book of 1928, and I would like particularly the attention of the senior Senator from Nebraska, because it is short, and I think he will be interested in seeing how those men who criticize him sometimes for his independence have remained true to the great principles which they themselves criticize the Senator on occasions for adhering to, for it was said in the Republican Campaign Book of 1928:

> The two outstanding features of the present tariff act (the Fordney-McCumber Act) from the standpoint of agriculture are that no previous American tariff ever approached this one either in the number and variety of agricultural products given protection—

We have just heard from the Senator from North Dakota [Mr. FRAZIER] how they have been protected—

> or in the degree of protection afforded them; and, second, no previous American tariff ever excelled this one in the number and variety of commodities peculiarly essential to the pursuit of agriculture which are on the free list.

In 1928 these commodities, such as oil, which the farmer uses, "peculiarly essential to the pursuit of agriculture," were on the free list, but that was the year when we wanted to get elected, and, of course, we are going to say that all over again, even if we put this tariff in.

Mr. NORRIS. This is the time we want to get ready to raise money so that we can be elected next fall.

Mr. TYDINGS. The Senator his diagnosed the disease even better than I have.

I do not want to let my party off, either, because we made a similar declaration. The Democratic platform as long ago as 1920 said:

> The Democratic Party recognizes the importance of the acquisition by Americans of additional sources of supply of petroleum and other minerals and declares that such acquisition at home and abroad should be fostered and encouraged.

In 1920 we said, "Go out and conserve our own oil supply. Go out and invest your money." Of course, no Democrat is going back on that. We will be found solid against this tariff. No man will waiver. Every Democrat will be true to the principles and the platform promises. I can not imagine that a platform like a street-car platform—made to get in on, but not to stand on. [Laughter.]

We had gotten down to Ohio, and I know my genial friend the senior Senator from Ohio [Mr. FESS] is not going to place a burden of $4,624,164 on the farmers of his State greater than they now have to pay, which would be the additional price they would have to pay for their gasoline, because on the farms of Ohio alone the farmers use 184,966,574 gallons of gasoline annually.

The Senator, I believe, was the keynoter at the last Republican convention. When he shows that these things so essential and necessary to agriculture are on the free list, I would imagine the Senator, already having stated his position that oil should be considered at least in a separate measure, would not condescend to go back on the printed word of his party, holding the high official position which he does, and propose to tax the farmers of his State at the same time over $4,000,000 at a time when he is leading his party forth again to what he hopes will be victory.

Even in Oklahoma, where we look and wonder at the great oil wells, we find the farmers alone using 105,000,000 gallons of gasoline annually, and that their increased cost will be $2,625,000 a year if this tariff is adopted and is effective as its proponents on this side of the Chamber, at least, say it will be in raising the price.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. I yield.

Mr. NORRIS. Does the Senator know anyone advocating the amendment who does not advocate it for the sole and only purpose of increasing the price? Is not that the object of it?

Mr. TYDINGS. I think that is the only fair inference which any judicially minded person could draw.

Mr. NORRIS. If that be true, and if it is effective—and it is claimed that it will be effective, and there is no other excuse for advocating it—it seems to me that the figures stated by the Senator would naturally follow.

Mr. TYDINGS. I thank the Senator. I do not think any other conclusion can rightfully be drawn except that I do think special treatment ought to be accorded to such men as Mr. Slemp, who is high in the councils of one of our parties, and to Mr. Hitchcock, Mr. Franklin, and others in the other party, for their absolute detachment in this matter. These men are out to help the poor independent oil producers. They would not think of putting this tariff on to help the big companies. They are too patriotic for that.

In the State of Oregon the farmers use 48,000,000 gallons of gasoline annually. This tariff would mean, of course, an increased cost to the farmers of Oregon of $1,223,213 a year.

Mr. SHEPPARD. Mr. President, will the Senator from Maryland allow me to say to the Senator from Nebraska that it is the contention of those who favor the tax that there is no more relation between the price of gasoline and the price of crude oil than there is between the price of bread and the price of raw wheat.

Mr. NORRIS. Mr. President, if the Senator from Maryland will permit me——

Mr. TYDINGS. Certainly.

Mr. NORRIS. I agree with the statement of the Senator from Texas, but I understand the object in asking for a tariff on oil is to permit the oil producers of this country to get more money. What else is the object of it? Taking their own theory of it, the figures of the Senator from Maryland would follow.

Personally, I think that the price of crude oil and gasoline is in the control of an enormous monopoly, a trust which covers the entire United States. As the figures show, they own most of the production, storage facilities, pipe lines, and refining facilities. They have them now, and they fix the price of gasoline in every hamlet and in every city of the United States. For the life of me I can not understand how we are going to relieve the American people from the domination of that trust and that monopoly by putting a tariff on oil and thus taking away whatever possibility of competition might otherwise exist.

Mr. SHEPPARD. Mr. President, I shall not attempt to go into these matters at the present time because I do not want to disturb the continuity of the address of the Senator from Maryland, but our contention is that whatever increase in price there is will be absorbed by the monopoly, or the near monopoly.

Mr. TYDINGS. May I say to the Senator from Nebraska that everyone knows and the figures show that we are exporting a great deal more oil than we are importing.

Mr. NORRIS. And for that reason, for instance, the figures given by the Senator from North Dakota [Mr. FRAZIER] have no application, because he took a tariff on a product of which we have a great surplus.

Mr. TYDINGS. But it is claimed that this oil can be produced in South America more cheaply than it can be produced in the United States, and therefore if we stop it from coming to the United States, obviously, it will go to Europe or wherever we are selling it, because it can be sold there more successfully and it will take that market, so the net amount of oil that we will sell will be the same. We will not having foreign oil coming in here replacing our oil, but it will replace our export oil. Therefore if we do not sell any more oil in the world in the aggregate and if the tariff does

not increase the price, by their own argument that defeats both the ends which they seek to accomplish.

Mr. LONG. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. LONG. I do not think the Senator from Maryland is having any trouble to convince the Senator from Nebraska in this matter.

Mr. TYDINGS. No; because he is very intelligent. [Laughter.]

Mr. LONG. I want to amplify a little bit the point the Senator from Texas [Mr. SHEPPARD] made. Not only will this tariff be absorbed by the Oil Trust, but we know as a matter of fact that where there is an oil monopoly the price is a great deal higher. In other words, the Senator has stated that we export a great deal more oil than we import, thus showing very clearly that we do not need to import any oil to this country to take care of our needs here. But in the country where they are producing this oil at $1.03 per barrel less than it costs us here, what is the Senator's explanation as to why those people are paying twice as much for gasoline?

Mr. TYDINGS. I want to reply to the proposition of the Senator, but let us go along gradually and clear the way as we go.

Mr. LONG. The Senator is not going to answer my question, then?

Mr. TYDINGS. Yes; I am going to answer it; but the Senator has stated three or four propositions and we have got to get those cleared up before we can get a correct answer to the question. The Senator concedes that we are exporting more oil than we are importing. We have that point settled.

Mr. LONG. All right.

Mr. TYDINGS. The Senator said that we can produce this oil in South America more cheaply than we can produce oil in the United States.

Mr. LONG. Yes; $1.03 a barrel cheaper.

Mr. TYDINGS. We have that settled. If we stop that oil from coming into the United States, where will it go?

Mr. LONG. I do not know where it will go. What is the significance of that?

Mr. TYDINGS. If it can be produced more cheaply than the American oil and if the American oil is now being exported in greater quantities than it is being imported, and if we bar this foreign oil it will immediately go into the world market, where it will displace just so much American oil, because it can be produced, according to the Senator's statement, more cheaply than we can produce oil here, so that the total volume of American oil sold in the world will be exactly the same.

Mr. LONG. I am very glad the Senator has made that statement, because he has met himself coming back. The very interests that he points out on his map—I say "his" map. I assume he made the map or had it made under his direction.

Mr. TYDINGS. The map was made under my direction.

Mr. LONG. I have seen that same map many times.

Mr. TYDINGS. No; the Senator never saw that map, because it was made only five days ago and has been locked up in my office.

Mr. LONG. I can almost read it with my eyes closed. The Senator stated the major oil companies own 51 per cent of production.

Mr. TYDINGS. I want to answer the Senator's question, but let us get my proposition straightened out first.

Mr. LONG. I am straightening it out for the Senator.

Mr. TYDINGS. Does not the Senator know that if we produce a foreign oil more cheaply than American oil, and if we stop that foreign oil from coming into America, it will immediately enter into competition with our export oil? The Senator concedes that. We can not compete with that oil. That is the reason why it is here. They will take our foreign market. As we are already exporting more oil than we are importing, the net amount of American oil sold in the world remains constant.

Mr. LONG. The Senator would not let me answer his question nor will he answer my question. I will answer that question. The Senator has shown on the map which he has taken a long time to make up, although I have seen one just like it many times before, that 51 per cent of the oil produced in America is produced by the major oil companies. How and why are those major oil companies exporting and selling American oil in England, Wales, and Scandinavia that cost $1.03 more per barrel for them to make than the oil they have in Venezuela? Why are they to-day taking oil in America that cost $1.03 more a barrel to make and sending it to England and bringing into this country oil from Venezuela instead of sending the Venezuelan oil to England, except for this monopoly?

Now, one more question——

Mr. TYDINGS. Does the Senator want his questions answered as he asks them?

Mr. LONG. Answer that question, if the Senator can.

Mr. TYDINGS. I want to tell the Senator from Louisiana that I am delighted; I am absolutely delighted. Mr. President, I have 500 tariff amendments on my desk and the very first one that I take up and hold in my hand is to reduce the tariff on aluminum. No aluminum at all is imported into the United States, but the Aluminum Co. sells its aluminum abroad at a lower price than it sells it in the United States. So I know when this amendment comes up that the Senator from Louisiana, who is going to take care of his people, just in line with the argument he has just made, is going to give me his unqualified support, so that I have one of the oil proponents lined up for at least one of my new amendments to the tariff act.

Mr. LONG. The Senator is making his boast as well as some of his statistics on the matter. The question I have asked has not been answered.

Mr. TYDINGS. What was the question?

Mr. LONG. I asked why the Standard Oil Co. is exporting oil from America that cost $1.03 more to make here than a barrel of oil costs them in Venezuela, and then is bringing Venezuelan oil into America? Can the Senator explain how that is done?

Mr. TYDINGS. I do not understand the Senator's question. I wish he would ask it again. It seems to be so involved that I can not get at what he wants to know. If he will ask me again I will certainly try my best to answer it.

Mr. LONG. The ordinary Louisianan in the third reader would understand the question.

Mr. TYDINGS. I understand, then, why they vote in Louisiana the way they do. [Laughter.]

Mr. LONG. The question I am asking is this—and I am asking it of the leader of the interests undertaking to keep this tariff from going on oil: Why is it that the Standard Oil Co., which the Senator says owns 51 per cent of the domestic production of oil, is exporting American oil which costs it $1.03 more to produce in America than the oil which it owns in Venezuela, and is bringing the Venezuelan oil to America?

Mr. TYDINGS. What Standard Oil Co.?

Mr. LONG. All of them. Does the Senator know how many there are?

Mr. TYDINGS. No.

Mr. LONG. I will tell the Senator some of them.

Mr. TYDINGS. I know the Senator is familiar with the oil combine, but I have no acquaintance with it.

Mr. LONG. I am referring to the common family group known as the Oil Trust group in America.

Mr. TYDINGS. I do not know what it is.

Mr. LONG. The decision of the Supreme Court of the United States listed those subsidiaries a number of years ago. That is not on the Senator's map, but there is a list.

Mr. TYDINGS. Yes; here they are right here [indicating]—the major companies.

Mr. LONG. Now the Senator has not answered me, and I know the Senator is more intelligent than he would have

us infer. I know the Senator is intelligent enough to absorb this: Why are these major oil companies, whose position in this matter he is most masterfully and patriotically championing, sending oil out of America to-day which costs $1.03 a barrel more than the Venezuelan oil costs and bringing the Venezuelan oil to America, except to destroy the independent oil business of this country and perpetuate the monopoly?

Mr. TYDINGS. Let us be serious for a moment. The Senator claims that the men who own the local production also own the importing production.

Mr. LONG. No; not all of it.

Mr. TYDINGS. That was the Senator's question.

Mr. LONG. Let me answer the Senator.

Mr. TYDINGS. No; the Senator asked me why it was that these companies which now own 51 per cent of the local production send that oil abroad instead of the oil which comes from Venezuela. I ask the Senator if he owns two farms and it costs him 5 cents a dozen to raise eggs on one farm and 10 cents a dozen to raise eggs on the other farm whether it makes any difference which farm his eggs come from when he sells them to the public.

Mr. LONG. In answer let me say to the Senator that the Standard Oil Co. has taken one ship to send American oil to England and has taken another ship to send Venezuelan oil to America—two ships—when one ship would have carried the oil from Venezuela to England and it would not have been necessary to run two liners. I ask the Senator what excuse there was for the Standard Oil Co. paying two times the transportation cost in order to send oil out of America that was costing $1.03 more a barrel than the oil in Venezuela.

Mr. TYDINGS. It is perfectly obvious that that is a question of company management and not a question of tariff. I revert to the former illustration, that if the Senator owns two farms and is raising eggs on both farms and it costs him 5 cents to raise eggs on one farm and 10 cents to raise them on the other, it makes no difference from which farm he sells his eggs if he sells them in a market where he dictates the price.

Mr. LONG. I should like to settle the question with the Senator on the egg basis.

Mr. TYDINGS. I answered the Senator's question candidly and frankly and in such a way that he himself can not refute the answer, and I refuse to yield further at this time.

Mr. LONG. Will not the Senator yield for just one more question?

Mr. TYDINGS. Very well; go ahead.

Mr. LONG. If the Senator owned a farm in Nebraska on which he was raising eggs and owned a farm in Louisiana on which he was raising eggs, would he ship the eggs from the Nebraska farm to the Louisiana farm and ship those on the Louisiana farm to the Nebraska farm, or would he eat the eggs on the respective farms where they were raised?

Mr. TYDINGS. That is a fair question, and I will give the Senator a complete answer. If I had a farm manager on each one of those farms, and instead of having two farms, had seven, I would not know where the manager of each one of those farms was selling his eggs, even if he were Mr. Rockefeller. So there would be seven farm managers selling seven different sets of eggs in seven different markets.

Mr. LONG. The Senator thinks that the managers of a business do not know what the men under them are doing?

Mr. TYDINGS. I think—and the Senator has not denied it—that if we stop the importation of foreign oil into this country we will drive the imported oil into the world's market, where it will displace just so much American oil, so that the net amount of oil sold will be the same so far as American production is concerned.

Mr. LONG. All right.

Mr. LONG moved toward the door of the Chamber.

Mr. TYDINGS. If the Senator wants to give up his own fight so rapidly, I have no objection.

Mr. LONG. I understood the Senator did not want me to interrogate him further.

Mr. TYDINGS. The Senator only wants to ask questions; he does not want to get answers which he can not answer.

Mr. LONG. I will remain. I beg pardon. I thought the Senator was motioning me away from the floor.

Mr. TYDINGS. I wanted to conclude, because I thought the Senator was not interested in hearing the answers.

Mr. LONG. The Senator is mistaken. I beg pardon.

Mr. TYDINGS. Well, Mr. President, I may say that the tone of this debate, without any reflection on my friend—and I include my own contribution thereto in the last few minutes—has neither been uplifting nor enlightening, and I prefer now to follow the sequence of my remarks.

Mr. LONG. I confess my part of that.

Mr. TYDINGS. In Pennsylvania the farmers use 152,015,000 gallons of gasoline annually on their farms. The tax of 2½ cents a gallon on gasoline will mean that the farmers of Pennsylvania will pay $3,800,000 in additional expenses over what they now are forced to bear.

The farmers of Texas use 224,221,000 gallons of gasoline annually. If this tax shall be imposed, it will mean an increased cost of gasoline upon the farmers of Texas of $5,605,000 annually.

The farmers of Virginia use 72,000,000 gallons of gasoline annually. So if this new tax of 2½ cents a gallon shall be placed upon the consumption of gasoline by the farmers of Virginia, it will mean an extra burden and expense of $1,819,000 a year.

In the State of Washington the farmers alone use 53,934,802 gallons of gasoline annually. This tariff of 2½ cents a gallon will mean an extra tax burden to the farmers of Washington of $1,348,370 more than they now bear, which will not go into the Treasury of the United States but in the pockets of the 20 large oil companies.

Mr. President, at this point in my remarks I ask unanimous consent to have printed in the RECORD the entire table to which I have referred.

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

The table referred to is as follows:

State	Total gasoline consumed on farms yearly	Additional cost to farmers of increase of 2½ cents per gallon
	Gallons	
Alabama	58, 130, 856	$1, 453, 271
Arizona	10, 867, 312	271, 683
Arkansas	50, 800, 840	1, 270, 021
California	145, 395, 097	3, 634, 877
Colorado	48, 371, 448	1, 209, 286
Connecticut	17, 193, 352	429, 834
Delaware	8, 890, 640	222, 266
Florida	32, 476, 270	811, 907
Georgia	74, 312, 238	1, 857, 806
Idaho	25, 686, 179	642, 154
Illinois	210, 842, 996	5, 271, 075
Indiana	135, 587, 870	3, 389, 697
Iowa	216, 122, 393	5, 403, 060
Kansas	166, 521, 226	4, 163, 031
Kentucky	54, 993, 576	1, 374, 839
Louisiana	39, 702, 373	192, 559
Maine	26, 152, 216	653, 805
Maryland	35, 523, 608	888, 090
Massachusetts	21, 836, 940	545, 924
Michigan	148, 455, 000	3, 711, 377
Minnesota	183, 783, 628	4, 594, 591
Mississippi	63, 237, 618	1, 580, 940
Missouri	142, 050, 762	3, 551, 269
Montana	41, 737, 035	1, 043, 426
Nebraska	135, 815, 648	3, 395, 391
Nevada	3, 119, 302	77, 983
New Hampshire	10, 940, 808	273, 520
New Jersey	33, 109, 608	827, 740
New Mexico	15, 962, 881	399, 072
New York	179, 301, 970	4, 482, 549
North Carolina	93, 733, 602	2, 343, 340
North Dakota	78, 377, 392	1, 959, 435
Ohio	184, 966, 574	4, 624, 164
Oklahoma	105, 025, 122	2, 625, 628
Oregon	48, 928, 515	1, 223, 213
Pennsylvania	152, 015, 620	3, 800, 391
Rhode Island	3, 406, 550	85, 164
South Carolina	40, 946, 660	1, 023, 665
South Dakota	78, 783, 453	1, 969, 586
Tennessee	63, 835, 002	1, 595, 875

State	Total gasoline consumed on farms yearly	Additional cost to farmers of increase of 2½ cents per gallon
	Gallons	
Texas	224, 221, 440	$5, 605, 536
Utah	12, 961, 701	324, 043
Vermont	18, 927, 665	473, 192
Virginia	72, 788, 406	1, 819, 710
Washington	53, 934, 802	1, 348, 370
West Virginia	26, 018, 230	650, 456
Wisconsin	199, 734, 750	4, 993, 369
Wyoming	14, 202, 616	355, 065
District of Columbia	87, 810	2, 195
Total	3, 809, 817, 600	95, 245, 440

Mr. SMITH. Mr. President, may I ask the Senator from Maryland a question?

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

Mr. TYDINGS. I yield.

Mr. SMITH. I did not hear the Senator's statement as to my State. Did he put those figures in the RECORD?

Mr. TYDINGS. Those figures are in the RECORD, but I shall be glad to read them to the Senator. I skipped a few States in order to save time.

In the State of South Carolina the farmers use 40,946,600 gallons of gasoline annually. The imposition of the 2½-cent tax will mean that the farmers alone in the Senator's State will take up an extra burden of $1,023,665 over and above what they now bear, and that that will not go into the Federal Treasury but will go into the pockets of the large oil companies. The farmers of the Senator's State will be placed in the position of paying tribute to the large oil companies, and I know now, without even asking the Senator, viewing his long record here in the interest of the farmer, that the proposal to enact this tariff will have his unyielding opposition.

No man on the floor of the Senate ever made a more eloquent appeal against the tariff than the Senator from Arizona [Mr. ASHURST]. The Senator from Arizona, commenting on the Capper bill providing for an embargo on oil, on the floor on March 2, 1931, as will be found in the CONGRESSIONAL RECORD on pages 6722 and 6733, said:

> We are asked, in behalf of the Sinclairs and the Dohenys, to put an embargo on the importation of oil.
>
> Mr. President, there is a larger question here than the mere question of serving the oil interests and the Dohenys and Sinclairs of this country. Are we going to levy a tax, already too heavy, upon every person who uses an automobile, upon every farmer who has a motor upon his farm, in order to swell the profits, already great, of the oil industry?
>
> Mr. President, as a rule when we listen to the independents it is the voice of Jacob, but it is the hand of Esau.

We do not need any stronger attack on the oil tariff proposal than that splendid assertion of the fine Senator from Arizona.

Now, just a word about production and I shall finish. Here [indicating on chart] is shown the oil production of the entire world. The United States of America produces 63.69 per cent, about two-thirds, in round numbers, of all the oil produced in the entire world. The United States exports more oil than it imports. If the contention of the proponents of the oil tariff is sound, namely, that oil can be produced in Venezuela at a lower figure than it can be produced in America, obviously if we shut out this oil [indicating on the chart] from the American market, if that oil can be produced at a lower figure than oil can be produced in the United States, it immediately goes to the foreign market, where it displaces just that much United States oil. So, in the last analysis, the producer of American oil, if this proposed tariff shall be effective, will not sell one gill more of the total oil consumed in the world that he now sells. That is unanswerable. No one can dispute that. That is something that no proponent of this tariff, so far as I have heard, has successfully disputed. That being so, what difference does it make?

Who owns the Venezuelan oil? The same group that owns 51 per cent of all the American production. The independent oil operator is not going to get a sou, farthing, one-twentieth of a mill, more for a single gallon of oil he produces, and nothing more eloquent is needed to prove that assertion than the statement of the proponents of the oil tariff that quite often when crude oil is selling for almost nothing, gasoline is selling at an abnormally high price, showing that the large interests regulate the prices to suit themselves. But even if that were not so, with about two-thirds of one year's supply of oil now in the pipe lines of the 20 large companies, a sufficient quantity to supply the entire country for eight months without injecting one gallon of oil more in the pipe lines, they can refuse for eight months to buy a gill of oil from the independent oil companies.

More than that, they can refuse to buy for over a year, because, in addition to the eight months' supply they now have, they own half the production, so that when they place what they now have in the pipe lines, plus what they can put in the pipe lines from their own wells, they have one year and six months' oil supply, which is sufficient to meet every oil requirement in the United States for 18 months without injecting another gill in the pipe lines or taking another gill from the independent oil wells. What man is naïve, simple, asinine enough, with a monopoly of that magnitude, with a year and a half's supply on hand, to think that a few hundred thousand honest but unfortunate little independent oil-well owners can buck up against a year and a half's supply and a wealth of pipe lines and refineries? The suggestion is so absurd that no man who really contends for such a tariff as is proposed can, in my humble judgment, demonstrate by facts where the independent oil producer is going to get a single cent of benefit.

Mr. President, I have spoken long enough, and I will subside for the time being, but before I yield the floor I should like to put some tables into the RECORD with a preceding statement. I want to show who is responsible for the plight of the small oil owners. I ask that the table and statement, which I now send to the desk, may be inserted at this place in my remarks.

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

The statement and table are as follows:

SECTION 5—WHO IS RESPONSIBLE FOR THE PLIGHT OF THE SMALL WELL OWNER

Much has been written and much has been said of the plight of the farmer owners of the "stripper wells"; there are 22,000 of them in Kansas alone.

The owners of these wells need but look at the figures of the overproduction in Texas and Oklahoma and California to realize why it has been necessary for them to close these wells down from time to time. It is not the imports entering the Atlantic seaboard which affect their condition. It is the overproduction of their neighboring States.

The oft-repeated statements that these stripper wells are permanent losses is answered by the Bureau of Mines in a letter addressed to the chairman of the Senate Commerce Committee and published in the 1931 hearings on the subject of an oil embargo. It follows in part:

"Some proponents of restrictive oil legislation repeatedly have stressed and have given the unqualified inference that the production from some 300,000 wells in the United States will be irrevocably destroyed unless those wells are allowed to produce without interruption to the end of their normal lives. It is well recognized that a serious economic condition faces the individual owner of pumping wells.

"In these wells the lifting costs are frequently many times that of wells where the force for lifting the oil is supplied by the expansive energy of the originally contained or associated natural gas. Lifting costs usually determine the margin of profit for producing crude oil; and when the market is depressed because of an abundance of oil, either from flowing domestic wells or from other sources, the so-called "stripper" wells are usually the first to feel this depression. Because of the investment in these relatively small producers, and because their owners or lessees, in general, are an essential part of the American oil industry, it seems fundamentally sound that equitable relief should be given.

"However, in an honest and unprejudiced analysis of the present economic condition of the American oil industry, it should be recognized that the figures which have been used to designate the number of wells presumably needing relief are largely theoretical. Even assuming that 300,000 wells out of the total of 328,200 pro-

ducing wells in the United States (Bureau of Mines figures as of December 31, 1929) were to be 'shut in' for a period of time, present engineering knowledge shows it to be illogical to suppose that all of the production from these wells would be henceforth unrecoverable, thus defeating the true policy of oil conservation. Defective casing and other poor conditioning of wells will invite migration of water, and some oil will be trapped in the sands; but to suppose that all of those wells will be ruined if they are not operated is misinformation based upon lack of engineering knowledge regarding the flow of oil and water through sands and unfamiliarity with the experience in certain areas where water migration has been definitely controlled, and in still other areas where, after production was 'shut in' for a relatively long period, resumed production was at a higher rate than previous to the 'shutting in' of the wells."

The following chart, prepared by the Department of Commerce from statistics furnished by the Bureau of Mines and Bureau of Foreign and Domestic Commerce, shows graphically the production, importation, and exportation of oils in the American industry during the last 60 years:

Production, importation, and exportation of oils in the American industry for 60 years

Period	Crude oil						Exports of refined oils (excluding reexports)
	Production	Value	Exports	Imports	Net retained supply	Runs to stills	
	Barrels		*Barrels*	*Barrels*	*Barrels*	*Barrels*	*Barrels*
1871-1880	12,519,000	$19,678,000	528,000				6,026,000
1881-1890	29,249,000	23,381,000	1,719,000				12,084,000
1891-1895	51,095,000	35,708,000	2,606,000				16,751,000
1896-1900	59,498,000	56,836,000	2,907,000				20,240,000
1901-1905	102,083,000	83,524,000	3,029,000				22,317,000
1906-1910	172,769,000	119,572,000	3,686,000				30,521,000
1911-1915	247,739,000	185,793,000	4,134,000	12,080,000	255,685,000		44,475,000
1916-1920	362,661,000	735,698,000	5,413,000	49,531,000	406,779,000	336,717,000	58,896,000
1921-1925	647,961,000	999,186,000	13,559,000	94,857,000	729,259,000	581,789,000	76,455,000
1921	472,183,000	814,745,000	8,940,000	125,364,000	588,607,000	443,353,000	57,531,000
1922	557,531,000	895,111,000	10,163,000	127,308,000	674,676,000	500,706,000	59,592,000
1923	732,407,000	978,430,000	17,385,000	82,015,000	797,037,000	581,238,000	77,893,000
1924	713,940,000	1,022,683,000	17,973,000	77,775,000	773,742,000	643,719,000	93,413,000
1925	763,743,000	1,284,960,000	13,335,000	61,824,000	812,232,000	739,920,000	93,843,000
1926	770,874,000	1,447,760,000	15,407,000	60,382,000	815,849,000	779,264,000	108,398,000
1927	901,129,000	1,172,830,000	15,844,000	58,383,000	943,668,000	828,835,000	115,399,000
1928	901,474,000	1,054,880,000	18,962,000	79,767,000	962,279,000	913,295,000	126,159,000
1929	1,007,323,000	1,280,417,000	26,394,000	78,933,000	1,059,862,000	987,708,000	126,377,000
1930	896,265,000		23,704,000	62,129,000	934,690,000	927,447,000	122,167,000

Mr. TYDINGS. I also ask to insert in the RECORD the report of the Tariff Commission on cost of production at home and abroad, following the insertion just made.

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

The matter referred to is as follows:

SECTION 6. TARIFF COMMISSION'S REPORT ON COSTS OF PRODUCTION AT HOME AND ABROAD

Last year before the Senate Committee on Commerce the remarkable argument was presented that there was not necessarily any relation between the price of crude and gasoline. This statement has been assiduously peddled by propagandists, circulated broadly through the press, and presented to Congress committees with the obvious intent of disarming the public mind in relation to the inevitable increase in the cost of gasoline.

The Federal Trade Commission, the American Petroleum Institute, and other competent and disinterested organizations have repeatedly shown its falsity.

Until their appearances this year before the Finance Committee and the Ways and Means Committee, Mr. Franklin and his associates have repeatedly argued that the price of fuel oil was too low and that the purpose of the bill was to increase the price at the well. These statements have now been discarded, and both the Finance Committee and the Ways and Means Committee this year were informed that the proposed tax would not affect the price of fuel oil to the consumer.

Last year crude oil was as low as 10 cents a barrel at the well; this year it is ranging around $1. A year ago Governor Murray, of Oklahoma, mobilized the militia to stop wasteful overproduction, and proclaimed to the world that his ambition was to compel curtailment of production in the hope that oil would again sell at the well for $1. Governor Murray has realized his ambition not through the barriers afforded by an embargo or a protective tariff but through the old-fashioned method of applying a little common sense to the end that the laws of supply and demand be respected.

Having completely failed to reverse the laws of trade by the remarkable premise that there is no connection between the price of crude and gasoline, the proponents of this measure are now attempting to use the recent report of the Tariff Commission to establish their contention that there is a differential in favor of imported oils of $1.05 per barrel.

Any literate person could not knowingly make such mistakes as they have done. There is no such differential in favor of the importers. There is none at all. This phase of the controversy was discussed in considerable detail before the Finance Committee. It will be found in the testimony of Paul H. Harwood, pages 457-471 of the Finance Committee hearings:

"The Tariff Commission, in its report for the years 1927-1930, reports not a difference in cost of $1.03 per barrel, as alleged by Mr. Franklin, but of 46 cents, on the basis of 'like or similar products' as required by the tariff act (p. 3), but calls attention to three disparities in its calculation to the disadvantage of the Venezuelan product, each of which would, when properly determined and taken into account, reduce this difference in cost.

"1. It admits that in figuration of cost to produce crude it has applied to the foreign oil the same rate of interest and depreciation as applied to the domestic crude. It admits (p. 59) an adjustment of interest charges would increase the cost of foreign crude 5 cents per barrel.

"Adjustment of depreciation, recognizing that foreign crude is produced in tropical climates where destruction is rapid, would add another 5 cents per barrel.

"These items, properly taken into account, would lower the difference of 46 cents per barrel to 36 cents per barrel.

"2. It calls attention (p. 2, last paragraph) to the fact that while actual bare cost of transportation has been used to calculate the cost of landing Venezuelan oil on Atlantic seaboard, 49 cents per barrel has been used in calculating cost of landing domestic crude oil here, this being an average, not of cost of pipe-line transport, but of actual published pipe-line charges. Interstate Commerce Commission's reports show that for 1930, the last year covered by this report, the ratio of operating expenses, taxes, and 6 per cent interest, to operating revenue, is 60 per cent.

"3. In its figuration of comparative values of yields from the two crudes the commission admits that the value of the gas and fuel oil yield out of Venezuelan crude is much below that of the higher-quality gas and fuel oil yields out of domestic crudes. (It admits value of foreign yield is only 2.55 cents per gallon while domestic yield is worth 2.93 cents per gallon, a difference of 0.38 cent per gallon.) But it states that nevertheless it applied the higher domestic value to both crudes in calculation of total value of yields of both oils. The report states (p. 54):

"The significance of any overvaluation of the gas and fuel oils from foreign crude is evident from the fact that these oils constitute considerably over 30 gallons of the product obtained from each barrel of crude (42 gallons) * * * there may be an overstatement of the value of the products from foreign crudes due to the method used amounting to 10 to 15 cents per barrel, or even more.

"The overvaluation of gas and fuel oil derivatives in each barrel of foreign crude might then amount to 15 cents per barrel, which, subtracted from the remaining 16.4 cents, practically wipes out the remaining apparent advantage for Venezuelan crude oil.

"Therefore the correct interpretation of the Tariff Commission's report for the year ending in 1930 is that there is no appreciable advantage in cost of Venezuelan crude, as compared with like or similar domestic products.

"The supplemental report of the commission to the Ways and Means Committee, covering year 1931, shows still lower domestic costs due to the development of the cheaper but highly valuable crude of east Texas; and that the average domestic delivered cost at Atlantic points, without adjustment for lowered pipe-line rates, has fallen 22 cents per barrel, or from $1.90, average for three years, to $1.68 per barrel.

"Therefore, on the face of the two Tariff Commission's reports, there is no advantage in foreign crude costs, but, on the contrary, domestic crudes are deliverable at Atlantic ports, value for value, at least 20 cents a barrel under the foreign costs."

Mr. TYDINGS. I want also to put into the RECORD the party platforms on the subject of oil. I think the Senator from Idaho [Mr. BORAH] would perhaps enjoy the humor of hearing both party platforms on this subject. I read

the Democratic platform first. This plank was adopted as long ago as 1920:

The Democratic Party recognizes the importance of the acquisition by Americans of additional sources of supply of petroleum and other minerals and declares that such acquisition, at home and abroad, should be fostered and encouraged.

The Republican platform in 1928 contained this astounding statement:

The two outstanding features of the present tariff—

That was the Fordney-McCumber Act—

The two outstanding features of the present tariff (Fordney-McCumber) standpoint of agriculture are: (1) No previous American tariff ever approached this one either in the number and variety of agricultural products given protection or in the degree of protection afforded them, and (2) no previous American tariff ever excelled this one in the number and variety of commodities peculiarly essential to the pursuit of agriculture which are on the free list.

Of course, oil is not peculiarly essential to the pursuit of agriculture.

Mr. BORAH. Has the Senator a copy of the platforms for this year?

Mr. TYDINGS. Whether we adopt this tariff amendment or not, both sides are going to try to surpass one another in finding ways in which we shall tell not only the farmer but all the people how everything will be all right if they will just let us take charge. [Laughter.]

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

Mr. TYDINGS. Yes; I yield.

Mr. SMITH. I notice that in paragraph (4), which the Senator has been discussing from the standpoint of the 2½-cent tax on gasoline, there is also a tax of 4 cents a gallon on lubricating oil. Of course, lubricating oil is as essential to the life and efficiency of our motor vehicles as gasoline. In addition to that, I see that paraffine and other petroleum wax products are taxed at the rate of 1 cent per pound, and that natural asphalt and asphalt and bitumen derived from petroleum are taxed at the rate of 10 cents per hundred pounds. Does not the latter provision refer to the ingredient that is used in road construction?

Mr. TYDINGS. I am glad the Senator has asked me that question; and, as I have briefly referred to the increased cost of road construction which would result from the imposition of this tariff, I will take the liberty of reading a statement on that subject, if the Senator is interested.

Mr. SMITH. I am very much interested, because the specific gravity of this material is pretty great; and a tax of 10 cents per hundred pounds on this road-building material, it seems to me, would increase the cost of road construction incalculably. As the public is now largely dependent upon hard-surfaced roads or treated roads for the use of motor vehicles, this material is as essential as gasoline and oil.

Mr. TYDINGS. That is right; and here is the situation as it affects road building:

The bill before the Senate proposes a tariff of ½ cent per gallon or 21 cents per barrel on imported crude oil, and of 10 cents per hundredweight or $2 per ton on finished asphalt imported.

The result of both or either schedule would be to raise the price of asphalt over $2 a ton. It has sold this year at $8.50 a ton. The greater part of all paving asphalt is made from imported heavy crude oils in Atlantic coast refineries. There is simply not enough of the heavy asphaltic crude now produced domestically to supply the needs of American States, counties, and the Federal Government for road repair and building material.

Practically all asphalt manufactured now goes into road making. It is the prime product in present road-building programs. It is therefore the Federal Government, the States, and the counties that will pay the increased price. For the Federal Government, it may prove to be just a stand-off; the increased price paid may be equal to the duties on asphalt-bearing crude oil imported; but the resulting increase of 20 per cent in cost will be nation-wide, and will be an additional and unnecessary charge on States and other political subdivisions.

The tariff schedules in question have no reason for being. They will be paid manifold, not by the importer but by our sorely beset State and county treasuries or by the tax-paying country dweller, deprived of his road by the increased cost of road material.

The import tax on imported crude oil and asphalt is simply and only a charge on our local governments, and any resulting income will be paid back by the Federal Government in the resulting higher price.

Even assuming that we would get some revenue from this tax, we would pay it many times over by the increase of all the road appropriations which we make; and, of course, the States likewise would be penalized.

Later on I may have occasion to refer to other phases of this matter. For the present I have devoted myself almost entirely to the farmer's new burden in this connection. As the debate progresses, and when I have had a little lunch and have come back I shall be glad to talk about other phases of the matter.

Mr. HULL obtained the floor.

Mr. SMITH. Mr. President——

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

Mr. HULL. I do.

Mr. SMITH. Enormous increases of expenditure have been indicated here as a result of the use that the farmers make of gasoline. I wish the Senator or some one who has the time would find out what would be the additional burden on all the American people who use gasoline, calculated on the same basis.

Mr. TYDINGS. The burden that I just referred to and allocated to the various States was, in round numbers, $95,000,000 annually, which the farmers alone would pay if the price of their gasoline were increased 2½ cents a gallon. The total burden borne by all the people, including the farmers, would be $486,000,000, of which amount nearly $100,000,000 would be placed on agriculture, the remaining $386,000,000 on industry generally—the owner of the pleasure automobile, the factory, and so forth.

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

The VICE PRESIDENT. The Senator from Tennessee was recognized. Does the Senator yield for a quorum call?

Mr. HULL. I do.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Copeland	Jones	Robinson, Ind.
Austin	Costigan	Kean	Sheppard
Bailey	Couzens	Kendrick	Smith
Barbour	Cutting	Keyes	Smoot
Barkley	Davis	King	Steiwer
Bingham	Dickinson	La Follette	Thomas, Idaho
Blaine	Fess	Lewis	Thomas, Okla.
Borah	Fletcher	Logan	Townsend
Bratton	Frazier	Long	Trammell
Brookhart	George	McGill	Tydings
Broussard	Glass	McNary	Vandenberg
Bulkley	Goldsborough	Moses	Wagner
Bulow	Harrison	Neely	Walcott
Capper	Hastings	Norbeck	Walsh, Mont.
Caraway	Hatfield	Norris	Watson
Carey	Hayden	Nye	Wheeler
Cohen	Hebert	Oddie	White
Connally	Hull	Reed	
Coolidge	Johnson	Robinson, Ark.	

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

Mr. HULL. Mr. President, the Nation and the world today face a critical industrial, financial, and general economic situation.

During the postwar period governments here and everywhere, and peoples here and everywhere, have been indulging in an orgy of fast living and overspending and other wild and riotous kinds of conduct, with the result that today all governmental agencies in all countries find themselves hopelessly overloaded with debt, overwhelmed with expenditures, and borne down with taxes.

At the same time we see an almost hopeless slump in prices of commodities and values of securities. They have reached a most amazing level, equal to that of common

bankruptcy. They have reached a level almost below the amount of the debts they are supposed to secure and lie behind. At the same time commerce has been correspondingly drying up, especially our international commerce. It is to-day below $20,000,000,000. It should be forty-eight and three-quarters billion dollars. The share of the United States should be three and one-third more billions in excess of what it is to-day.

Mr. President, the business of this Nation and of all nations is on an almost wholly artificial basis, due to every conceivable kind of restrictions and restraints and obstructions to commerce and to the most legitimate and profitable transfer of capital and goods and services across international boundaries. The amazing condition presents itself here to-day of our foreign trade being at a rate less than one-third of what it was before the panic broke in 1929 and is on a steadily diminishing basis.

We find, as a general result, unemployment on an unprecedented scale, unemployment of eight to ten million wage earners in this country, and of tens of millions in other countries, who, with their families, would aggregate between seventy-five and one hundred million human beings walking up and down this earth in idleness, without employment, without food, and with inadequate shelter. We find along with this general collapse of international credit, exchange, trade, and finance a general lowering of living standards among all peoples everywhere. We find the great agricultural population in most countries reduced almost to a state of peasantry, hopelessly overwhelmed with debt, with no possible market opportunities for their surpluses.

We find again, Mr. President, that during the past 8 to 12 years each nation, largely under American leadership, has undertaken very strictly to pursue what is well known and understood as the policy of living unto itself as nearly as may be humanly possible. This policy has had coupled with it the further policy of obstructing any and all economic relations with other countries which might be humanly possible to avoid. This at the same time has carried with it a domestic-tariff policy which has had as its primary purpose the artificial encouragement of the very maximum of production in every line of industry. This postwar policy under American initiative and American leadership was naturally followed by all the other important countries of the world, either through self-defense or through the example of influential American leadership.

There was no way, following the war, for America to avoid her responsibility as a leader, especially in the financial and economic affairs of the world. We were the most powerful and influential Nation with respect to the possession of gold and credit and natural resources and efficient productive plants, merchant marine, export trade, and a vast indebtedness due us from other governments. Nothing was more natural or more inevitable than that we occupied a more powerful and influential position of leadership in world economic affairs than any or all other countries combined, and there is no way by which we could or can shake off or evade that responsibility.

Mr. President, there were two courses we as a nation could have pursued. One was the course of urging every nation to live as nearly as possible unto itself. Notwithstanding the fact that we had become a great creditor and a great surplus-producing nation as a result of the war transition, we decided that we would pursue the policy of living strictly unto ourselves, or as nearly so as possible. That has meant, under the artificial stimulus of domestic industry, that our oil people, our coal people, and our copper people, and our zinc, our lead, our wheat, corn, oats, rye, and a long list of other surplus-producing industries, some with and some without tariffs, have equally accumulated vast undisposable surpluses. We find every important country, with industries of any consequence, laboring and groaning under enormous surpluses hopelessly dammed up by every conceivable sort of obstruction to commerce among nations. We find every important country hopelessly glutted with these vast surpluses.

Mr. President, that was not within itself the only disconcerting and disastrous phase of these unfortunate troubles which have overtaken this and other countries. The very moment the nations made it impossible to treat with each other, monetary instability began to appear. All the creditor nations having favorable trade balances demanded payment in gold, thereby draining debtor nations of their reserves, so that within a reasonable time our whole currency situation got out of balance; and it is still out of balance, with the result that in every country we see to-day every sort of artificial stimulants and nostrums proposed to deal with the currency and the credit and the deflated-commodity-price situation. The condition is indescribably chaotic as it relates to industrial, financial, and commercial affairs here and everywhere.

Mr. President, in the midst of all this serious situation, involving great fundamental problems, involving the task of this and other countries to analyze and ascertain the basic causes and prescribe basic remedies, with this tremendous task and responsibility pressing heavily upon us, we find some of our well-meaning friends, representing great international industries, industries whose commodities are bought and sold in all the markets of the world every day in the year, rushing down here to the Capitol and asking that all these real problems be shunted aside and placed in indefinite abeyance. They come here and ask us to suspend all business for an indefinite time, while they present themselves in the Capitol and ask for a tariff crutch or rolling chair, or some other imaginary assistance the need of which they have conjured up in their minds.

Here comes the giant oil industry, a great $12,000,000,000 business in this country, involving a natural resource which does not cost anybody a penny to create, a great industry which has had to its advantage during the past 10 years a favorable balance of exports in the huge amount of $3,600,000,000, coming here and complacently demanding that the peoples' representatives, the representatives of the American public, shall vote to this huge octopus—and I say that in no spirit of criticism—a special subsidy running up into the hundreds of millions of dollars, to be paid for largely by the 30,000,000 farm population, hopelessly prostrate, overwhelmed with debt, with commodity prices so low it does not pay to remove farm products from the farm; a demand also that the wage-earning population, which, with their families, aggregate sixty to seventy million, together with the agricultural population, shall bear the lion's share of this bald, unadulterated subsidy in the way of an increased price, under tariff shelter, above what the price to the farmer and wage earner would otherwise be.

The people's representatives, persons sworn to represent the American public, persons under oath to represent the American agricultural population and the average citizen, all citizens alike, with impartiality are asked to walk up here and vote this amazing special subsidy to the most powerful industry in the United States excepting the banking industry. In the name of God, Mr. President, I am wondering what the country is coming to if that is the highest level to which American statesmanship can rise in dealing with these vast fundamental panic conditions.

I want to glance back just a moment and see what really has occurred. This Nation had the opportunity during 10 years following the war, with the $17,000,000,000 which it was ready to loan abroad with which to pay for exports and develop new markets everywhere, with the $11,000,000,000 which had already been loaned to foreign nations during the war, with our tremendous surplus-producing capacity of $15,000,000,000 to $20,000,000,000 or $25,000,000,000, with by far the most efficient manufacturing plants in all the history of manufacturing, with a merchant marine, with every possible agency and equipment to arouse itself like a sleeping giant by labor and work everywhere, growing cotton, producing oil, producing automobiles ad libitum, and then as England did and as many other great commercial nations have done, as we have made these immense loans, as we have come in contact with other countries in

a thousand ways, when the fullest opportunity for establishing commercial contacts and developing unlimited markets, to the end that all our capital and our labor might be employed here at home in the most profitable manner.

Yet instead of taking that course, our leadership, not the leadership of any particular group, but a small segment of so-called business leadership, arrogating to itself the authority for speaking for all American business, elected to pursue that narrow and blind and selfish and utterly destructive course, for great creditor and surplus-reproducing nations, of neglecting or abandoning any real purpose to develop our international, commercial, and financial relations, with the result inevitably that we have fallen upon evil days.

When this panic broke, and it was a natural outcome whenever a country refuses to exchange surpluses with every other country, when every nation was indulging in futile and foolish attempts to create surpluses and push them out on other countries, but at the same time refusing to let any other country push its surplus back on it, even when it was mutually agreeable and profitable for it to be done—nothing was more inevitable that soon we would have a flood of production everywhere.

As soon as that occurred the manufacturers slowed down in their purchase of raw material. Then the price of raw materials began to fall. Then the purchasing power decreasing, the price of foodstuffs began to fall, and finally they experienced a decline of prices. That is what occurred during recent years.

The great speculative era in the stock markets in 1928 and 1929 was a symptom of this deep-seated disease which sooner or later would burst upon the world with all its devastating afflictions. The collapse in the stock market precipitated a world-wide dislocation of all prices and exchange and trade, and started the perpendicular fall of commodity prices.

Mr. President, just to indicate what had happened let me take another glance at some statistics. Here is a statement prepared by the Bureau of Economics, Department of Agriculture. It is headed "Foreign Tariffs and Other Restrictions of Imports of Agricultural Products." I wish to read a paragraph of it, and shall then ask permission to insert the balance in the RECORD:

> As the result of intensification of the spread of economic nationalism throughout the world since the war, there has been a great increase of trade barriers against imports of agriculture, as of other products.

Then they describe in some detail all the phases of high and still higher tariffs, of prohibitions of various kinds, of quotas, of government permits and licenses and pretended sanitary regulations, of enactments fixing minimum amounts that might be imported, and a long list of others, with the result that scarcely a more conclusive explanation of the tremendous slump in agricultural exports from this country could be offered than is set forth in this document.

Our friends who espouse the other and opposing economic course seem to have an idea that when we bring the agencies of Congress and other departments of Government into operation to shut out a few dollars of imports here and there which are trickling into the United States in the way of specialties or novelties or something of the sort, that we are accomplishing some sound and profitable economic purpose. And yet no economic truth is more patent than that whenever we to-day shut out one dollar of imports by these extreme obstructions which we are undertaking to erect from time to time we shut in at least $5 worth of automobiles and foodstuffs and machinery and other surpluses in all industrial and productive lines, including wheat and cotton.

What boots it if a few dollars' worth of oil comes in to some bay or some harbor or locally on the seaboard, if we are able in return to send out and sell five times that value in surplus cotton or wheat or automobiles or these other enormous surpluses which are binding down so heavily and almost hopelessly depressing our entire economic situation? Yet wherever and whenever on both oceans somebody finds where a few dollars of imports are trickling in, he catches the first train, or perhaps does not wait that long but gets on an airship, and comes through to Washington overnight in his haste to put up demands to the Federal Government by legislation to shut out these trivial imports.

What have we brought upon ourselves? I say to Senators that we may postpone the real causes of our panic trouble, we may attempt to shunt aside or push forward the basic cause that underlies a hopelessly chaotic condition, financially and commercially and industrially, that confronts this and other countries; but finally, tragic as it may be, enough additional millions of wage earners will be thrown into unemployment and enough additional farmers and business men will be driven into bankruptcy to finally compel politicians and statesmen everywhere to brush aside these minor, superficial, and temporary remedies with which we have been dealing for months and come down to a real consideration of the fundamentals of our industrial and economic situation as the postwar period has presented it.

It is little wonder that nothing substantial has been done thus far to relieve panic conditions. When the panic occurred in October, 1929, it was not recognized as a panic by the Hoover administration. It was treated as a gentle zephyr, a purely surface disturbance growing out of some speculation in the New York stock market that would soon blow over. The administration consumed a full year in diagnosing and in finally identifying the true nature and extent of this unprecedented panic. Naturally, in its devastating effects it had gone a long distance. But even then, Mr. President, there was no thought or purpose seriously to analyze the true cause and deal with it. The first step that was taken was the moratorium. That was to compose a little financial and business whirlwind that had started up in central and southeastern Europe, through fear that it might ultimately reach this country. That fear was well founded and illustrates one of five hundred methods by which this and other countries are hopelessly interdependent in an economic sense.

The moratorium was to compose the panic situation and remedy it, but instead it swept by with no tangible result except very momentarily. Following that was organized over here the bankers' pool, which was going to inspire confidence and deal adequately with this purely temporary and superficial business depression, as it was then called. The bankers' pool got nowhere. Then was started the railroad-corporation arrangement, and that got nowhere. Finally was taken up the Federal reconstruction finance remedy—not basically a remedy but a temporary first-aid proposition to restore confidence and keep some business concerns out of receiverships. That has not materially, in any general sense, affected the panic situation.

Then the Federal reserve system, finally, as a last effort to deal with the panic situation, entered upon a protracted period of open-market operations. So far that has not gotten anywhere in the way of affording tangible results of a widely beneficial nature.

Mr. President, we have been in the welter of this awful chaotic industrial and business panic for two and a half years. Not a semblance of the fundamentals of these conditions has been presented, and there is no plan or purpose or effort thus far, so far as I know, to present it; but, on the contrary, we sit here refusing the slightest international cooperation that would even be acceptable to the blindest isolationist who could be found in this country. We have kept entirely away upon the theory that we here by ourselves, by boot-strap methods alone, can lift this Nation up to that high level of commodity prices, to restored production, and to sound commercial and general business conditions that we have a right to expect of this great people, while all the other nations remain helpless and prostrate on a low plane of commodity prices and general business, and of collapsed exchanges, of unbalanced budgets, and crippled in every other financial and economic way, improvement in which is vital and indispensable to suitable recovery.

It is my judgment, Mr. President, that that is an impossibility. We can make some progress; we can make considerable progress in a temporary and more or less artificial manner, but nothing is more absurd than to say, "I can take my wheat over to the Chicago market and sell it to-

morrow morning without waiting until Liverpool is heard from," or "I can take my cotton to New Orleans and sell it without waiting until the market news is received from London."

Mr. President, commodity prices have been pulled down and held down to the world level in every instance where they are bought and sold in world markets and where they are produced on a surplus basis by any particular country. I desire to call attention to the facts, in order to illustrate where we have gotten after this long string of so-called remedies that have been set forth by the administration in charge of the Government. As an illustration for my friends who imagine that they can single out different surplus-producing industries and by the imposition of tariffs lift the prices up ad libitum, let me refer to wheat and sugar, on both of which tariff duties are imposed; to hides, having a tariff; to rubber, which has no tariff; to silk, which has no tariff; to cocoa, which has no tariff; to copper, which has no tariff; to zinc, which has a tariff; to silver and petroleum, which have no tariff protection. Those are 10 commodities of world use, many of which this country itself produces a surplus of. According to the index of wholesale prices, these 10 raw materials on May 16, 1932, had registered a new low all-time price level. Zinc, Mr. President, on which there has been a tariff from the time when the memory of man runneth not to the contrary, went to 2.38, an all-time low price. Whether we take hides or corn or wheat or oats or rye, zinc or lead, or any other products, of which a substantial surplus is produced and which are commodities of world use, no lesson has been more conclusively learned by intelligent fair-minded people everywhere than that such tariffs mean nothing, or practically nothing, but they do have this effect——

Mr. LONG. Mr. President——

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

Mr. HULL. I yield.

Mr. LONG. As I understand—and I recognize the Senator from Tennessee as being one of our leading Democratic torchbearers——

Mr. HULL. I am not entitled to that distinction, I will say to the Senator.

Mr. LONG. I myself fought under the banner that the Senator carried for a number of years. I desire to ask is the Senator standing against all tariffs?

Mr. HULL. I want to say to the Senator that I am expecting to discuss at some length the President's veto message as I proceed and I will deal exactly with that phase of the subject.

Mr. LONG. Inasmuch as the Senator mentioned oil, I thought possibly he was including that in his remarks. Perhaps I am out of place if the Senator is not discussing particularly the oil tariff, so I will not ask the question I had in mind.

Mr. HULL. Mr. President, the interruption of the Senator was very timely because it reminded me of the terrifically destructive effect of useless tariffs and trade obstructions. When we run up our tariffs, whether they are effective or not, most of the other nations of the world immediately, either through retaliation or our leadership, proceed to run their tariffs up even higher, with the result that to-day the nations of the world are hopelessly bound up and tied down with every sort of restrictions and restraints upon trade and commerce, and with all kinds of retaliatory and reprisal agencies that it has been possible to conjure up and place in operation.

Mr. LONG. Mr. President, will the Senator yield to me just for a question?

Mr. HULL. Yes.

Mr. LONG. I am not disputing, for the sake of argument, at least, that perhaps it might not be advisable in some instances or in many instances to bring about reductions in tariffs, but the question I wish to ask is does the Senator believe that the few industries which have no tariff should have none at all while all other tariffs remain, or should the industries which now have no tariffs not have some?

Mr. HULL. If the Senator will wait until I reach the discussion of the pending bill, I will come to that. I am trying to deal with some general conditions and policies. In other words, Mr. President, as I stated at the outset I am, perhaps vainly, trying to attract the attention of some of my colleagues to the basic conditions which the panic presents, in the hope that I may then enlist their cooperation in working out basic remedies, instead of and in lieu of this long list of purely temporary and artificial and makeshift first-aid remedies which have been put in operation and which I have recited in some detail.

For instance, take the price of corn on which there is a tariff of 25 cents a bushel and which is a world-wide commodity. On the farms on April 15, 1932, it was selling for 31.4 cents a bushel. The price of wheat was 43.1 cents a bushel, with a tariff of 42 cents a bushel upon it. The price of eggs has gone down to 10.2 cents; the price of chickens has gone down to 12.6 cents; the price of butter, with 14 cents a pound tariff, has gone down to 20.1 cents, which is the lowest price for butter in 25 years. Hogs in Chicago are selling as low as 3.53 cents a pound which is the lowest price in 30 years. Hides are down to 5¾ cents, 56 per cent off from 1929, and oats just a few months ago were down to 11 cents on the farm.

I merely mention these commodities, Mr. President. I am not attempting to make a tariff argument here with respect to any particular commodity, but I am seeking to impress in the minds of my colleagues, to the extent of my small ability, the fact that in ninety-nine cases out of a hundred the commodities of world use that are produced on a substantial exporting basis by a nation, especially if it is a great creditor nation like ours, can not hope to secure any tangible or certain tariff benefits.

Mr. TYDINGS. Mr. President——

Mr. HULL. I yield to the Senator from Maryland.

Mr. TYDINGS. I do not want to interrupt the Senator——

Mr. HULL. It is no interruption.

Mr. TYDINGS. But something has just come into my hand in line with what the Senator has been saying, and I thought, if he is familiar with it, that he would welcome the interruption. It is only under the circumstances that I venture to interrupt his very logical and fine address. As the Senator knows, hearings are now being held by the Committee on Ways and Means of the House of Representatives, and on May 16 a communication was sent to the Committee on Ways and Means. Has the Senator mentioned that?

Mr. HULL. I have not done so as yet.

Mr. TYDINGS. Is the Senator going to do so?

Mr. HULL. I am expecting to mention it.

Mr. TYDINGS. If the Senator is going to deal with it, I will not inject it at this point.

Mr. HULL. I will be very glad if the Senator will read it when I get a little farther along in my address.

Mr. TYDINGS. I will be glad to do so.

Mr. COSTIGAN. Mr. President, will the Senator from Tennessee yield?

Mr. HULL. With pleasure.

Mr. COSTIGAN. It is true, is it not, that the tariff retaliation to which the able Senator from Tennessee has referred has been particularly pronounced since the enactment of the tariff act of 1930?

Mr. HULL. That is undoubtedly true. It has become more aggravated from month to month. The tariff act referred to has proven utterly disastrous to our trade as well as to our relationship with other countries. The truth is that American trade has almost been outlawed. Even our cousins across the water and our neighbors just to the north of us are soon assembling at Ottawa, with all the other great autonomous countries composing the British Empire, which have been such wonderful customers of this country, in a spirit of deep-seated feeling and resentment at the overt injury inflicted upon them by this country through wholly unnecessary economic policies.

Mr. COSTIGAN. We are, therefore, in a position in which any action we may take on the tariff should be con-

sidered with exceptional care if we are concerned over the agricultural, industrial, and commercial recovery of the United States.

Mr. HULL. There is not the slightest doubt about the accuracy and the timeliness of that view. I say, Mr. President, that it is tragical that the President of the United States saw fit to interpose his veto of the tariff bill passed by the two Houses of Congress during the present session. I am still more surprised to observe the so-called reasons on which the President rests his disapproval of that measure. In the first place, with all due respect to the high office he holds, he proceeds to indulge in utter sophistry by making a statement like this:

> My first objection to the bill is the misimpression and uncertainty it may convey as to its purpose. If the purpose of the proponents of this act is to secure lower tariffs on the 35 per cent of our imports which are not on the free list—

And so forth, and so forth. The idea conveyed is that our present tariff system lets into this country a great flood of imports that ordinarily would be extremely damaging and ordinarily would submerge almost all of our industries here at home but that we are able to resist them and that the wicked Democrats in Congress are disposed to let down the bars as to this little remnant of 35 per cent of imports that now are subject to duty.

Mr. President, that, of course, is not understood by the average layman; but the best answer that can be easily understood is that if the present skyscraping rates of tariffs had been made just a little bit higher on the 35 per cent of dutiable imports now coming in, even most of them would have been obstructed and shut out, with the result that instead of 65 per cent of free imports we would have to-day perhaps 99 per cent. In other words, it is just as easy to prescribe prohibitive tariff walls as to 99 per cent of the competitive imports, leaving all those we do not produce in this country free to come in, and call that an immense concession in tariff making, as it is to pursue the other policy; and there is the wholly misleading phase of the President's statement.

For instance, in 1928 the free crude materials brought in here were $1,220,000,000. The dutiable ones were $244,000,000. We brought in raw silk and rubber and hides and petroleum that were not dutiable, and we brought in some tobacco and some wool, of which we did not produce enough here at home, and some precious stones that we did not produce at all at home, and some oil seed that we did not produce in sufficient quantity, comprising most of the $244,000,000 of dutiable commodities, in contrast with the silk and rubber and other importations that are not produced at all in this country. Yet these figures are taken up and switched around in such a way as most unfairly and inaccurately to make it appear that there is some significance in the mere naked, unexplained statement that only 35 per cent of our imports are dutiable.

Of course, so long as we import a vast amount of rubber, silk, tin, coffee, tea, cocoa, and other commodities that we do not produce, and maintain virtual embargo tariffs on all commodities even remotely or speculatively competitive, it is inevitable that there would be 35 per cent or less of scattering and sporadic items filtering into this country. So that is an argument and a condition entirely the reverse of what the President was indicating.

I might follow this through in the case of free crude materials to the amount of $431,000,000, including bananas, coffee, tea, and these other commodities we do not produce, while there is only $118,000,000 dutiable, and it included things of which we do not produce enough as a rule; and so on through the list which I will not consume the time of the Senate to read.

The second point the President makes is as to tariff protection. He says:

> As a matter of fact there never has been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present.

What in the world will be announced next from the White House? That sentence by itself was an impertinence in this sort of a state paper, which, I must say, contains more of sophistry and more of misstatement than any state paper since 1789. This sounds more like a fat-frying veto than a veto based on any sort of economic consideration. It sounds as if an election was approaching and an appeal to the pocketbooks of the chief tariff beneficiaries might be advisable.

Who is in more need of tariffs in this country than ever before? Is it the automobile people—one of the greatest industries in the Nation, shipping and selling their machines in every part of the world until world tariffs in retaliation shut them out and forced them back here at home, where the industry lies almost prostrate?

Is it the wheat industry? We have a duty of 42 cents a bushel on wheat, and we are selling our surplus abroad and taking our chances.

Is it the machinery industry, which had been accustomed to selling in 55 nations, until they were shut out by trade obstructions, largely in retaliation for our own conduct?

Is it the fountain-pen manufacturers?

Is it any of the adding-machine people?

Is it the great cotton textile industry, which is selling its fabrics in 60 nations of the world?

Is it the machine-tool industry, exporting everywhere, that is needing tariffs?

In other words, upon what possible theory did the President conjure up a notion that this country to-day was never in such need of tariffs? The truth is that we have to-day a wall that is higher by far than any known to the fiscal history of this Government. Nearly 80 per cent of the customs duties to-day are derived from tariff items that carry an average rate of at least 60 to 65 per cent at the customhouse.

Here is the flax and hemp schedule, which averages over 50 per cent.

Here is the cotton textile schedule, which averages 58 per cent.

Here is the silk schedule, which averages 70 per cent; the woolen schedule, which averages 71 per cent; and a long list of others, all of them up in those high ranges never before equaled in this country.

Why, you would think that a great, uncontrollable flood of imports of textiles, iron, steel, agricultural, and all other competitive products was pouring into this Nation and largely responsible for the awful conditions that afflict the American public. Yet I call attention to the fact that the imports for April, 1932, were only $127,000,000, or less than one-third of the imports for 1927 or 1928 or 1929.

Some one suggests, however, that there is a difference in values and not such a great difference in the quantity of these imports. That gives me the opportunity to impress upon Senators the fact that the American producer is interested in prices rather than quantities. It matters not to the American producer about quantities, as is so well illustrated by the present vast surplus on his hands. It is the price that interests the American producer, whether it be an import or an export, or any other phase of our economic situation that is involved.

Our exports, on the other hand, as I have indicated, are now running at the rate of $1,632,000,000 a year, compared with almost four times that amount in a number of former years.

The President insists that we should direct our attention to more tariffs, notwithstanding this situation; and, as the Senator from Maryland [Mr. TYDINGS] very timely suggested, the President is contradicted in his view by the report of the Tariff Commission on the effect of depreciated currencies abroad as they relate to imports into this country. They reported that no additional tariffs such as were being proposed over in the House were either necessary or advisable. So that pretext for blind and sweeping tariff increases on this account has been eliminated by the action of the Tariff Commission itself.

The President goes farther and refers to the retention of the flexible tariff clause. At the time this clause was enacted I called attention in a speech in the House to the significance

of this flexible-tariff policy and the effect of the proposed enactment of the present law in the following language:

I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic king.

Mr. President, unless and until the executive department can make permanent the policy of the present Tariff Commission law, with its flexible provision, Congress can lay claim to some semblance of its taxing power under the Constitution, but I deny the right of the executive department practically to assume, to arrogate to itself the chief power of tariff taxation in this country, while it ignores the great law-making body charged with that function and duty under the language of the Constitution.

The President dismisses this entire industrial and domestic trade situation, as it relates to tariffs, by the flippant remark that the Tariff Commission, through the operation of the flexible provision, will be amply able to raise or lower a tariff in response to all the sound needs and demands of industry and commerce in this country, both domestic and international.

There is an issue sharply presented as to whether this hand-picked high-tariff commission, under the domination of the President, who, at the same time, shows an amazing subserviency to the chief tariff beneficiaries of this country, shall be vested with the chief control of tariff making. I am opposed to it, and I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and wholly unjustifiable arrogation of power and authority to the President.

He proceeds a little farther by the Smoot-Hawley Act; and I want to say that if I had my way, I would offer a bill to abolish the present rather partisan Tariff Commission and seek the installment of a broad, impartial, fact-finding organization. I would repeal the flexible provision and restore to the Congress its rightful authority in tariff making.

That would include a somewhat different or modified formula from that which our Republican friends have pretended to utilize for more than a generation. They have sought, and some of our Democratic friends have been more or less misled, by that limited and narrow and wholly inefficient formula called the difference in the costs of production at home and abroad.

The truth was that our Republican friends in charge of the Government did not permit any yardstick for tariff measurement until they were kicked and driven into it in 1904, and then they casually threw out this idea about the difference between the costs of production here and abroad. They used that with different variations, not in actual practice but merely for campaign purposes, for a number of years. They finally abandoned it for a time, but more recently they have fallen back to the pretended observance of that plan.

The truth is that the difference in costs of production here and abroad is just one factor of several vital, governing, controlling facts and factors in ascertaining the relative competitive strength of different countries. Not only that, but there is no earthly way, as a rule, to determine the facts as to the differences in production costs here and abroad. That has been tried out in vain, with a result that we see our Republican friends brushing aside tariff commissions and fact-finding agencies, as when they drafted and enacted the Fordney-McCumber tariff law. We see them brushing aside and ignoring so-called fact-finding agencies which would develop differences in production costs, as when they drafted and enacted the Smoot-Hawley law, and again when they insert one of the provisions of the pending bill.

The truth is, Mr. President, that we should have due regard for all pertinent facts and factors, and not depend upon the impossible proposition of ascertaining the costs of production here and abroad.

I notice in the report of the present Tariff Commission that in nearly every one of the last bunch of reports they made to the President recommending increases in several instances, they bluntly stated that it was not expedient or convenient to ascertain the foreign costs, so they availed themselves of this new provision of the Smoot-Hawley tariff law, to take the invoice prices here at home and infer foreign costs. The result is that they can hire a bunch of clerks to glance at the invoice prices of a thousand commodities in a week, and infer the foreign costs, and make recommendations to the President. That is the slipshod manner I fear in which this commission is largely functioning.

Mr. President, some people imagine that we can have really scientific tariff revision by merely installing a commission here and taking the tariff segment by segment, or schedule by schedule, and placing it on a high and scientific level of revision. But I say, Mr. President, that that is not the governing question in connection with the whole problem of dealing with tariffs and tariff making. The real question goes farther back than that. The question is whether a political party in charge of the Government receives substantial campaign contributions from the tariff beneficiaries. Whenever it is permitted to receive such contributions, those beneficiaries sweep down here on Washington, and brush aside, and kick aside, if necessary, all agencies or obstructions, and write their own embargo rates.

There will be no sound or wholesome tariff legislation in this country until a divorce is effected between politics and vested interests, and we have been sitting here all winter and all spring talking about the superficial and temporary palliatives, and about how the Tariff Commission might function, about scientific tariff revision, but this, the real seat of the trouble has scarcely been mentioned, if at all. That presents one of the real issues in connection with the President's veto message.

Some of our Democratic and Republican friends imagine we are living 50, 75, or 100 years ago, when the academic question of whether one stands for an ultra high tariff or for moderate tariff or for revenue tariff or for free-trade tariff would become pertinent and timely. The truth is that at this stage of development of our commerce and our tariff and our politics, the chief beneficiaries have a strangle hold on the dominant forces in the Republican Party, and they come here as stated and write their own prohibitive tariffs. The question and the task for those who favor moderate tariffs instead of high and still higher tariffs from year to year is to organize themselves together, whether they be moderate protectionists, or tariff-for-revenue advocates, or free-trade advocates, and make the common fight on this condition to which I have referred. Until they succeed in divorcing and separating the chief beneficiaries of this phase of special privilege and that branch of politics in control of the Government, no other step can be successfully taken. It is idle and futile to talk about any other step.

Mr. President, I was greatly surprised to see President Hoover take issue with our proposal for an international conference on the economic situation. I was also surprised to see him take issue on the plain and reasonable proposal for reciprocal commercial treaties based on mutual tariff concessions.

Mr. President, these three methods of approaching this complicated domestic and international tariff and trade situation have been thoroughly established and approved by all of the ablest and most disinterested economic authorities in every important country.

The President undertakes to make a wholly erroneous impression that the international conference proposed in the vetoed bill is intended to usurp some of the tariff-making power of this Nation. Nothing is more absurd than that

intimation. Nothing was farther from the minds of the Members of Congress in dealing with that matter.

I wish for just a moment to call attention to what was really in the minds of those who were in charge of that measure. Speaking of these three proposals embodied in the tariff bill which the President vetoed, in a recent speech I said this:

The first proposal to this end is for legislation authorizing a permanent world economic conference called by the President, the action of which, more than any other first step, would restore confidence and credit, such conference having for its purposes the development of a spirit of simultaneous tariff revision downward, and liberal commercial policy, mutual agreements eliminating many discriminations in commerce, unshackling international finance, credit and exchange, and liberalizing the network of reprisals, prohibitions, embargoes, and other restraints which accompany the policy of superprotection.

Second, legislation authorizing the President to negotiate trade agreements based upon mutual tariff concessions and the unconditional most-favored-nation doctrine.

Third, that the American Congress, with the legislative bodies of other countries acting as nearly in concert as they will, should, according to their own separate and independent judgments, proceed with all necessary preliminary preparations, with the aid on the part of our Congress of an impartial fact-finding commission, for the careful and gradual readjustment downward of existing excessive tariffs with a level of moderate rates that will not permit conditions of domestic price monopoly, and a liberal, fair, and friendly commercial policy as the ultimate objectives. This broad policy would, in addition to impregnable home markets, insure wider and better foreign markets for our surplus, healthier domestic industry, and regular employment at suitable wages for all of our labor. I myself would reorganize the present tariff commission, repeal the flexible clause, and adopt a more modified formula for assembling all the facts and factors relating to competitive strength here and elsewhere.

There, Mr. President, is a frank statement of the purely innocent scope and purpose of the international conference proposed in this recent enactment.

All the nations of the world are afflicted with many conditions in common. All have experienced a common falling of commodity prices. All have experienced alike a collapse of credit and undue restrictions of the exchange situation, a hopelessly dislocated financial condition, with resulting monetary instability. All the nations are equally interested in restoring the structure of international trade, now prostrate. All are interested in bringing back to a higher level the commodity price situation. Yet, Mr. President, while every respectable business man and economic authority in the world to-day agrees that the controlling causes of this panic have now extended themselves to every important country, and that the necessity for some degree of cooperation is patent to every intelligent person, if we are to make satisfactory progress back to a stable and sound business recovery, the President flippantly and carelessly and recklessly vetoes this proposition, upon the absurd suggestion that the international economic conference would interfere with our domestic tariff policy.

Why, Mr. President, after all countries under our leadership have raised their tariffs to such heights that they have choked international trade down to its knees, some step to check this constant increase upward is necessary. No plan would be more practical than that of concerted action among all the countries of any importance to the end that they may, as nearly simultaneously as possible, through their domestic parliaments revise tariffs downward in the direction of a moderate level and to the end that the nations of the world may by mutual agreement eliminate many of the retaliatory and unfair trade methods and trade practices which are so conducive to trade strife and declarations of economic war. Of course, we could not get all of them to meet in a 40-acre lot to conduct negotiations to revise tariffs. Who would have thought of such a suggestion except some advisor of the President?

We propose bilateral treaties or treaties negotiated between two countries to revise tariffs downward in a spirit of mutual concession. If after a nation should negotiate half a dozen or more with other nations, they should all meet together and see fit to merge them into a multilateral treaty, and it was mutually acceptable in every way, they might do that. But that is as near as the President's sweeping condemnation of this provision comes to the truth. No American citizen could reasonably take exception upon the ground that it remotely interferes with the fullest prerogatives of the American Government and the American Congress.

Mr. President, I predict—and I call each Senator to witness this prediction, which is a thing I do not often indulge in—that the present indescribable conditions of panic which are causing such acute distress and suffering throughout the Nation and throughout the world will grow fundamentally worse and will be utterly impossible of successful treatment until the heads of the enlightened commercial nations of the world come together in an economic conference to consider these joint and irrevocably interrelated and intertwined credit and financial and exchange and trade conditions, which include the collapse of the commodity-price situation, which include the unstable monetary situation, and a number of other vitally complex and almost insoluble financial and economic problems which have the nations of the world chained down under the awful effect of this accumulation and culmination of unsound financial and economic practices and methods over recent years.

We may postpone the day by diverting our attention to these temporary palliatives, as I have said, by regaling ourselves with tariff proposals for every Tom, Dick, and Harry who feels himself aggrieved and hurries on to Washington for relief. We may regale ourselves by further temporary tonics, such as those which have been suggested as first-aid treatments in the past. But in the end this surplus-producing and creditor nation will be driven and kicked into the position of responding to the unerring economic law that applies to the postwar economic condtions which came to it, whether we would have them do so or not.

I am speaking as loudly to the American people as one humble individual in this body could undertake to speak when I warn the 30,000,000 farm population, when I warn the 28,000,000 wage earners and their families, when I warn every legitimate business man in the country that unless they kick and club politicians into a consideration of the basic problems and the basic remedies, we are doomed to flounder along from bad to worse.

Mr. President, another portion of this veto related to the timely and perfectly wholesome and innocent proposal for reciprocal commercial agreements based on mutual tariff concessions. We have had commercial treaties in the past, but the President brushes the entire matter aside with the suggestion that they have not been altogether successful. The truth is that the President makes a wholly one-sided construction of the proposal. He arbitrarily assumes that the bill proposes reciprocal commercial treaties based on the conditional instead of the unconditional favored-nation doctrine.

The truth is the matter was left entirely open. The Government to-day and since 1923 has been pretending to pursue the unconditional favored-nation doctrine in all its commercial relations and practices with other countries. So instead of raising any controversy, our bill simply inserted the authority to negotiate commercial treaties, leaving to the executive department the function of negotiating them on the unconditinal or the conditional favored-nation basis as it saw fit, but we assumed it would be upon the present policy of the Government which rests on the favored-nation doctrine in its unconditional form.

In the face of that fact the bill is sent back to us with a careless and what appears to me to be a reckless veto, with the wholly unfounded assumption that the bill only contemplated treaties based on the conditional favored-nation policy. That is about as accurate as the other objections and the other constructions placed upon the measure by our distinguished President.

Mr. President, this Nation is not in a position longer to pursue archaic and antiquated pre-war economic policies. The most fatal mistake of our leadership was in failing to interpret, as I said on a former occasion, the wholly transformed economic conditions which followed the World War, and apply sound and wholesome modernized policies to them.

Some of our friends discuss all these tariff policies as though we were still back in the pre-war period. I desire to reaffirm the statement that I might not heretofore have made as fully as I intended to the effect that the first issue which presents itself to-day is whether the forces opposed to this policy of skyscraping tariffs, constantly increased at the expense and under the direction of the beneficiaries themselves, shall be checked, and this Nation, leading all others, face back in the opposite direction. All opponents, regardless of their various tariff views, can with utmost consistency unite and wage this fight until the movement is checked and a reasonable revision is made back to a level of moderation. Then will be ample time for individuals of the opposition to get together and indulge in hairsplitting discussions as to their various shades of tariff notions. Then will be a still further change in our economic situation and ample time will be offered. But to-day, in my judgment, no person who believes in moderate protection or tariff for revenue or free trade or in any other shade of tariff economies than these impossibly high embargo levels can escape the responsibility to unite and let this fight be waged.

Mr. President, the present pending proposal, as I said a while ago, relates to more international commodities.

The projection of proposals at this time for tariffs on oil, which, of course, will increase prices so far as oil is concerned, if seriously intended by its proponents, I think is subject to genuine criticism. I have the greatest respect for every Senator on this floor and for his intellectual views, and never so long as I remain here would I intentionally impugn anyone's motives or question his fullest right and privilege to think and act and vote as his judgment might suggest. But, Mr. President, there has been a peculiar phase connected with this pending measure as it relates to its subject matter. I can not escape the suspicion that the Hoover administration is really as much or more concerned to bring about a disruption and a rift in the Democratic Party here in Congress than it is to secure what purports to be urgent relief for the Treasury; and yet that seems incredible, for the administration has seen develop the greatest deficit in the peace-time history of any nation. It has seen the credit of the Government strained almost to the breaking point, with bonds down as low as 86. So it does appear incredible, on the one hand, that the administration would not be placing the speedy enactment of this internal revenue bill as it relates to internal-revenue taxes proper before all other considerations and wish to see it pass through the Congress with the utmost dispatch in order to save the credit of the Government. Yet I see the administration suggest on the one hand that both public and private credit requires speedy passage of this internal-revenue measure, and then, upon the other hand, I see the administration sit still and remain mute while its spokesmen in this Congress, headed by the distinguished Senator from Utah [Mr. SMOOT], are swift to aid in projecting and in injecting these wholly outside, extraneous, trouble-breeding, controversial tariff items which are intended still further to obstruct international trade and thereby depress our business situation and our credit situation.

I am bewildered in my efforts to fathom the real state of mind and the real purpose of those who are cooperating behind my colleagues here in diverting attention from the passage of this internal-revenue measure, for a more or less indefinite time, while we enjoy the delectable spectacle of tariff trading, logrolling, trafficking, and wirepulling in a manner that would not do any particular credit to a county court or to the lowest branch of some local legislative body.

I am wondering, Mr. President, after the Democrats have given their full cooperation during this period of stress at the Treasury and in every part of the Nation, why those in charge of and responsible for this awful Treasury deficit condition are willing to undertake to project strife and division into the Democratic Party instead of expressing some appreciation of the cooperation we were giving in our efforts to help them speed through this urgent tax bill. I have never seen such far-fetched efforts to conceal the real nature of a tariff transaction. In the first place, these tariff items are called tax items. That is the first time I ever heard Republicans call a tariff a tax. We have gotten that much of a concession.

Mr. GEORGE. Mr. President——

The PRESIDENT pro tempore. Will the Senator from Tennessee yield to the Senator from Georgia?

Mr. HULL. I yield.

Mr. GEORGE. If I may be permitted to interrupt the Senator on that point, I desire to say that some of our Republican friends from the New England coast objected to this oil tax in the House of Representatives upon the novel ground that it would raise the price of the commodity as well as on the ground of its being called a tax.

Mr. HULL. We are rapidly being driven to a reexamination of tariff, trade, and other economic policies. If the Democratic Party does not organize itself behind a policy of moderation, one that will oppose the present policy of the extremist, and does not fight for it, I predict that our New England Republican friends and other Republican friends throughout the country will be driven to adopt the Democratic policy of moderation and liberal trade methods within the next five years.

We hear some of our good Democratic friends going about talking about the oil "excise tax." That, of course, is a misnomer, and everybody knows it is a misnomer. And the great Senator from Utah rose solemnly in his seat on yesterday to echo the phrase "an excise tax on oil," and fished out of his pocket some imaginary or real or some sort of cooked-up figures which purported to come from some unauthorized agency showing estimates of revenue to be derived. The Senator from Utah presided over the Committee on Finance, but at no time to my knowledge did he divulge these belated figures that some subordinate at the Tariff Commission must have prepared. None of the members of the committee, so far as I know, were made acquainted with the existence of any figures except what the Treasury itself O. K'd and those figures placed this collection of tariff items on a virtually embargo basis.

That is what I complain of, Mr. President. This is largely an embargo proposition. A 20 per cent tax on some commodities at the customhouse is just as much an embargo as a 200 per cent tax on certain other commodities. I object to having embargo tariff items placed in this emergency revenue bill. And when, after the Treasury had consulted the ablest expert on minerals in the Commerce Department and secured his estimate, which showed a possible revenue of $5,000,000—which is a mere nominal amount for oil imports—and the Treasury approved it and the Senator from Utah, as chairman of the committee, signed his name to the committee report approving it, I become suspicious of the political side of this situation. For some unexplained and unexplainable reason the distinguished Senator from Utah suddenly projected himself into the discussion here yesterday afternoon and amazed all of us who were in the dark about the matter by bringing out a mass of so-called estimates from some utterly unauthorized source.

Mr. SMOOT. Mr. President——

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

Mr. HULL. I yield.

Mr. SMOOT. The Senator has referred to some political side of this question and has also made reference to me. I am perfectly unfamiliar with any such thing, and do not know what he is driving at. I will wait until I see just what he has said before making any reply.

Mr. HULL. Mr. President, I ask permission to have printed in the RECORD certain documents which I have here relating to international trade restrictions and other phases of international commercial practices.

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

The documents referred to are as follows:

FOREIGN TARIFFS AND OTHER RESTRICTIONS ON IMPORTS OF AGRICULTURAL PRODUCTS

Foreign government restrictions on imports of agricultural products are so numerous and so varied in type that it is possible

in a memorandum on the subject only to indicate some of the main types and to give illustrations intended to convey some qualitative idea of their nature and extent. The most important forms of restrictions are: (1) Protective tariffs; (2) prohibitions, import contingents or quotas, and government permits or licenses; (3) government importing or trading monopolies which follow a protective purchasing policy; and (4) legal enactments fixing minimum percentages of home-produced material to be used in domestic manufacture. All of these measures are designed either directly or indirectly to raise the domestic price by restricting the imported supply available in the home market, and they may be employed either singly or in combination to that end. Moreover, there are many restrictions of an indirect character whose effect, if not purpose, is to afford economic protection to domestic industry. Rules and standards regarding the method of packing, character of containers, etc., can be so formulated as to hamper or prevent importation. Sanitary regulations and quarantines can be imposed partially with a view to conferring economic protection. Commercial laws can be so drawn as to make difficult the operations of foreign importing firms and their representatives within the country. These, however, are but a few of the many possible devices that can be employed to restrict imports.

As a result of the intensification of the spirit of economic nationalism throughout the world since the war, there has been a great increase of trade barriers against imports of agricultural, as of other products. The creation of new states in Europe, together with a desire on the part of the older countries to strengthen their domestic agriculture as a means of promoting economic self-sufficiency, had already led to the restoration of high trade barriers before the present world crisis in agriculture. Immediately after the war there had been a brief period during which the severe war-time restrictions on trade in agricultural products in Europe were abated somewhat by reason of the emergency requirements of countries which had not yet had time to reorganize their domestic economy in the light of the drastic changes wrought by the war. This period had later been followed by one of increased protection to agricultural producers; but until the present international crisis developed this protection had for the most part taken the form of tariff increases, which nevertheless did not raise agricultural tariff levels much above those which had prevailed prior to the war.

The collapse of world prices in 1929 gave a new impetus to restriction. Within the past two years a great variety of protective measures for the purpose of relieving agriculture have come into existence throughout the world. In nearly all countries there have been marked increases in the duties on agricultural products. In Germany, to take an outstanding example, the policy of agrarian protectionism had probably been carried farther than in any other European country. Several times since the summer of 1929 the German import duties on cereals, meats, and other farm products have been increased, the German Government even having gone so far as to renounce some of its commercial treaties in order to do so. At the present time (April, 1931) a Government bill for still further drastic increases in the German duties on agricultural products is pending. Germany has not stopped, however, with tariff duties. Along with many other countries, she has been employing more direct methods of restriction of imports, of which more will be said in a moment. What has happened in Germany is roughly typical of what has occurred in many other countries. France, Italy, Switzerland, Poland, the Danubian States, Spain, Portugal, Canada, Chile, and Mexico, not to mention the United States and a number of other countries (including even Cuba, which is now attempting to diversify her agriculture), have all been increasing their tariffs on agricultural products; and most of them have also been employing other restrictive measures as well.

Perhaps the best rough indication of the tariff trend is to be had by reference to a single commodity of wide production and consumption, such as wheat. Since January, 1930, the German duty on wheat has been increased six times, having risen from 48.62 cents to $1.62 a bushel. Since July, 1925, the Italian duty has been increased from 39.4 cents to 86.67 cents a bushel. In January, 1927, the French duty was 19.56 cents a bushel. By May, 1929, it had been increased to 53.34 cents; and in May, 1930, it was further increased to 85.35 cents. Between January, 1930, and January, 1931, Greece increased her rate on wheat from 40 cents to 60 cents a bushel; Canada, from 12 cents to 35 cents; and Mexico, from 66 cents to 90 cents. As regards other cereals the story has been similar.

Some countries, such as Czechoslovakia, Austria, Sweden, New Zealand, and Chile, have resorted to sliding-scale tariffs on grain, which are graduated according to the price level, the duty being highest when the price is lowest, and vice versa. One country, Bolivia, has adopted a system of graduation only in one direction, namely, upward. A recent Bolivian law provides that the amount of the duty shall be increased annually over a period of years, at the end of which time importation is prohibited. Another country, Mexico, has made much shorter shrift of the matter. In March, 1931, Mexico placed complete prohibitions on imports of wheat and corn as a quarantine measure against introduction of certain plant diseases into the country.

An outstanding feature of the recent outcropping of new restrictive measures on imports is the marked importance which they have assumed in comparison with the older and more familiar device of tariff duties. Among these newer expedients, one of the most important has been the prescribing of the minimum percentage of the domestic product which shall be used in domestic manufacture. This device has been applied for the most part in connection with cereals. Some 10 or a dozen countries have enacted legislation stipulating the minimum percentage of domestic wheat or rye to be mixed with the imported product in milling. In August, 1929, for example, Germany fixed the ratio of domestic wheat to be used at 30 per cent. By July, 1930, she had increased it to 80 per cent, at which point it remained until January, 1931. A recent decision reduces the ratio to 75 per cent for February and March, 1931; to 65 per cent for April and May; and to 50 per cent for June and July. Other countries employing this device, together with the ratios which were in effect for wheat and/or rye, as of the latest date available, follow: Sweden, 80 for wheat and 95 for rye (millers maintaining a minimum price level for domestic grain, however, need use only 70 and 85 per cent, respectively); Czechoslovakia, 75 for wheat and 95 for rye; Latvia, 50 for wheat and 80 for rye; France, 90 for wheat; Peru, 30 for wheat; Estonia, 50 for rye; Greece, 10 for wheat. In the Netherlands a wheat bill is apparently about to become a law which, among other things, require that no less than 25 per cent of the wheat milled shall be domestic. On the whole, these milling regulations, in combination with other restrictive measures, have been very effective in maintaining domestic prices above the world level.

In many countries direct price fixing is practiced. As a rule, where this is the case the government exercises a monopoly over the grain trade. Price fixing, of course, rests in part upon regulation of imports, and the devices employed to this end have included not only tariffs and milling regulations, as indicated above, but other measures as well, such as licensing systems, quotas, or other forms of direct restriction. Switzerland, for example, through a grain-control board, fixes each year the amount of the added price to be paid for domestic as compared with foreign wheat and meets this fiscal burden through a small tax on other imports into the country. The Government requires that millers grinding imported wheat must purchase a stipulated portion of domestic wheat. Importation of flour, except by the Government, is prohibited. In Norway all trade in grain is handled by Government monopoly. The Government guarantees fixed prices for all domestic grain and directly limits imports in such manner as to maintain the price guaranty. In Estonia and Latvia a substantially similar system of price fixing, supported by rigid Government control of imports, is in effect.

In Sweden a price-fixing régime accompanied by control of milling quotas and by other protective legislation has been in operation since June, 1930. For a time it was based on a voluntary cooperative arrangement between the Ministry of Agriculture and the millers, under which the latter agreed that 45 per cent of all wheat and 50 per cent of all rye milled should be Swedish and that guaranteed minimum prices should be paid to Swedish grain farmers. From September, 1930, by the action of the state cereals commission, this arrangement became compulsory, except, of course, that there were subsequent changes in the milling ratios. Under the new arrangement the millers were to maintain, up to August 1, 1931, a guaranteed minimum price for domestic grain, the price being graduated upward each succeeding month in order to discourage congested marketing of grain at harvest time. Under this guaranty, prices rose to a maximum, at the end of the period, of $1.51 a bushel for wheat, and $1.20 a bushel for rye.

In Spain admission of all wheat and flour of foreign origin is prohibited so long as the price of domestic wheat does not rise above 53 pesetas per 100 kilos (equivalent at current exchange rates as of April, 1931, to $1.59 a bushel) during the period of one month. Thereafter imports may be brought in only with the consent of the Council of Ministers, after a report by the Minister of National Economy. With this legislation as a support, the Government on June 20, 1930, fixed minimum prices of first-grade wheat at from 46 to 48 pesetas (equivalent, at present exchange rates, to from $1.38 to $1.44 a bushel) and the maximum price at 53 pesetas per 100 kilos ($1.59 a bushel at present exchange rates).

In South Africa there is a cooperative arrangement between the Government and the millers, by which the wheat growers are guaranteed a minimum price for their product. Under the wheat importation restriction act of March 11, 1930, the Minister of Finance was authorized to prohibit, control, or regulate the importation of any class of wheat into the Union of South Africa. Since that time wheat has been imported only under Government permit. In order to protect the flour millers of the Union, as well as domestic wheat growers, the Government announced that, as a result of the assurance given by the flour millers of the Union, that they would guarantee wheat growers a minimum price of $1.69 a bushel for No. 1 wheat and $1.64 for No. 2, it (the Government) would introduce legislation in the session of Parliament opening on January 30, 1931, to prevent wheat flour from being imported at less than a landed cost of $9 per bag of 200 pounds. Thus a system of price-fixing substantially similar to that of Sweden has been developing in South Africa.

In Portugal the government controls all trade in grain. Importation is permitted only after the government has estimated the country's needs in excess of domestic supplies. The amount of wheat to be imported by each mill, once the total amount of imports to be permitted is determined, is fixed by the government on the basis of the mill's producing capacity. Unlike the foregoing countries, Portugal does not seem to have directly fixed prices by legislation; but it is obvious that she controls imports in such a way as to maintain domestic prices on an artificial level.

What has been said above concerning import restrictions on wheat and other grain serves to illustrate the trend with reference to all agriculture. In general, the trend has been toward

increasing import restrictions for all agricultural products. On dairy products, meats, vegetables, fruits, as well as on cereals, duties have been increased until, in many countries, they are virtually prohibitive.

Take, for example, dairy products: On butter, Australia, Brazil, Canada, Cuba, Japan, Mexico, and Spain impose duties even higher than the United States duty of 14 cents a pound, the Brazilian duty of 25 cents a pound being the highest. On cheese, Australia, Brazil, Japan, Mexico, and Spain impose duties in excess of 10 cents a pound compared with the rate of 7 cents in the United States, Brazil again heading the list with a duty of 20 cents a pound. On condensed milk (in comparison with the duties of $1.80 to $2.75 per 100 pounds in the United States), Australia, Brazil, Chile, Costa Rica, Guatemala, Italy, and Turkey impose duties ranging from $5 to $10 per 100 pounds; Portugal, Rumania, Uruguay, and Venezuela, from $10 to $20 per 100 pounds; while in Spain, the duty is equivalent to $26 per 100 pounds, in Bulgaria to $48.63, and in Russia to $233 per 100 pounds (subject, however, to absolute control by the State trade monopoly).

Or again, take leaf tobacco. Australia, Colombia, Cuba, Egypt, Honduras, Irish Free State, Japan, Nicaragua, Russia, the United Kingdom, and Venezuela impose duties on leaf tobacco, ranging all the way from $1 to more than $5 a pound, as compared with the United States duty of 35 cents to 50 cents a pound. In addition, several important countries have state monopolies which either prohibit or greatly restrict the quantity of imports.

On meats the duties are similarly high. For example, on hams and shoulders, Turkey and Soviet Russia impose duties in excess of $70 per 100 pounds; Bulgaria, Chile, El Salvador, and Argentina, from $20 to $25 per 100 pounds; and Brazil, Yugoslavia, Uruguay, Norway, Mexico, Portugal, Rumania, and Czechoslovakia, from $10 to $20 per 100 pounds; whereas the United States duty is $3.25 per 100 pounds. On bacon, Turkey and Soviet Russia impose the same duties as on hams and shoulders, while Bulgaria, El Salvador, Chile, Mexico, Argentina, and Venezuela impose duties ranging from $10 to $20 per 100 pounds. It is noteworthy, however, that such countries as the United Kingdom, Irish Free State, Denmark, and Belgium admit all of these meat products free of duty.

On sugar, Austria, Brazil, Bulgaria, Costa Rica, Czechoslovakia, Finland, Germany, Greece, Guatemala, Haiti, Honduras, Hungary, Italy, Mexico, Panama, Peru, Rumania, Russia, El Salvador, Spain, Turkey, South Africa, and Venezuela impose duties in excess of $3 per 100 pounds, as compared with the very high United States duty against Cuba (which is the effective rate) of $2 per 100 pounds. Most of these countries have rates ranging from $3 to $6 per 100 pounds. Brazil, with a duty of $17.46; Italy, with $13.33; and Venezuela, with $10.28 per 100 pounds, head the list.

On dried fruits the story is similar. On raisins, for example, Chile imposes a duty of $22.09 per 100 pounds; Mexico, $13.97; El Salvador, $11.25; and Colombia, $10.40; Soviet Russia, 200 per cent; and Japan, 100 per cent ad valorem, as compared with the United States duty of $2 per 100 pounds. Since April 4, 1930, Australia has prohibited all such imports. On prunes the range of foreign duties is much the same as on raisins. On imports of certain fresh fruits some countries impose sanitary regulations which are highly restrictive. The British and Argentine regulations on apples are an illustration.

In the foregoing discussion no account is taken of government measures in aid of agriculture other than those which are designed to restrict imports. In the field of international trade there are, of course, also those which rest on regulation of exports, of which there are two main types—(1) restrictions on exports, such as export duties and embargoes, export monopolies, and export agreements, both of a national and an international character; and (2) measures designed to promote exports, such as export bounties and premiums, reduction or remission of domestic taxes on exported products, preferential transportation rates for export, and so on. One type of measure much discussed, of which nothing has been said herein, is the import-export certificate system employed by Germany, Czechoslovakia, and Sweden. This involves the issuance of certificates of a fixed value per unit of product exported, the certificate being redeemable only for payment of customs duties on imports of the same or of other specified products. In effect, these import certificates, issued to exporters of particular products specified in the law, are simply bounties to the exporters of those products; hence they do not properly fall within the scope of this memorandum.

Mr. HULL. Mr. President, speaking individually, I have always been in favor of a course of moderation in dealing with abnormally high tariff and trade policies. In common with every intelligent person, I realize that this country has developed many of its industries in a somewhat hothouse manner. At the same time it has not been my view that, since we have become an exporting and a great trading nation, we should pursue that policy at all to the extent to which it has been pursued thus far. I think as a country like ours with its opportunities and resources becomes economically independent it should correspondingly throw off artificial restrictions and restraints and impediments. I set forth in detail my tariff formula in a speech some weeks ago.

For those of my political faith who espouse an ultra-high-tariff policy upon the theory that it is Democratic, I have no words of unkindness to offer; but I do say, Mr. President, that the two leading political parties to-day have their respective economic philosophies and they are either substantially the same or they differ to such an extent that it is easily possible for Democrats to fundamentally differentiate the Democratic economic policies from those of the dominant forces of the other side.

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

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

Mr. HULL. I do.

Mr. SHORTRIDGE. I have not had the benefit of listening to the Senator's able address; but may I inquire, Is the Senator opposed to all tariffs upon all imports?

Mr. HULL. The Senator's question would not have been asked, I think, if he had been here, although he is perhaps fortunate to have been out much of the time.

Mr. SHORTRIDGE. May I assume that the Senator believes in the Democratic doctrine of a tariff for revenue?

Mr. HULL. The Senator again is unfortunate in not having been in the Chamber when I was discussing the subject at some length.

Mr. SHORTRIDGE. I appreciate that, of course; but may I put the inquiry in this form:

The Senator would favor a given tariff duty upon a given imported article if it were considered necessary to raise adequate revenue to carry on our Government; would he not?

Mr. HULL. The Senator still is unfortunate in not having been in the Chamber a while ago.

Mr. SHORTRIDGE. Then I am assuming that the Senator is a thoroughbred Democrat, and believes in a tariff for revenue only.

Mr. HULL. The Senator will find in my remarks to-morrow morning, and also in many addresses during recent years, an elaboration of all phases of his inquiries. It is with the utmost respect that I do not undertake to detain the Senate to repeat what I have already said.

Mr. SHORTRIDGE. I shall avail myself of the great privilege of reading the Senator's remarks to-morrow, and, I know, receive much benefit from it.

Mr. KING. Mr. President——

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

Mr. HULL. Yes.

Mr. KING. I think we concede the competency of the able Senator from California to judge who are thoroughbred Republicans; but, speaking for myself, I deny his qualifications to judge who are thoroughbred Democrats.

Mr. SHORTRIDGE. I rise merely to admit that I am a thoroughbred Republican. [Laughter.]

Mr. HULL. Mr. President, if embargo and typical Republican tariffs are supported by the recognized Democratic economic philosophy, then I am not a Democrat, and never have been a Democrat, and never expect to be a Democrat. I believe in tariff moderation. If embargo or high tariffs are part of the Democratic creed, it is the latter-day Democratic creed. It is not that of Jefferson and Madison, or of Tilden or Cleveland or Wilson. I must beg leave most emphatically to protest against a proposal further to commit the Democratic Party to such ultra-high-tariff ideas as would create in the minds of the American people the impression that there has been a virtual merger between the two outstanding political parties of this country with respect to tariffs and general economics.

There is no more powerful or vicious aggregation of so-called special privilege in this country than the chief tariff beneficiaries. With all due respect, if anyone should differ with me—and I am not sure that one would—I should consider it almost a burlesque to stand for this powerful citadel of special privilege, embodying tariff benefits to the extreme extent we witness to-day, and at the same time pretend that I was opposed to such minor groups of special privilege as power influences and other special-privilege organizations of that kind. I am hopeful that the time is here when there

can be an organization of all the forces opposed to the policy of wild extremism that is sweeping this Nation and under American leadership sweeping the world out of one panic into another, and always along the road of unsound and temporary economic conditions.

I have, with the greatest respect, Mr. President, dealt with the principles which I think rule the policy that ought to be applied to the tariff items of the present bill. I have sought to remind my friends that the worst thing the matter with oil and with most other industries is panic conditions, in the first place, and they apply to all surplus-producing industries in every nation in the world. They apply, as I stated, to 25 raw material and foodstuff and manufacturing industries producing on a surplus scale in this country, half of them without tariffs. It is in those circumstances that I hope my colleagues will not feel called upon to vote embargo tariffs.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. HULL. Yes.

Mr. WALSH of Massachusetts. The Senator, during the course of his able speech, has made reference to these tariff duties provoking retaliation. May I call his attention to a communication which I received to-day from the Department of Commerce? It is to the effect that the Department of Commerce has received a cable from its commercial attaché in Lima, Peru, as follows:

> A majority member of the Peruvian Congress has presented a bill providing an additional 300 per cent ad valorem import tax on American products.

I think that remarkable communication indicates the extent to which our export trade will suffer if we now proceed to levy the tariffs named in this bill.

Mr. HULL. That is a very significant communication, and only adds to a great many other similar dispatches.

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

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

Mr. HULL. Yes.

Mr. SMOOT. I have seen similar dispatches or statements in the press; so the other day I went over my correspondence of the time the act of 1922 was passed. I find that we had all kinds of threats from all parts of the world as to what would be done if the act of 1922 became a law; that retaliatory measures would be taken by those countries. I think there were a few that were sent to the committee through the State Department.

Mr. WALSH of Massachusetts. Yes; but I am sure the Senator will agree that some of the threats made during the pendency of the recent tariff bill have been carried into effect by other governments.

Mr. SMOOT. But I do not think that was on account of the tariff bill. That came about on account of the absolute conditions existing in the world to-day.

Mr. WALSH of Massachusetts. I know that the Senator from Utah and others are trying to cover themselves by relying upon the action being due to conditions in the world; but many of us are of the opinion that it was due to a determination to retaliate against the high duties imposed by the American Government upon imports from these various countries.

Mr. SMOOT. From all I can learn, the rates were increased in order to secure sufficient means to administer the various governments. If the Senator will take the time to get from the State Department the statements from those countries and the reports that were made upon them, he will see that the reports show that that is exactly what they had to raise the means in order to meet the expenses of their governments.

Mr. WALSH of Massachusetts. I inquire of the Senator if he has seen the recent debate that took place in the Peruvian Congress, following the action by the House upon the duty upon oil and copper.

Mr. SMOOT. No, Mr. President; I have not seen any special quotations from the debate outside of a letter that I received from a person whose name I forget.

Mr. HULL. Mr. President, I should like to listen to this conversation.

Mr. WALSH of Massachusetts. We are speaking about the debate that took place in the Peruvian Congress following the action by the House, and I asked the Senator from Utah if his attention had been called to it. Let me say, if the Senator has not read it, that such strong language was used that I hesitate to offer it for the RECORD. It is extremely vitriolic.

Mr. SMOOT. I think that is true.

Mr. GEORGE. Mr. President——

The PRESIDENT pro tempore. The Senator from Tennessee has the floor. To whom is the Senator yielding?

Mr. HULL. The Senator from Utah had concluded, had he?

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

Mr. HULL. Just as soon as I yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, let me call the attention of the Senator from Utah to the hearings before the Committee on Ways and Means of the House of Representatives published on May 17, 1932.

Mr. SMOOT. I have seen those hearings, Mr. President.

Mr. GEORGE. Let me call the Senator's attention to this statement, submitted to the committee by Mr. Castle of the State Department:

> At the session of the constituent assembly of April 27, 1932, several Congressmen spoke of the serious situation which would occur in Peru should the United States Government apply a duty on copper imported into the United States.
>
> Mr. José Manuel Tirado stated that should this measure be adopted, Peru should retaliate—

Not pass a revenue-producing measure—

> should retaliate at once by increasing its customs duties on United States products, principally on merchandise made from cotton—

And so forth.

So that it is not a revenue measure; it is a direct retaliation for this threatened tariff.

I do not want to take up the Senator's time; but already a decree in council has been issued by the Canadian Government, granting subsidies on Canadian coal directly because of the threat here to impose a tariff on those products mined in Canada.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

Mr. HULL. I yield to the Senator.

Mr. SMOOT. I think the Senator from Georgia has been in the Senate long enough and no doubt has followed the protests that have been made when tariff bills have been enacted by Congress closely enough to know that those protests have come every time a tariff bill has been before Congress.

Mr. GEORGE. That is true, and that was the Senator's answer to the protests that were transmitted to the Finance Committee when we were considering the Smoot-Hawley Act; but those protests were made good, and they to-day stand against our imports in almost every principal country of the globe. I do not see how the Senator can think that the protests are idle. They certainly have actually materialized since the passage of the Smoot-Hawley Act.

Mr. SMOOT. There is no need of going into the question further, but I am quite sure that England and all the other countries that have made changes were compelled to do so on account of conditions in the world, and the trade leaving the country. They had to do something to maintain it.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for just one observation in connection with the exhibit submitted by the able Senator from Massachusetts? Apparently the Peruvian protest related principally to the proposed duty upon copper.

Mr. WALSH of Massachusetts. I think that is correct, but in part also the duty upon oil.

Mr. VANDENBERG. I want to suggest to the Senator that inasmuch as Peru has had a duty upon copper for years and years, Peru is not in good position to complain if finally, for the first time since 1894, we find it necessary to protect our copper. I submit that Peru, in logic, can not seriously defend a complaint against such action on our part.

Mr. WALSH of Massachusetts. Of course there are a good many of us here who do not think the situation in this country justifies a duty upon copper at this time.

Mr. HULL. Mr. President, in common with my colleagues, I am greatly concerned and have the deepest interest in and sympathy for every industry in the United States that is suffering from overproduction, as to our own capacity to consume here at home, or from any of the other unfortunate and disastrous effects of the depression. I especially sympathize with every wage earner in America, who, under the effect of this abnormal and unusual condition, is either out of employment or in distress, or in employment on partial time and in more or less distress. I do believe, however, that those widespread conditions of privation and of distress should not cause us carelessly to rush to some supposedly sound remedy here which in fact, upon careful examination, would prove to be wholly unsound and ineffective.

Our friends who are proposing some of these requests for special governmental assistance seem to think that it is all right to enact embargo tariffs and depend upon the domestic producer to maintain reasonable price levels.

I was about to say a while ago, when interrupted, that all industries are suffering alike from the panic, they are suffering from unemployment, they are suffering from price dislocation, they are suffering from lack of markets, and also all industries, whether they are tariff protected or not, are suffering to a more or less extent in other ways. The overproducing industries are unable to get rid of their surpluses. That is a condition for which I do not think tariffs are a remedy, with all due respect to my colleagues.

The present situation relating to the enactment of indiscriminate tariffs and to a reliance upon industry to hold down prices to a reasonable level are commented upon by President Taft, and I read this extract in view of the vast number of our present rates, which will reveal themselves in this way when normal times return, if they ever will return, and I am sure they will, and also in the light of some of the views of my colleagues, who would enact indiscriminate rates and depend upon domestic industry to maintain reasonable price levels.

President Taft, on February 10, 1911, in a speech said:

> I am a Republican, and the Republican Party has always advocated and pursued a policy of protection to American products and manufactures. For a long time the policy had little or no limitation. It was thought that tariffs on protected products could not be too high; that if all foreign products were excluded, competition would stimulate production and reduce its cost and its price. The temptation to destroy competition by combination became so great, however, that the party in its platform modified its policy and imposed the limitation that the tariff should be limited for purposes of protection to the difference between the cost of production in this country and the cost of production abroad.

That was the thoroughly demonstrated experience of Republican administrations many years ago. It is folly for us to undertake a repetition of it as normal times approach by depending upon wholly exorbitant tariff policies, with beneficiaries who profess themselves willing to hold down their prices.

In my judgment, the chief trouble with the number of our surplus-producing industries in this country to-day is the fact that they have carelessly and thoughtlessly developed a hopeless and uncontrolled condition of overproduction, a condition which can only be dealt with, perhaps, by concerted action in some legitimate way, and not through tariff enactments here at Washington, which would only stimulate still further production, and in the end and soon cause any artificial price increase to topple to the ground.

Mr. President, we get back in the end to the simple issue of whether there shall be a fundamental difference between the two political parties on economics in this country as conditions present themselves to-day. That condition relates to whether the present forces of half insane economic isolation shall be attacked and checked in the policy of ever-increasing obstruction to international trade and commerce, a policy of tariff revision back first to a level of moderation, with liberalized trade policies, in lieu of the present trouble-breeding methods and policies in international trade and commerce. In the second place, it involves the issue of whether this great Nation will in the future practically rely alone on the home market, which is impregnable in almost every essential respect, and proceed in the future to restrict production, production of our cotton, our wheat, our automobiles, our textiles, our iron and steel, our pottery, our glassware, and our agricultural products of all kinds, whether we will restrict production down to our capacity to consume, barring some casual interchanges of cotton for coffee or some other commodity, and other sporadic items in international commerce.

We will pursue that policy under the blind leadership of that small but powerful group who have been leading the Nation during the past 10 or 12 years or we will pursue the opposite course of becoming a leader of the American people and other important countries in support of the policy that the future business progress and welfare of this country demand both a domestic market and an adequate foreign-market outlet for our surplus production in all important lines.

That policy would bring back home the 2,000 plants which have been constructed abroad by American capital which has been forced to take its flight in order to produce and sell. That policy would put back into employment eight or ten million wage earners who are idle to-day. That policy would rehabilitate our prostrate agriculture. That policy would lead the nations of the world back to that higher level of economic standards and practices and policies which would afford the maximum of happiness and prosperity to the business man, to the farmer, and to the wage earner.

During the delivery of Mr. HULL's speech,

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). Does the Senator from Tennessee yield to the Senator from Pennsylvania?

Mr. HULL. Certainly.

Mr. REED. I wish to enter a motion to reconsider the vote by which the Senate agreed to the committee amendment appearing on page 241, in lines 9 to 11. It requires a small perfecting amendment which ought to be put in to carry out the intention of the committee.

Mr. GEORGE. To what does the amendment relate?

Mr. REED. It relates to a proviso of the lubricating-oil tax. We put in the words "but the tax on the articles described in this paragraph shall not apply with respect to the importation of such articles." We all thought the provisions of the general tariff laws relieved articles that were exported from the effect of these taxes, but I find upon investigation that that is not so, and the amendment I would propose, if reconsideration is agreed to, would be to change that italicized provision to read:

> But the tax on the articles described in this paragraph shall not apply to articles sold for exportation or exported for sale, nor with respect to the importation of such articles.

The PRESIDING OFFICER. The motion to reconsider will be entered.

After the conclusion of Mr. HULL's speech,

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Ashurst	Borah	Cohen	Fess
Austin	Bratton	Connally	Fletcher
Bankhead	Brookhart	Coolidge	Frazier
Barbour	Bulow	Davis	George
Bingham	Capper	Dill	Glass

Gore	Keyes	Neely	Stephens
Hale	King	Norbeck	Thomas, Idaho
Harrison	La Follette	Norris	Thomas, Okla.
Hatfield	Lewis	Nye	Trammell
Hayden	Logan	Oddie	Tydings
Hull	Long	Robinson, Ark.	Vandenberg
Johnson	McGill	Sheppard	Walsh, Mass.
Jones	McNary	Shortridge	Watson
Kean	Metcalf	Smith	Wheeler
Kendrick	Moses	Smoot	White

The PRESIDENT pro tempore. Sixty Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVALS

Several messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On May 17, 1932:

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

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

On May 19, 1932:

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; and

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

AMENDMENT OF NATURALIZATION LAWS—CONFERENCE REPORT

Mr. KING. Mr. President, there is a conference report on the Secretary's desk. It will lead to no discussion. I ask that it be laid before the Senate at this time.

The PRESIDENT pro tempore. The Chair lays before the Senate from the table a conference report submitted yesterday, which will be read.

The report was read 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.

Mr. KING. Mr. President, when the bill reached the House there was objection made upon the ground that it was supposed it would incur some little expense in the Labor Department in procuring certain information with respect to immigrants. Upon examination when the conferees met, it was discovered that there would be no increase whatever needed in the appropriation and the House receded. I move the adoption of the conference report.

The report was agreed to.

REVENUE AND TAXATION

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

Mr. HATFIELD. Mr. President, it is not my purpose to detain the Senate very long. We find some Senators who are very much concerned about our world trade. We do not hear them discussing very much the question of our home trade. When statistics prove to us that our home trade is nine times more important than the world trade, then I am convinced that we should indeed give serious consideration to our home trade, just nine times more than we should give to the trade which we receive in the way of exchange of goods in the world trade.

We hear others discussing the situation, if it could be brought about, where prices would be evened up and where the same standard of wage paid to the wage earner in Europe would apply to the wage earner of America, then and not until then will we be able in America, in my judgment, to do away with the principles of a protective tariff and still give consideration to the workmen in America and the wage that he demands, the wage that he should receive which will enable him to clothe and educate his children.

Mr. President, there seems to be considerable difference of opinion as to the amount of revenue the four items listed under title 4 of the manufacturers' excise taxes, section 601, subsections 4, 5, 6, and 7, inclusive, which tax is levied against import products, and due to the uncertainty as claimed by some Senators as to what this revenue will pay in dollars and cents when applied to imports a number of Senators are opposed to this levy altogether and by so doing they extend a protective support to those who are interested in these imports against our home industry.

Granting that these levies would not produce a great deal of revenue, there are other elements of a protective nature due these American industries that are worthy of consideration outside and above all returns to the Treasury of the United States that this levy may produce in the way of finance.

First. It would save a great independent industry, provided the tax is raised to 1 cent a gallon, that is free from monopoly, that at the present time furnishes between 50 and 60 per cent of the oil consumed in America to-day.

Second. It would save the investment which a great number of patriotic Americans have made in this industry.

Third. It would insure the additional employment of a great number of American workmen, due to the demand of additional production of American oil, its ramifications, and demand for other materials, and last but not least, it will reflect its influence in stabilizing the coal industry of this country which I will undertake to show.

It would stabilize the price of American gasoline at the present time and in the years to come and prevent the American consumer from paying an outrageous price for the basic and secondary product after monopoly has taken place in the country of this liquid fuel.

Permit me to read a statement made by Mr. Casey Adams before the Subcommittee on Mines and Mining as to what is happening in this country to-day in the way of competition in the gasoline market by cut-throat practice that is engaged in by those who are selling imported gasoline in the city that represents the hub of the automobile industry of the world, Detroit, Mich.

* * * And many of these self-same leaders are also interested in domestic and foreign oil. What care the Mellons and the Rockefellers about the success of bituminous coal when they can sell their foreign oil through the Standard of New Jersey, Standard of Indiana, the Gulf Refining Co.—the three chief importers in this country.

In 1929, out of about 111,000,000 barrels imported, the Mellon-Rockefeller imports were as follows:

Standard Indiana	35,098,835
Standard New Jersey	22,879,466
Gulf Refining	21,426,338
Total	79,404,339

Even the Dutch Shell Co. only imported 11,000,000 barrels.

Here, Mr. Chairman, is an advertisement reproduced in the Petroleum News of a page advertisement appearing in the Detroit News, which shows Rumanian imported gasoline eight gallons for a dollar.

I ask permission to have the advertisement referred to inserted in the RECORD at this point.

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

The advertisement is as follows:

[The Independent Petroleum Association of America Monthly. "Imported Zip"—Tariff Commission Report—When a Great Industry Stands Still—$101,000,000 Trade Balance—Imports, and Our Oversupply—Why "Another" Oklahoma?—$360,000,000 Shrinkage in Two Years—No "Dykes" Along Our Coast—Threat and Realization. November-December, 1931. 10 cents]

THIS IS NOT OUR AD

It is, however, a reproduction of an ad in the Detroit Evening Times of December 9, 1931.

Two tankers of gasoline from Constanza, Rumania, recently found their way to Detroit, Mich.—and apparently Imported Zip was made in Rumanian refineries in southeastern Europe, sent through the Black Sea, the Mediterranean Sea, across the Atlantic Ocean, and either up the St. Lawrence River, through Lake Ontario and Lake Erie to Detroit—or landed at Baltimore, Md., and sent by tank car to Detroit. From Constanza to Detroit is about 7,000 miles.

The ad says, "8 gallons for $1," and 25,000 gallons "given away." How's that for high-pressure competition with American gasoline?

(12) [Detroit Evening Times, Wednesday, December 9, 1931]

Thursday and Friday we will give away 25,000 gallons of Imported Zip, a premium motor fuel.

Your opportunity to prove—at our expense—that Imported Zip will give you better engine performance.

Now is the time for you to prove that Imported Zip gives better engine performance—better performance and saving up to 5 cents per gallon over what you are paying for other premium gasolines.

You, the public, are the sole judge. Sunny Service Oil Co. furnishes gasoline free of charge to make your own test of the superb qualities of Imported Zip.

Test it in your own way. Test it for fast pick-up. Test it for acceleration. Test it for easy starting. Test it on hills, in the country; anyway you like; but test it and be certain.

Thursday and Friday drive into any Zip station (a list of which is shown here), buy 8 gallons of Imported Zip for $1, and we will give you, in addition, with our compliments, 1 gallon free.

Drive your car on Imported Zip 15 or 20 miles. If you are not completely satisfied that it performs better than any other premium gasoline selling up to 5 cents per gallon more, drive back to the station, have the 8 gallons drained from your tank, and get your money back. The 1 gallon of Imported Zip has not cost you one penny. Could anything be fairer?

Here is your opportunity to prove, at our expense, that Imported Zip will give you better performance. Don't take our word for it. Try it and find out for yourself.

Imported Zip gasoline is high grade in every respect, yet it sells at a price anyone can afford to pay. The proof of what we say is in your hands. You are the judge and jury. Give us your verdict Thursday and Friday.

Eight gallons, $1. Save up to 5 cents per gallon. Read the amazing guaranty we make on Imported Zip.

MONEY BACK GUARANTY

Drive into any Sunny Service station, buy 8 gallons of Imported Zip—we give you another gallon free.

Drive 15 or 20 miles, and if you are not satisfied that Imported Zip gives you better engine performance than any other premium motor fuel selling up to 5 cents more per gallon, drive back to the station; we will drain the unused gasoline and refund your money.

(Signed.) SUNNY SERVICE OIL CO.

Thirty Sunny Service stations: Cass and Sibley, Third and Stimson, Caniff and Russell, Cass and Baltimore, Fourteenth and Ash, Tireman and Wykes, Six-Mile and Prairie, Fenkell and Sorrento, Warren and Roosevelt, Woodward at Davison, Puritan and Wildemere, Dexter and Boston Boulevard, Plymouth and Northlawn, Woodward at Mount Vernon, Grand River and Northlawn, Mack and Lenox, Vernor and Fifth, Fort and Reisener, Six-Mile and Conant, Harper and Barham, Gratiot and Flanders, Warren and Wayburn, Van Dyke and Merkel, Jefferson and Holcomb, Kercheval and Ashland, Vernor and Mount Elliott, Michigan near McGraw, Vernor and Twenty-second, and Van Dyke and Eight and One-Half Mile Road.

Your protection against high gasoline prices.

SUNNY SERVICE OIL CO.

And yet, some say, "You don't need a tariff."

Mr. HATFIELD. Mr. President, during the embargo of the World War, in what condition did the American people find themselves with reference to chemicals? They found that they were shorn of chemicals which were essential to the welfare of the sick because of the Great War that was being waged in Europe. But to-day what is the condition of the chemical industry of America? We have a self-sufficient industry in this respect, one that can serve the people with the raw materials not only in an industrial way but in a medicinal way, and at the same time sell to the nations of the world. This is due primarily to the embargo that took place during the World War; secondly, to the Fordney-McCumber law enacted in 1922, and a continuation of the protection of this industry in part through the Smoot-Hawley tariff law enacted in 1930. Were it not for the fact of the invoking of these protective laws, America would be shorn of her chemical industry to-day.

I wish to make the prediction that when the time comes in America, due to the cartel which has been developed between Germany, England, France, and other countries, this industry which is so colossal in its development will fall before that competitive group of European chemical competitors when the tariff rates are lowered.

The same principle will apply to the gasoline and to the crude-oil business of America. Just as soon as the independent oil man is forced to sell to the combine upon the auction block his investment and the investment of his friends, made in good faith to develop a basic and independent industry in this country, then will the American people experience a higher price which they will be forced to pay for their gasoline and fuel oil which they are not paying at the present time.

For that reason I stand for the protection of the independent oil producers of America. I stand for the protection of those men and women who represent these industries as stockholders. If the Congress will but adopt this rate of 1 cent per gallon on crude oil, in my candid judgment the independent oil industry will continue to exist and at the same time the price paid by the consumer will not be enhanced to any very great extent, certainly not on the by-products, such as gasoline. But if we permit this opportunity to pass, as we permitted it to pass in the Congress of 1930, when we had the opportunity to put a tariff upon oil to protect the independent oil producers of the country, then, in my candid judgment, the fate of these men will be sealed and the combine, the big four, will absorb them and the American people will lose their opportunity to buy liquid fuel at a competitive price.

Mr. DAVIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Pennsylvania?

Mr. HATFIELD. Certainly.

Mr. DAVIS. The Senator will remember that at hearings before the Subcommittee on Mines and Mining, the head of the Federated Industries of the State of Washington was asked a question as to the number of men unemployed in that State. In his reply he said that if the industries of the State of Washington were accorded the proper protection against imports which were coming into that State from foreign countries, it would mean the employment of 25,000 workers. Allowing four to a family, the effect would be that 100,000 people would be put in a position where they would be dependent upon their own earning capacity rather than upon someone else or upon charity.

Mr. HATFIELD. Yes, Mr. President; the representative referred to from the State of Washington made the statement that a protective tariff upon lumber would assure the employment of at least 25,000 lumbermen in that State, and he made the further forecast that the number of 25,000 could be multiplied by five to represent the number to be found in the average family, according to the recent statistics of the Government of the United States. Accordingly, 125,000 people would be taken care of and the head of the family, the breadwinner, would be able to procure work which would enable him to feed and to clothe and to educate his children. That was practically his statement in response to an interrogation made by the distinguished junior Senator from the State of Pennsylvania [Mr. DAVIS].

Mr. President, I desire to continue to quote the statement of Mr. Adams, to show what he thought 1 cent a gallon on crude oil, with a compensatory duty on its by-products, would do in the way of helping the coal miners of this country. I may say in behalf of Mr. Adams that I have never listened to a more intelligent, frank, and open witness in dealing with economic problems that affect this country. He said:

Mr. ADAMS. I read it at the time that the mills were going to charge Los Angeles for power at the plant and I thought then that on the cut-throat competition that existed in coal and fuel oil they could certainly manufacture it cheaper than they could buy it and take the loss in transmission.

Continuing to quote from Mr. Adams:

A tariff on oil is, of course, necessary. The tariff should be at the minimum 1 cent the gallon and I hope the members of this committee will use their best efforts to have restored the 1-cent excise tax which has been reduced to one-half cent. Such a tax will, in time, give employment to 40,000 men in the bituminous and anthracite industry.

At this point, Mr. President, I should like to read from the statement by Harvey C. Fremming, representing the Oil Field, Gas Well, and Refining Workers of America in regard to unemployment which exists in the oil fields at the present time. This statement is taken from the hearings held on the revenue revision last February before the Committee on Ways and Means of the House. I quote from the testimony of Harvey C. Fremming, of Long Branch, Calif., as follows:

Mr. FREMMING. Mr. Chairman and gentlemen of the committee, my name is Harvey C. Fremming, and I am international president of the Oil Field, Gas Well, and Refining Workers of America, an organization affiliated with the American Federation of Labor. For the purpose of expediting the hearing and in our desire not to burden the patience of the committee, this statement that I am about to make is concurred in and adopted by the following, officially representing the organizations named:

Edward J. McGrady, legislative representative, American Federation of Labor.

M. J. Flynn, America's Wage Earners' Protective Conference.

D. C. Cone, Brotherhood of Signalmen.

A. S. Stout, Brotherhood of Maintenance of Way.

A. J. Lovell, Brotherhood of Firemen and Enginemen.

George Laughlin, Brotherhood of Locomotive Engineers.

W. D. Johnson, Order of Railroad Conductors.

J. A. Farquharson, Brotherhood of Railroad Trainmen.

I am sure it is unnecessary for me to state that this group represents directly affiliated members in a number exceeding five and one-half million, practically all of whom are citizens and voters.

Mr. Chairman, if I might have the privilege of picking out some of the immediate high lights of the statement that I am going to make and then be privileged to file the statement as my statement——

Mr. DOUGHTON (presiding). That will be entirely satisfactory.

Mr. RAGON. That is the Big Four Brotherhood?

Mr. FREMMING. The entire group, Mr. Congressman, of the American Federation of Labor.

Mr. RAGON. Whom do you represent?

Mr. FREMMING. The Oil Workers' International Union. I am their president.

I am going to deal with the four points made by the spokesman for the oil-importing business at the hearing on the excise bill. While these are palpably misstatements of fact, it might not be amiss to constructively set forth the actual facts which are at total variance with the fabulous statements presented by this apologist for the present disastrous situation. In the first place, Mr. Chairman, you will recall, with me, that this gentleman said the unemployment in the oil industry amounted to approximately 35,000 people. I think you will recall, with me, that statement. May I be permitted to introduce, in this statement, the record of the United States Department of Labor, Bureau of Labor Statistics, which shows that the decrease from the 1926 basis of 100 has fallen down to approximately 50 per cent, or 54.9 per cent of the total employment in the oil fields at that time of 800,000. I want to get that clearly in your mind. Obviously, then, if we carry down that index, we find that the amount of unemployment in the oil industry, on the basis of the information compiled through competent sources, is approximately 350,000 instead of 35,000, as stated by the gentleman. I am filing the complete index, so that you can, if you desire, review those figures, where they are carried down from 1929 by months, showing the reduction both in pay rolls as well as in employment.

I understand that these indexes are taken from the firms in the various States, who report to the bureau monthly. Those firms in the State of California, my State, are 43 in number; yet we have several hundred oil businesses; and remember, further, with me, Mr. Chairman, that these indexes do not include the insolvent concerns, the firms that have gone into bankruptcy during the last two years; nor do they include the allied industries which are so interlocked, so definitely interlocked with the conduct of the petroleum business. By that I mean the oil-tool manufacturers, and all of the allied groups. Nor does that index include the railroads or the transportation companies. In our State a tremendous amount of oil is transported in oil-tank cars, and that has been reduced to practically nothing. Nor does it include at all the serious condition of unemployment that reflects itself in the communities in our oil-producing area, where bankruptcies and insolvencies and bank failures have reduced the economic well-being of those areas to almost nothing.

Mr. President, there is a picture which is portrayed dealing with the oil situation in the great State of California. That picture can not be obliterated or effaced. When the representatives of the American Federation of Labor, speaking for 5,000,000 employees, come in numerous groups before a congressional committee having under consideration these items, and especially the oil item, and ask for consideration upon the part of Congress, I feel that the Congress should respond to the appeal of these patriotic Americans. There should be no hesitation upon the part of the Senate of the United States as to what it should do, regardless of whether those who make up this body believe that it is inappropriate to consider tariff measures or tariff rates in conjunction with a revenue bill.

Mr. President, we have excellent authority and an excellent precedent for the attitude that some of us take in the consideration of the tariff items in this revenue bill. Back in the days of President Washington in 1791 the first revenue bill had attached to it a tariff bill, and it was following the successful operation of that tariff law that the Father of our Country in his message to the Congress of the United States spoke of the "happiness and the contentment" that existed among the citizenship of this country. I can see no reason, Mr. President, why upon any revenue bill we should not attach a tariff rate or direct the Tariff Commission to protect a languishing industry under the Stars and Stripes.

When one goes to any European nation he will find there that authority is given to some group to invoke, almost overnight, a tariff rate, even to the embargo point if necessary, in order to protect an industry under the flag of that nation.

Back in the heyday of the chemical industry in this country, when there was no tariff upon chemicals there was an outstanding American whose posterity still represents the chemical industry of America in the great State of New Jersey. At that time he exclusively enjoyed the American ultramarine-blue trade of America. After the great German cartel had been developed along the River Rhine to the point where they not only could serve their own people but the peoples of other nations of Europe, they started out in quest of new business and they found the United States of America, Mr. President, a very fertile field indeed. They came here and they displaced the American chemist. He was producing ultramarine blue to the entire satisfaction of the American consumers; but when the German chemist was willing to sell his wares in America at a stipend very much less than that for which the ultramarine-blue producer of America could sell his, what was the result?

This sturdy American happened to be of German extraction. He did not easily give up. He was willing with his stockholders to battle against the German chemical industry which had made this invasion into his trade. He loaded up a full shipload of ultramarine-blue products and started across the Atlantic to a German port. Before he could land his goods there an embargo rate went into effect, and the American chemist was compelled to retrace his path across the Atlantic and, finally, with his industry and his stockholders, to stare bankruptcy in the face.

That industry languished before the embargo period of the World War. To-day it is a progressive industry. During the embargo period and under the protection of the Fordney-McCumber tariff rates this industry has paid a return to its stockholders and is flourishing to-day.

The same condition prevails so far as the independent oil producers of America are concerned. They are suffering from an acute depression owing to unfair foreign competition.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I yield to the Senator.

Mr. LONG. Is it not also a fact that they actually kept that dye industry out of this country until the necessity of war made them yield?

Mr. HATFIELD. Absolutely so. I am glad the distinguished Senator from Louisiana has asked me the question. Our chemical industry languished from that day down to the embargo period; and during the World War period, due to the lack of certain chemical products which could not be

produced in America, the price of those chemical products, due to the fact that they were of German make, rose from $3 an ampule to $50 an ampule. Even then these products could not be furnished to the satisfaction and to the demands of the American physician. The same condition confronted the American surgeon as to novocaine and cocaine and the other local anæsthetics.

In the Army of the United States it was indeed difficult to procure a sufficient amount of these drugs to perform minor operations properly from a surgical point of view, because they were not produced in America, as the American citizen had depended upon obtaining a supply of these indispensable chemicals from the German cartel along the River Rhine.

That was the condition, Mr. President. I say to you that the history of the chemical industry of this country is to me complete proof that if we are to be prosperous in the future it is absolutely essential that we shall continue the principle of protective tariff. We can abandon that principle only when Europeans are willing to raise their standard of living and to raise their standard of wages to a point which will make the cost of producing European commodities the same as the cost of producing like commodities in America.

When that period comes I will anticipate that the millennium will not be far ahead. I feel that we must go along in the future, as we have in the past, protecting our industries primarily that they may pay to the American wage earner a standard of wage of which he is worthy.

Mr. President, I have another communication which I wish to read to my colleagues and have printed in the RECORD. This letter is addressed to me. It is dated Indianapolis, Ind., May, 1932, and is as follows:

UNITED MINE WORKERS OF AMERICA,
Washington, D. C., May 19, 1932.

Hon. HENRY D. HATFIELD,
United States Senator, Washington, D. C.

MY DEAR SENATOR: Under date of June 8, 1929, speaking for the membership of the United Mine Workers of America, I addressed you a communication urging the vital necessity of Congress levying a tariff on foreign-produced petroleum oil imported to the United States.

In this letter an analysis was made of the effect of the unrestricted competition of this imported oil in the coal markets of the United States and the demoralizing effect upon the mining communities of our country, both from the standpoint of labor and the capital investment. The conditions referred to as existing in 1929 exist to-day in more aggravated form. In my judgment, a duty on foreign oil is an imperative necessity. The duty should be at the minimum of 1 cent per gallon. Such a tax will, in time, give employment to 40,000 men in the bituminous and anthracite industries. In the fields of transportation, distribution, and consumption of the increased coal product, it will give direct employment to many thousands more and be a practical contribution to national well-being.

I most earnestly hope for favorable action on this question by the Senate.

Very truly yours,

JOHN L. LEWIS, *President.*

I ask unanimous consent that the letter addressed to me on June 8, 1929, a copy of which I have here, be published in the RECORD in connection with this letter which I have just read.

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

The letter is as follows:

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., June 8, 1929.

Hon. HENRY D. HATFIELD,
United States Senator, Washington, D. C.

MY DEAR SENATOR: As president of the United Mine Workers of America and speaking for that organization, I earnestly urge upon the Senate and House of Representatives of the United States Congress the vital necessity of a tariff on the import of foreign-produced petroleum oil imported into the United States. And I request that in the preparation of a tariff law, a task with which Congress is now engaged, you provide for such tariff on oil. This action will be in the best interests of the general public of the United States, because it will aid very greatly in affording employment for many thousands of now idle men in the coal-producing industry, thus enabling these men to earn a living for themselves and their families.

The free importation of cheap oil from foreign countries into the United States has had a depressing effect upon American-produced coal, and we see no good reason why this great, vital, fundamental American industry should be thus penalized in favor of foreign industry and foreign labor. There is no question but that consumption of many millions of tons of coal has been displaced by the use of oil produced in the United States. This of itself has done vast injury to the coal industry. To permit the continued free entry of many more millions of barrels of foreign oil simply means still further shrinkage in the consumption of American coal and the wrecking of this great American industry. Just how this thing works will be made clear when I point out that the 431,067,000 barrels of fuel oil used in the United States in 1927 displaced 110,000,000 tons of coal, or approximately 20 per cent of the normal output of American coal mines. Even this displacement was so disastrous as to close a vast number of mines and to throw many thousands of mine workers out of employment. And now, if this Government permits the continued free entry of foreign-produced oil, it will mean the closing down of more mines and the unemployment of more thousands of men.

When hundreds of thousands—aye, millions—of men are out of work, as is the case at present, there must necessarily follow a slump in business and commence of the country. These men, with no opportunity to earn a living, have no money to spend. They can not buy the products of mills, factories, and shops. They can not trade with local merchants and business men. Consequently the entire business and industrial structure of our country suffers from business depression. Especially is this true in those countless communities—once prosperous, but now practically bankrupt—where coal mines either are wholly idle or operating but a few hours a week and where the earnings of coal-mine workers have shrunk almost entirely, if not altogether, to the vanishing point. Coal is produced in 30 States, and these conditions exist in each and every one of these 30 States. We contend that Congress should not take any step that would further aggravate this intolerable condition, and this is what would happen if foreign oil were given continued entry free of tariff duty into the United States.

We contend further, that it is the duty of Congress to protect the interests of American labor rather than that of foreign labor. Americans are not employed to any appreciable extent in the production of oil in foreign countries. Wages paid for labor performed in the production of oil in those foreign countries goes to inhabitants of those countries. They receive American money for producing oil that would be shipped duty free into the United States and throw thousands more American workingmen out of employment. There would be no justice in such a plan from the standpoint of the best interests of the American public. On the other hand, an adequate tariff on foreign oil, whether it comes from Mexico, South America, or anywhere else, would strengthen the demand for American oil and American coal for fuel purposes in this country, and it would mean employment, earning power, food, clothing, shelter, education, and progress for countless thousands of good, loyal American citizens. It would mean a revival of the coal industry, now so near to the industrial graveyard. It would mean improvement in industry, trade, commerce, and transportation. It would mean more business for the merchants and business men of the 30 coal-producing States. I may state it clearly as our position that these considerations far outweigh any benefit that could possibly accrue to the people of the United States by permitting foreign oil to enter this country duty free.

Our understanding of the matter is that tariff duties are levied for two purposes, viz, to raise revenue for the Government and to protect American industry and American labor from the destructive competition of pauper wages paid to labor in many foreign countries. I do not hesitate to say that Congress can find no other American industry that needs this kind of protection to-day more than does the fuel industry.

Therefore, in the name of the United Mine Workers of America and in behalf of American labor, I again earnestly urge that Congress levy an adequate tariff duty on the import of foreign oil into the United States.

Very truly yours,

JOHN L. LEWIS, *President.*

Mr. HATFIELD. Mr. President, the same blackjacking tactics of certain oil companies which were aimed at a distinguished Member of this body from New England were directed at me long before the question of tariff rates upon crude oil was under consideration by this body. I have introduced some of these telegrams; among other messages, an anonymous letter setting out the purpose that the writer wished to accomplish, to intimidate the Congressmen representing the congressional districts of the State of West Virginia, and for the further purpose of intimidating the Senators who represent the State of West Virginia in this body in opposing oil tariff on American crude oil and its by-products. In no uncertain language I exposed this conspiracy from my desk here in the Senate. The same attack has been made upon a distinguished Member of this body from the great State of Connecticut.

I wish to say in behalf of Senator BINGHAM that his record here is typical of a great American who has uppermost in his mind, in his vote, and in his influence the support of in-

dustries, and also the support of labor, with the thought, no doubt, that he stands for a wage that is worthy of the toiler.

This item in subsection 4 of the revenue bill now before the Senate for consideration is not to be compared from a revenue point of view; but what it will accomplish toward the replacement of those who are looking for work at the present hour is the principal consideration.

We have other tax items in this bill, under the subheads heretofore referred to, which some Senators refuse to vote because of the fact that such a tax smacks of the elements of protection, as is the case with oil, which tax, if voted on these items, would regain, at least in part, employment for those who are now unemployed. A tax rate of 1 cent per gallon on crude oil would guarantee the employment, I am reliably informed, of at least 300,000 workers. Multiply that by 5, representing the average family, and what do you have? One million five hundred thousand people happy again because the breadwinner is employed.

In the lumber industry alone in the State of Washington, according to Mr. Botting's statement before the Subcommittee on Mines and Mining, as pointed out by the junior Senator from Pennsylvania [Mr. DAVIS] in his interrogations of Mr. Adams, 25,000 men would be employed if they had the proper protection.

Multiply that by 5, Mr. President, and you will have 125,000. Add these items together, and then go to the copper industry; and when they tell us that conservatively at least 150,000 people will be employed if a tax is placed upon copper, multiply that by 5 and what do you have? Why, in these items you have the assurance of a favorable service by the Congress of the United States to at least two and a half million people.

Mr. President, if my vote will accomplish this for American industries that are now languishing, for American labor that is looking for work when there is none to be found, I wish to say that regardless of its popularity, whether it be popular back home or not, I shall vote for it.

West Virginia at one time boasted of a hardwood forest that was surpassed by the forests of no State in the Union, based upon its square mileage. That great forest was devastated, and to-day West Virginia is importing lumber from other lumber States. The same thing is true of copper. West Virginia, with all of her great natural resources in coal, in shale, in oil, in glass sands, and other great natural resources, is destitute of copper; but I can only hope, through and by my recognition of the rights and privileges of others who ask for protection of their industry, to receive a like consideration from others.

You may call this logrolling in tariff making, or whatever you please, Mr. President, but, so far as I am concerned, reciprocity is a good term. Regardless of what economists may say, regardless of what a professor in some university may advocate, regardless of what the eugenics teacher or the parlor economist may advise, I want to say to you that in my candid judgment there never was a tariff bill written in this Congress or any other Congress that represented a great constellation of States such as the United States of America unless reciprocity was extended by the Representatives in the House and by the Senators who were willing to protect each other's industries within the confines of their States.

Mr. President, I have one proud record, and it is the one record of which I am proud, to which I shall point with pride when I leave this body—that I never failed to vote for a tariff rate for any State where it was shown to me that the industry involved and the people employed in that industry should have the protection asked for. Far be it from me ever to change my record and fail to do my plain duty as I see it and understand it as a representative in the Senate of the United States of the State of West Virginia.

Mr. SHEPPARD. Mr. President, the amendment under discussion is both a revenue and a relief measure, proposed at a time when the revenues of our Government must be increased, and when the production of petroleum, one of our most important basic industries, is in great distress.

According to the United States Census of Manufactures, the wholesale value of petroleum refining products in the United States in 1927 was $2,142,648,000. But four other groups of manufactured products in this country exceeded the petroleum group in such values. The first 10 groups, according to wholesale values, were as follows:

First. Meat-packing products.
Second. Motor vehicles.
Third. Iron and steel.
Fourth. Foundry machinery.
Fifth. Petroleum refining products.
Sixth. Electrical machinery.
Seventh. Printing and publishing.
Eighth. Cotton goods.
Ninth. Clothing and dress goods.
Tenth. Bread and bakery products.

All of these groups provide customs revenues to-day except the petroleum group.

Crude petroleum also is on the free list. Customs duties have been treated as a source of revenue since the beginning of the Government by every political party in control at the time of the enactment of a tariff law. No policy of the Democratic Party is more firmly established than that of deriving revenue from customs duties.

The last Democratic tariff act followed that policy as to perhaps 4,000 articles. Why petroleum should be excepted from that policy is beyond my understanding. It has been shown in this debate that fluctuations in the price of crude oil are not reflected in the price of gasoline, and that a duty of 42 cents a barrel on crude oil will be paid out of the cost of production differential, the figure representing the difference in cost of production at home and abroad. This means that the increased price will be absorbed by the great organizations dominating the petroleum situation in this country and owning or controlling most of the foreign supply.

With the production of crude oil rapidly increasing in foreign countries and the proposed duty considerably less than one-half of the difference in cost of production, it is reasonable to assume that our imports of 100,000,000 barrels will be maintained, if not increased, and that our revenues from an oil tax at this time will run anywhere from $30,000,000 to $42,000,000. Even if there should be a substantial decrease in imports, the revenue would still be substantial and exceedingly worth while.

During the past 12 years the average production of petroleum in the United States has exceeded the demand, domestic and foreign, by 59,000,000 barrels, while the average yearly increase in storage has amounted to 35,000,000 barrels. We have been forced to curtail production, to adopt martial law in some of the States, to adopt all kinds of proration schemes, simply because 100,000,000 barrels have been imported annually without duty, importations which have been used to put down the price of crude oil by the dominant refiners without corresponding benefit to the consumer.

On this question of importation let me direct attention to the fact that four great companies—the Standard of Indiana, the Standard of New Jersey, the Gulf Oil Corporation, and the Dutch Shell—imported 77 per cent of all the crude oil brought into this country in 1931.

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

Mr. SHEPPARD. I yield.

Mr. SHORTRIDGE. I wish to remind the Senator that one of the most ably edited Democratic papers in California has urged at least a dollar a barrel on crude petroleum as a protective measure; but the point is that that great paper indorsed the fact the Senator from Texas has just stated, namely, that the tax of 1 cent a gallon on crude oil has no feature of protection in it whatever but would be productive of revenue, which the Government sadly needs, fully indorsing the view expressed by the thoughtful Senator.

Mr. SHEPPARD. I thank the Senator for his statement. The four great companies to which I have referred brought in 81 per cent of the importations of gasoline in

1931, and 96 per cent of the importations of all other refining products.

Let me call attention to this further fact in connection with importations. Venezuela has for some time been the largest producer of petroleum among the foreign countries. In 1931, however, Russia assumed first place. Her production in 1931 totaled 162,000,000 barrels, while Venezuela's output in the same year was only 115,000,000 barrels. Think of it; Russian production is now practically one-sixth of the total production in the United States, a sufficient amount to constitute a menace to producer prices and to standards of living in the United States.

For my part, I will never vote to subject my people to the competition of communistic, slave-ridden, Bolshevistic, God-repudiating Russia.

No other country in the world, outside our own, now approximates what Russia produces. The coming contest for control of world markets in petroleum will find Russia possessing a unique advantage in her practically inexhaustible supplies of petroleum, coupled with the fact that her labor costs are negligible. Russian labor is virtually slave labor. It is impossible for production costs in the United States ever to be reduced to the Russian level.

The imposition of an adequate tariff on petroleum and its refined products would impose no additional burden upon the consumer of gasoline. Comparison of prices paid for gasoline and prices paid for crude oil demonstrates the remarkable fact that there is no causal relation between the two. Gasoline frequently sells at its highest price when the crude oil from which it has been refined was purchased at the lowest price. The price of gasoline is determined by the great distributing corporations which manipulate it at will. Any comparison of prices paid at any period for crude oil and for gasoline will evidence what I have said. The gasoline price is arbitrarily fixed by those who are in control of the great marketing and distributing systems, the pipeline systems, through which this product reaches the ultimate consumer.

The Federal Trade Commission, discussing this question, on page 19 of the letter transmitting its report to Congress, said:

> With respect to refined products, at least in local sale and distribution, the price conditions reflect even less closely the actual changes in supply and demand, so far as they can be measured by concrete statistical facts. In part this corresponds to the normal conditions of local marketing over wide areas, but in part also to the fact that the varying prices at which the different Standard companies offer their products at the same time in their respective marketing territories are generally followed by their competitors.

In this letter the commission states that generally there is very little real competition among the few large purchasing companies.

Such are the comments of the Federal Trade Commission on this subject.

During 1931 the price of domestic oil in the largest producing sections was as low as 10 cents per barrel, and in many instances sold below the market in large quantities. That fact was not reflected in the selling price of gasoline or other petroleum products.

The continuance of low prices for gasoline, and the possibility of even lower prices being attained, depends upon the success of the movement, of which this amendment for a tax on crude petroleum and petroleum products is a vital part, to break the petroleum monopoly which has been almost completely attained by a few great oil importing corporations in the United States.

If the smaller companies in the United States are destroyed, as they will be destroyed unless some safeguard of this kind is erected, the American people will have to pay far higher prices than those cited by the Senator from Maryland this morning. When that monopoly is once in complete control, the American people will pay what people are paying in the other countries of the world where these monopolies are without competition, and that means a price ranging from 30 to 50 cents a gallon and even more for gasoline.

These facts, I take it, are a complete answer to the figures given by the Senator from Maryland this morning, conceding them to be true. I have given my reasons for not conceding his figures accurately to represent the situation.

Production of native petroleum in the United States could amply care for all the requirements of this Nation. The petroleum industry has endeavored to keep production well within the bounds of the market. In its efforts to stabilize the industry it has voluntarily put in force proration agreements and has secured State regulation of production, "pinching in" thousands of wells while hundreds of additional wells have been entirely shut off. As rapidly, however, as the American industry has reduced production, foreign oil imports owned or controlled for the most part by the few big American companies, have increased in quantity, nullifying all attempts to equate demand and supply. As a result poverty and unemployment have characterized many of the great oil-producing areas in the mid-continent section of our country and in other oil-producing sections, and the conditions continue on such a scale as to send up a cry to the pitying heavens for relief.

The influx of foreign oil, which pays no duty and is not burdened with the overhead carried by American petroleum, has defeated every attempt and every sacrifice made by the smaller producers to stabilize the industry, forced prices to a point in many instances ruinously below the cost of production, utterly demoralized the producing end of the business, driven from employment and to despair a large proportion of the 2,000,000 people ordinarily engaged in production and refining, wiped out millions of dollars formerly paid farmers for lease rentals and royalties, and on which these farmers were dependent as their only source for funds with which to meet tax, interest, and other cash obligations, diminished the revenues of State governments whose budgets were based largely on oil production, crippled or destroyed the markets afforded by the consuming and purchasing power of the 22,000,000 people dependent on the oil industry for a livelihood, thus aiding to weaken the financial and industrial structure of the entire Nation.

Let me invite attention to another fact. According to the testimony submitted in the hearings of the Finance Committee, the total average taxes on oil in this country, taxes now levied upon oil by governmental authority, State and National, including gross production taxes, ad valorem taxes, corporation taxes, income taxes, and gasoline taxes, exceed 100 per cent of the average selling price. This proves the importance of the petroleum industry as a general revenue factor. Why should domestic producers be compelled to bear all the burdens? Why should not the foreign article also be compelled to share in the production of revenue? All foreign oil sold in this country and the profit accruing to its owners should be taxed.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to his colleague?

Mr. SHEPPARD. Certainly.

Mr. CONNALLY. May I invite the attention of my colleague to the fact that the gross production taxes on oil by the State of Texas in 1927 for that year were $5,656,000 and for September, 1931, were $3,346,145.50. In Oklahoma for the fiscal year June 1, 1927, the amount was $12,102,426.28, and for the fiscal year 1931 it was $6,566,006.96. These are taxes which the domestic producer has to pay and which the foreigner does not in any wise have to pay and which are a burden on our own producers for the benefit of the foreign producers.

Mr. SHEPPARD. I am very glad to have these figures from my colleague.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Georgia?

Mr. SHEPPARD. Certainly.

Mr. GEORGE. Does the Senator from Texas know how much taxes the foreign producer pays to the foreign governments?

Mr. SHEPPARD. I know that in the country producing more petroleum than is produced in any other country in the world outside our own the producer does not pay any taxes.

Mr. GEORGE. No taxes at all?

Mr. SHEPPARD. No taxes at all.

Mr. GEORGE. How does he get by with it?

Mr. SHEPPARD. Because the Government owns him and owns everything else. The Government does not pay any taxes to itself.

Mr. GEORGE. It is a Government monopoly?

Mr. SHEPPARD. It is. I am referring to Russia.

Mr. GEORGE. Oh, Russia!

Mr. SHEPPARD. Yes; Russia—Soviet Russia!

Mr. GEORGE. I had not heard that mentioned.

Mr. SHEPPARD. The Senator was not here when I called attention to the fact that Russia produces about one-sixth as much petroleum as is produced in the entire United States.

Mr. GEORGE. Of course, when Russia gets into the picture, we are pretty nearly hopeless in this country. Ever since Russia came over and speculated in our wheat market and frightened the Farm Board as it did, all we have to do is to say "Russia" and everyone has stage fright.

Mr. SHEPPARD. My good friend from Georgia can not laugh the matter out of court in that way. It is too serious a proposition.

Mr. GORE. Mr. President, I did not quite understand the question of the Senator from Georgia.

Mr. GEORGE. The Senator from Texas had referred to the amount of taxes paid by the oil companies in this country. I asked if he knew how much taxes are paid by the foreign producers to their governments. The Senator from Texas said one did not pay any because it was a Government monopoly.

Mr. SHEPPARD. And that one country, Russia, is now producing nearly 175,000,000 barrels annually.

Mr. GORE. I am not able to speak of the figures of the gross production, but the gasoline tax is 8 cents a gallon in Venezuela.

Mr. SHEPPARD. I was not speaking of Venezuela. The information the Senator gives us, however, is most important.

Mr. GORE. I understood, but I thought that might indirectly answer the question of the Senator from Georgia. I desire to add that gasoline is retailed in Venezuela at 30 cents a gallon not including the tax, twice as high as in this country including the tax, which reinforces the suggestion of the Senator from Texas that monopoly benefits even in Venezuela.

Mr. SHEPPARD. I am delighted to have this information from the Senator from Oklahoma.

Mr. LONG. Mr. President——

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

Mr. SHEPPARD. I do.

Mr. LONG. As a matter of fact, the net price of gasoline, excluding the tax in America to-day, is around 7 cents a gallon. The net price of gasoline in Venezuela exclusive of taxes is about 30 cents per gallon. In other words, it sells for about four times as much in Venezuela, excluding the tax, as it sells for in America exclusive of taxes, notwithstanding the oil is produced at $1.03 per barrel less than it is produced for here.

If the Senator from Texas will permit, I want to read a few lines from the La Follette report on this monopoly that had to be guarded against in this country. I refer to the elder Robert M. La Follette, who investigated this matter and who, in the course of his report, said:

SUGGESTED REMEDIES

It would be useless in the closing days of this session to present a bill—which there is no time to consider, much less to pass—attempting to regulate the oil industry in any comprehensive manner. And the suggestions here made of certain remedies does not imply that other and more drastic ones may not later be found necessary.

It must be obvious from the facts set forth in this report that the business can not go on as at present organized and conducted. It is essential to the life of the industry and vital to the public also that neither the public nor the small independent producers and refiners shall be left as at present to the mercy of a combination which advances or depresses prices as it pleases. Unless some means can be found to prevent the manipulation of prices by the large companies, and particularly the Standard group, it is as certain as any future event can be that gasoline prices in the near future will be so advanced as to put gasoline beyond the reach of the public generally as a motor fuel.

I have not had time to review the entire report, but I would like to call the Senator's attention to the fact that in one part of the report it is pointed out that if the monopoly obtains here as it has in other countries it is probably going to mean that gasoline in America will cost 50 cents to a dollar a gallon. I think those exact figures probably are mentioned in this report.

Mr. SHEPPARD. I thank the Senator from Louisiana for his contribution. It is indeed significant.

Mr. GEORGE. May I inquire if there is an import tax on gasoline in Venezuela?

Mr. SHEPPARD. That I do not know.

Mr. LONG. No; there is not.

Mr. SHEPPARD. Mr. President, a tariff on petroleum will cause a larger use of domestic petroleum products and will incidentally enlarge the business of our merchant marine. In the coastwise traffic only ships of American registry may be used in transporting American fuel oil from tidewater nearest the oil fields to the consuming centers.

In my view, so many considerations of important, vital, and compelling nature unite in behalf of this proposition as to make its support a matter of logic, of justice, and of duty.

Mr. President, I have here three tables, Table No. 1 showing the United States production of crude and refined oil from 1920 to 1932, both inclusive, Table No. 2 showing the status of the petroleum industry for 1931, and Table No. 3 showing the world production of crude oil, all of which I ask may be inserted in the RECORD at this point as a part of my remarks.

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

The tables are as follows:

TABLE I.—*United States production of crude and refined oils from 1920 to 1932, both inclusive*

[Authorities: Bureau of the Census, Bureau of Mines, Bureau of Foreign and Domestic Commerce, Department of Commerce]

[Barrels]

Year	Jan. 1 stocks	Production	Imports	Supply	Domestic demand	Exports	Dec. 31 stocks
1920	196, 135, 000	453, 861, 000	108, 794, 000	758, 790, 000	456, 465, 000	77, 279, 000	225, 046, 000
1921	225, 046, 000	484, 244, 000	128, 776, 000	838, 066, 000	477, 335, 000	70, 315, 000	290, 416, 000
1922	290, 416, 000	571, 263, 000	135, 947, 000	997, 626, 000	533, 078, 000	70, 702, 000	393, 846, 000
1923	393, 846, 000	754, 168, 000	99, 608, 000	1, 247, 622, 000	664, 856, 000	100, 058, 000	482, 708, 000
1924	482, 708, 000	738, 378, 000	94, 534, 000	1, 315, 620, 000	680, 123, 000	115, 207, 000	520, 290, 000
1925	520, 290, 000	791, 907, 000	78, 137, 000	1, 390, 334, 000	729, 008, 000	111, 747, 000	549, 579, 000
1926	549, 579, 000	805, 291, 000	81, 284, 000	1, 436, 154, 000	780, 985, 000	129, 029, 000	526, 140, 000
1927	526, 140, 000	942, 348, 000	71, 662, 000	1, 540, 150, 000	812, 407, 000	131, 242, 000	596, 501, 000
1928	596, 501, 000	946, 609, 000	91, 167, 000	1, 634, 277, 000	869, 206, 000	145, 120, 000	619, 951, 000
1929	619, 951, 000	1, 062, 649, 000	108, 567, 000	1, 791, 167, 000	949, 482, 000	153, 550, 000	688, 135, 000
1930	688, 135, 000	953, 331, 000	105, 618, 000	1, 747, 084, 000	924, 356, 000	156, 499, 000	666, 229, 000
1931	666, 229, 000	895, 170, 000	86, 082, 000	1, 647, 481, 000	900, 982, 000	124, 515, 000	621, 934, 000

NOTE.—The stocks at the beginning of the year added to the production and imports give the supply for the year, and the domestic demand and exports deducted from that supply give the stocks on hand at the end of the year. Domestic demand represents the refinery run, or the crude oil delivered to the refineries and what refined oils were not consumed during the year is shown in the stocks.

TABLE II.—*United States petroleum statement—1931*

[Authorities: Bureau of Census, Bureau of Mines, Bureau of Foreign and Domestic Commerce, Department of Commerce]

(Barrels, crude and refined)

SUPPLY		
Stocks on hand Jan. 1:		
Crude oil	512, 232, 000	
Natural gasoline	3, 100, 000	
Refined products	150, 897, 000	
		666, 229, 000
Production:		
Crude oil	850, 275, 000	
Natural gasoline	42, 966, 000	
Benzol	1, 929, 000	
		895, 170, 000
Imports:		
Crude oil	47, 250, 000	
Refined products	38, 832, 000	
		86, 082, 000
Total supply		1, 647, 481, 000
Daily averages:		
Production		2, 453, 000
Imports		235, 000
Production and imports		2, 688, 000
DEMAND		
Domestic:		
Refinery run	894, 608, 000	
Crude, etc	6, 374, 000	
		900, 982, 000
Exports:		
Crude oil	25, 546, 000	
Refined products	98, 969, 000	
		124, 515, 000
Total demand		1, 025, 497, 000
Stocks on hand Dec. 31:		
Crude oil	464, 504, 000	
Natural gasoline	2, 818, 000	
Refined products	154, 662, 000	
		621, 984, 000
Total supply		1, 647, 481, 000
Daily averages:		
Refinery run		2, 468, 000
Exports		342, 000
Total demand		2, 810, 000

TABLE III.—*World production of crude oil*

[Authorities: Bureau of the Census, Bureau of Mines, Bureau of Foreign and Domestic Commerce, Department of Commerce]

Nations	1900		1910		1920		1929		1930		1931	
	Barrels	Per cent	Barrels	Per cent	Barrels	Per cent	Barrels	Per cent	Barrels	Per cent	Barrels	Per cent
United States	63, 621, 000	43	209, 557, 000	66	442, 929, 000	66	1, 007, 323, 000	68	898, 011, 000	63	850, 275, 000	62
Venezuela					60, 000		137, 472, 000	9	136, 669, 000	10	118, 770, 000	9
Russia	75, 780, 000	50	70, 337, 000	22	25, 430, 000	4	99, 507, 000	7	125, 555, 000	9	161, 900, 000	12
Persia					12, 230, 000		42, 145, 000	3	45, 828, 000	3	44, 300, 000	3
Mexico			3, 634, 000	1	157, 069, 000	23	44, 688, 000	3	39, 530, 000	3	33, 039, 000	2
Netherlands	2, 253, 000	2	11, 031, 000	3	17, 529, 000	3	39, 279, 000	3	41, 729, 000	3	35, 500, 000	3
Rumania	1, 629, 000	1	9, 724, 000	2	7, 435, 000	1	34, 758, 000	2	41, 624, 000	3	47, 600, 000	3
Colombia							20, 385, 000	1	20, 346, 000	1	18, 237, 000	1
All others	5, 580, 000	4	22, 222, 000	6	23, 385, 000	3	46, 888, 000	5	48, 298, 000	5	50, 572, 000	5
Total	149, 137, 000		327, 763, 000		688, 884, 000		1, 485, 867, 000		1, 410, 037, 000		1, 370, 299, 000	

Mr. CONNALLY. Mr. President, I wonder if we can not get a unanimous-consent agreement now for a time to vote.

Mr. TYDINGS. Mr. President, without speaking for anyone other than myself, if that is to be proposed I would suggest that the fair thing to do would be to get the absent Members of the Senate back into the Chamber to see if they want to enter into such an agreement.

Mr. CONNALLY. Very well; I will withhold the matter for the present.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, yesterday I presented data of the United States Department of Agriculture showing that in 1930 farmers lost an estimated total of $346,000,000 on their operations. In 1931 the price level was almost exactly one-half what it was in 1930, consequently the losses were much heavier.

In other recent statements, I have pointed out the enormous tax burden, the staggering load of indebtedness, the great number of foreclosures and forced sales of farms, and other distressing conditions under which agriculture has been and is now laboring.

We hear a great deal about the lack of prosperity in industry, and the first measure to be passed by this Congress and signed by the President made available $2,000,000,000, primarily for the relief of industry through the Reconstruction Finance Corporation, with only incidental and, of course, limited aid to agriculture through crop-production loans. Notwithstanding, Mr. President, and I call the attention of the Senate to the fact, industry has not suffered anywhere nearly as much as agriculture, nor does it need relief anything like as much as does agriculture.

According to a tabulation published in the March, 1932, issue of the Monthly Letter of the National City Bank, bakery corporations in 1931 made an average net profit of 11.3 per cent, food-product corporations made an average net profit of 6.9 per cent; tobacco corporations, 13.6 per cent; shoe corporations, 5.7 per cent; stockyards, 8.3 per cent; chain stores, 15.7 per cent. Yes, and the power industry's revenue in 1931 exceeded that of the boom year of 1929 by about 1½ per cent. So far as the chain stores were concerned, they made a larger profit in 1931 than in 1930, their profits averaging 15.7 per cent in 1931 compared to 14.8 per cent in 1930. All these corporations sell products produced on the farm, either in their raw state or in a manufactured form. The average net profit of the 900 industrial corporations in the year 1931 totaled $592,105,000, which on the basis of a net worth of $17,703,059,000 yielded an average net return of 3.3 per cent.

To cite a few specific examples of the enormous profits made by some of the middlemen between the farmer and the consumer: The American Tobacco Co. in 1931 had a total net profit of $46,189,741, which is said to be a record earning for the company. This net profit was shown after paying handsome salaries to their executives. It paid its president more than $1,000,000, of which $168,000 was salary and $850,000 was a cash bonus. The salary alone was more than double the salary of the President of the United States, but in addition he received a bonus of more than three-quarters of a million dollars.

The General Foods Corporation and subsidiary companies for the year ended December 31, 1931, had total net earnings of $18,153,719, according to its annual report. This is equivalent to $3.44 per share on 5,275,667 shares and almost equals the earnings in 1930 totaling $19,085,595. These earnings in 1931 were left after the company had set up a reserve of $1,000,000.

An analysis recently prepared by the Ontario Financial Corporation showed that in 1931, out of 250 leading American corporations 176 were still paying cash dividends, and the average yield of these 176 at market prices on October 5, 1931, was 11.3 per cent.

Think of it! One hundred seventy-six of our leading corporations earning an average net profit of 11.3 per cent after paying all expenses and handsome salaries, while the farmers of the country were not even able to obtain the cost of production.

These enormous earnings are in striking contrast with the distressing condition of the farmers, who have received prices far below the actual costs of production. In this connection I desire to call attention to the fact that while this large tobacco company was making a record net profit of more than $46,000,000 in 1931, after paying handsome salaries to their executives, the tobacco growers were receiving ruinous prices from these great corporations. I read at this point a paragraph from a recent report of the United States Department of Agriculture showing the average prices received for tobacco by the farmers. It shows what these great corporations paid the farmer for the 1930 and 1931 crops:

Auction-floor prices for the 1931–32 season for types wholly or partially marketed up to April 1, compared with prices for the 1930–31 season, in cents per pound, as follows: Flue cured, 8.5 and 12; Burley (Kentucky), 8.6 and 15; Virginia fire cured, 5 and 8.3; Clarksville-Hopkinsville fire cured, 3.1 and 6.9; one sucker (Kentucky), 3.1 and 7; Green River, 3.3 and 8.9; Virginia sun cured, 5.8 and 7.7.

Mr. President, I submit that companies making such lavish profits as these, after paying huge salaries to their executives, could have paid the farmers much higher prices for their product than they did pay and still earn reasonable returns. The farmer was told that he had produced too much, and that this was the reason why better prices could not be paid for his products, but these corporations do not apply similar logic in fixing their own prices to consumers. Instead of passing on the reduced prices to the consumers they actually increased prices.

Mr. President, these are but a few illustrations of the inequality of agriculture with other industries. They indicate the disadvantageous position which our farmers occupy in bargaining with great corporations and combinations that purchase their products, process them, and sell them to the consumers. They suggest also how the farmers' prices are pushed down to disastrously low levels while the consumers are charged prices far out of line with what the farmers receive.

Yet what has this Congress done to relieve this intolerable situation? Has it passed any measure or considered any measure to restore equality to agriculture, outside of measures for extending additional credit of one kind or another? Neither Agricultural Committee nor any other committee of this Congress has reported any constructive measure to cope with this situation. As a consequence to-day there is no such measure pending on the calendar of either House of this Congress.

Mr. President, the farmers of this country are beginning to believe that their elected representatives in Congress are either unwilling or are extremely dilatory in promoting their interests. They can not understand why a Congress, which is so willing to dispense billions of dollars of Federal money for the benefit of the railroads, the banks, and other great industries, and put aside all other legislation in order to speed through such relief measures for industry and commerce, can stay in session for five months and pass no remedy whatever for the relief of the basic industry of this country, when it is harder hit and in greater distress than any other important industry in this country.

Mr. President, I again assert 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.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. NORRIS] to the amendment reported by the committee.

Mr. NORBECK obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

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

Mr. NORBECK. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Davis	Kean	Robinson, Ark.
Austin	Dickinson	Kendrick	Robinson, Ind.
Bailey	Dill	Keyes	Sheppard
Bankhead	Fess	King	Shipstead
Barbour	Fletcher	La Follette	Shortridge
Bingham	Frazier	Lewis	Smoot
Blaine	George	Long	Steiwer
Bratton	Glenn	McGill	Thomas, Idaho
Brookhart	Gore	McNary	Thomas, Okla.
Broussard	Hale	Metcalf	Townsend
Bulkley	Harrison	Moses	Trammell
Bulow	Hastings	Neely	Tydings
Capper	Hatfield	Norbeck	Vandenberg
Carey	Hayden	Norris	Wagner
Cohen	Howell	Nye	Walsh, Mass.
Connally	Hull	Oddie	Walsh, Mont.
Coolidge	Johnson	Pittman	Watson
Cutting	Jones	Reed	White

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present. The Senator from South Dakota [Mr. NORBECK] has the floor.

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

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

Mr. NORBECK. For a moment; yes.

Mr. LONG. If the Senator will pardon me, I will try not to prolong this. I wanted to see if we could get the agreement that the Senator from Texas [Mr. CONNALLY] asked about.

Mr. CONNALLY. The Senator from Oregon [Mr. MCNARY] is going to present the matter a little later.

Mr. LONG. Very well.

Mr. NORBECK. Mr. President, we have heard of the distress of people in the oil industry, and I do not question the correctness of that statement. I know they have not entirely escaped the depression. There is unemployment even in the big oil fields.

We hear at other times of the distress of the men in the lumber industry. One of them writes me and says, "If I could only get a tariff of a dollar a thousand, my trouble would be over. Why do you stand in the way?" I wrote and asked him whom he expected to pay that dollar extra to him.

Mr. President, when will we learn that a rule of economics that must be observed before we can make any progress is that you can not give anybody a dollar without taking it away from somebody else? It is proposed to bestow a gift upon certain people who are in need of jobs, or of a living, or of dividends, or of profits. Whom are we going to take it away from? That is a question that is never answered on this floor.

Why should the Senate of the United States indulge in the pastime of trying to lift itself by its boot straps? Why should we continue to assume that we could bestow a financial advantage upon one group without charging the expense to some other group? To-day we are faced with the same arguments as before. When will we recognize the absurdity of it?

American producers protest against the importation of oil from foreign lands. A little of it is imported, but we export more. We are not on a domestic basis, and nothing has been said about the fact that we have two or three years' supply in storage tanks. Nothing has been said about the fact that the oil business is a good deal like the wheat business just now. We have a tariff of 42 cents a bushel on wheat, and we have been pleading here for the last 8 or 10 years for some way to make the tariff effective.

I do not know whether this tariff on oil, if it should be enacted, would be effective; but it will be either effective or noneffective. If it is effective, then it will do just what is claimed for it; it will increase the price of the refined product. It will add a tax upon every home in the land. If it is noneffective, it will be used as an excuse for raising the price of gasoline and other oil products, and the tariff will be blamed for it, and this body will be charged with it, and these individual Senators will have to answer for it. We will have the increased price if we pass the bill whether the tariff is effective or noneffective.

My sympathy goes out to these men who work in the oil fields. I have been in this line of work myself. Two years ago I listened carefully to the proponents of this plan, and I came to the conclusion that the tariff would not be effective. It takes something more than a tariff to bring up the price of crude oil to a higher level. It takes additional legislation to make the tariff effective, and I do not think we can bring back prosperity until we have average earnings on the part of the average family.

When we are just going to put something more in one man's pocket at the expense of another man whose pocket is nearly empty, we just prolong the trouble and add to the difficulty.

There was complaint that oil came in from Venezuela, where it was produced much cheaper than here. I do not deny the statement; but the difference is not as great as we were told. We were told that we were competing with cheap labor down there, very cheap native labor; but when I asked what they were paying their drillers, they said, "$15 a day."

"Why?"

"They are American drillers."

"Are you paying them from the day they leave home?"

"Yes."

"Then, where does the cheapness come in?"

"Oh, it is partly in the extra labor they have around the rigs. That is very, very cheap; and it is partly in the casing that is used in the well, which is bought at a European price instead of an American price."

No emphasis is put on the fact that it is an inferior grade of oil, as a rule, that comes in.

The statement has been made here that oil is produced in the Central American countries at $1.03 a barrel less than in this country. I have been looking through the Tariff Commission report trying to find that statement somewhere, because I knew it was not correct. I think I have found the source of the statement, which is simply this: That a certain field in Central America has a production cost of $1.03 less than the average for the whole of the United States of America, which produces a different kind of oil. I suggest that we will have to go into the matter deeper to get comparative costs than to use those figures.

CONSERVE OUR NATURAL RESOURCES

We have a surplus of oil; and what should be done about it? We act as though there would be no end of it. We have a large amount now; but we forget that all of New England has no oil and never did have. We forget that the eastern fields, like those of Pennsylvania, that were famous 40 years ago for their oil production, are nearly dead now. We forget that wells that produced 1,000 barrels a day in Pennsylvania are not producing 4 gallons a day now. We forget that the famous fields of Ohio have practically gone dry, and that the wells of large production are now barely producing. They pump a few gallons out of them once a week. We forget that the same thing has taken place in Indiana, and that Indiana has gone down to almost no production. We forget that the same thing has taken place in Illinois, and that there is practically no oil production in Illinois. Those fields were famous 20 years ago. We forget that there has been a similar falling-off in West Virginia. We forget that the States of the Southeast have no substantial oil production. We forget that Iowa and Wisconsin and the Dakotas produce no oil. We forget that Nebraska has no oil and that very little of Kansas has oil. We forget that Wyoming, which even 10 years ago was rated as one of the great oil-producing States, has gone down to a distressing level, because it is approaching exhaustion. We forget that the oil production to-day in the United States comes from just a few spots Southwest. The wells are so strong that they are producing oil faster than we can use it. But why must it all be produced and used in this generation?

We have used up 75 per cent of our forests in one century. We have 25 per cent left for the centuries to come. Are we not going to be in even worse shape with oil in the near future? Is it not a good plan to leave some of our oil in the ground until this country needs it?

It is now claimed there is more orderly production than two years ago, that wells are no longer running wild, and that if orderly pro rata production can be maintained it will serve a good purpose. I agree to all that, but this plan has not yet proven effective. Only some States follow it. It is a prospect, or rather it is a hope, that something can be done through State law by the different States coordinating and limiting the production to consumptive demands.

NEW FARM RELIEF

This is a new kind of farm relief. The plea now is the farmer. Well, two years ago we enacted a farm relief bill, and it worked just as we said it was going to work. It relieved six farmers who were appointed on the board, and they got about $12,000 a year help—yes; one out of a million. What percentage does this one propose to relieve? It is all a question of what percentage of farms produce oil as compared to those that do not produce oil.

I have been searching the records hastily to find some record on that subject, and I have not been able to find it; but I can speak from knowledge and observation, and so can every Senator here. If you should travel 3,000 miles across the continent, and you passed over a strip of oil land 3 miles wide, the whole width of the continent, then one one-thousandth part would be oil. But you do not pass through any such strip. You pass through spots of oil. Certainly it is a very conservative statement that for every farmer who gets a royalty out of oil, nine hundred and ninety-nine must contribute. Therefore, we are relieving one at the expense of nine hundred and ninety-nine, and we call that farm relief!

What is the burden going to be? It is difficult, of course, to forecast what it is going to be; but no one here denies that if the tariff on oil is effective, there will have to be an increase of a cent a gallon in the price of gasoline. The best I can figure it is that it will be very conservative to say that that means $10 on every farmer in the land. It will cost the other farmers $10,000 to relieve one a little bit. Does that farmer get the $10,000? He gets only a very small part of it, of course. The promoter, the middleman, the big oil company, will get the bulk of it. So that is the way to have farm relief! Tax one thousand farmers for the benefit of one farmer, and then give 90 per cent of the tax to somebody else who is not a farmer! That is the kind of farm relief that is in this bill. [Laughter.]

We hear much about cutthroat competition in the oil business, unfortunately. That was the thing that was told me two years ago when I went into this problem—that if we could shut out Venezuelan oil, we would still be hopeful except for the fact that the wolves controlled a good part of the storage and the production here, and it was the Americans that were breaking the market; it was not the Venezuelans. It was the American oil companies that produced oil in Venezuela for the purpose, they said, of depressing the market here; and they said, "Protect us against them." On the other hand, they admitted that those same people have the American oil, and the tariff might not be effective. I said, "Why do you want the tariff?" They said, "Well, we can not think of anything else." That was the excuse.

When we take the chart of the Tariff Commission and find that practically two-thirds of the oil of the whole world is produced in the southwestern part of the United States of America, that those fields are new and virgin, they are not exhausted yet but probably will be in 20 years, then we have another problem.

Whom are we to protect against? We find that 20 per cent of the countries of the world produce some oil and do not export any. This tariff is not to protect against them. We produce nearly two-thirds. They produce over 20 per cent. But there are a few countries that produce a little over 15 per cent of the oil of the world that do not use quite all of their oil, and from those countries there is some

imported into this country—the oil that is supposed to create the problem.

I wish we could give everyone a fair wage and a fair earning power. I am one of those who do not think it is impossible. I think in this land of plenty, with such wonderful resources, with such an abundance of people willing to work, with such a hardy and thrifty race, and such an advanced stage of civilization, we have very little excuse for permitting this condition to exist. I look upon it as nothing but a lack of coordination.

There is no reason why we can not have a day's earnings for every person in the land who wants to work, but we can not have that condition by taxing nine hundred and ninety-nine farmers for the benfit of one farmer. We can not have that by the oil companies going out and levying tribute on the land, even though it will help the oil business, even though we want to help the oil business.

We are always told, "We will help you next time." We have been promised that ever since I came here, and that has been a long time. "We will help you next time." In the 1924 Republican convention, at Cleveland, we received the only definite promise we have ever received.

The promise was to restore equality between agriculture, industry, and labor. There are just two ways in which equality can be restored. One is by trying to get everyone up to a good American level, a good high standard. With our resources, we are entitled to live on a higher level than the rest of the world, and the question is whether our efforts should be in that direction or whether we should try to put some favored group upon a higher level.

I say that if we do that, we will fail. The only result will be to drag everybody down to an undesirable level; and if we follow that policy, the bottom has not been hit. We will drag everybody down until all find the same place, and then we will start rising slowly together.

Of course, the country is coming back; it is sure to come back. But it would come back more quickly, and the distress would be less if we could work out some policy that would lead at an early date to the average family having an average income. Nobody would lose by that.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Nebraska [Mr. NORRIS] to the amendment of the committee.

Mr. SHEPPARD. I ask for the yeas and nays.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Ashurst	Dickinson	Kean	Sheppard
Austin	Dill	Keyes	Shipstead
Barbour	Fess	King	Shortridge
Barkley	Frazier	La Follette	Smith
Bingham	George	Lewis	Smoot
Blaine	Glenn	Long	Steiwer
Bratton	Goldsborough	McGill	Thomas, Idaho
Brookhart	Gore	McNary	Thomas, Okla.
Broussard	Hale	Metcalf	Townsend
Bulkley	Harrison	Moses	Trammell
Bulow	Hastings	Neely	Tydings
Capper	Hatfield	Norbeck	Vandenberg
Carey	Hawes	Norris	Walcott
Cohen	Hayden	Nye	Walsh, Mass.
Connally	Hebert	Oddie	Walsh, Mont.
Coolidge	Howell	Pittman	Watson
Copeland	Hull	Reed	Wheeler
Couzens	Johnson	Robinson, Ark.	
Davis	Jones	Robinson, Ind.	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, if anybody else wants to speak in behalf of the tariff on oil, I shall be very glad to yield to him because I can speak now or later just as well.

I am going to make one appeal to the leadership on the other side of the aisle. The responsibility for the retention of the tariffs into this tax bill must lie squarely upon the shoulders of the leaders of the majority party. There are Democrats who feel impelled, because of their conviction that a tariff upon oil, upon copper, and upon other products would be helpful and indeed, necessary for the preservation of the industries of their States and sections to ask, of course, for tariffs upon those products. But the responsibility for retaining these tariff items into the tax bill lies squarely—and must lie squarely—upon the shoulders of the administration leaders in the Senate.

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

Mr. GEORGE. I yield.

Mr. WATSON. I have no desire, of course, to inject a partisan controversy into this matter, but is it not a fact that when the tariff bill came over to us from the House of Representatives it had in it a tariff on oil and a tariff on coal?

Mr. GEORGE. That is a fact, Mr. President; but it is also a fact that some of the minority members of the Finance Committee undertook to exclude from the revenue bill all tariff items, and but for the consistent votes of the administration leaders, those items would have gone out of the bill.

Mr. SMOOT and Mr. LONG addressed the Chair.

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

Mr. GEORGE. I yield first to the Senator from Utah, who rose first.

Mr. SMOOT. Is it not a fact that if the whole Democratic vote in the committee had been cast against those items, they would not have gone into the bill?

Mr. GEORGE. I said that there were some Democrats who, from conviction, and because they felt the necessity of protecting the interests of their States and their sections, were voting for these items.

Mr. SMOOT. And if it had not been for their votes the items could not have been included.

Mr. GEORGE. That is true. But the majority party has had it in its power at every moment since this bill came to the Senate to strike them from the bill. Now, if there is any leader of the administration who wishes to controvert that statement, I invite him to do so.

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

Mr. GEORGE. I yield.

Mr. LONG. Is it not a fact that the Speaker of the House of Representatives, a good Democrat, was one of the sponsors of the proposal for a tariff of 1 cent a gallon on oil?

Mr. GEORGE. I do not know about that; but I am not going to criticize or to comment upon what the House has done. We are not responsible for the actions of the House. We are responsible for our conduct here. We are responsible for the policies which we adopt. We do not control the House, and we do not assume to criticize House action.

Why oil and coal were inserted in the House is a matter upon which I do not care to comment here. It is a proper subject of comment, perhaps, but I have no such definite information as would enable me to comment upon it, nor have I any disposition to do so.

I come back to the proposition that upon the administration leadership in the Finance Committee must rest the responsibility for the injection of tariff items into the tax bill.

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

Mr. GEORGE. I yield.

Mr. WATSON. Again disavowing any thought or purpose of arousing any partisan discussion in this matter, if my poll is correct, there are 18 Democrats for these tariff rates and 18 Republicans against them, as will be seen when the vote is taken, if I am correctly informed. So that, after all, our Democratic friends will help keep the tariff items in the bill if they are kept in it.

Mr. GEORGE. That may be true.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me?

Mr. GEORGE. I yield.

Mr. LA FOLLETTE. Is it not a fact that the place to have eliminated these tariffs was in the Committee on Finance, and that the votes cast by the Republican leadership sitting at the head of the table of the Finance Committee were the

votes which put the tariffs into the bill? The roll calls will demonstrate that fact.

I pleaded with the leadership on this side of the Chamber, because I predicted the very situation which has developed here, and which threatens to delay the pending tax bill, which the same gentlemen who have injected these tariff items into the bill have been bellowing to the country must be passed if we are to preserve the credit of the Government of the United States. We have all heard that hue and cry. But assuming that the Senator from Indiana is right, the votes of the gentlemen who sit at the head of the Finance Committee table on the Republican side were the votes which put these tariffs into the bill, and finally when we knocked them out they were the votes which put them back in. The most disgraceful kind of logrolling I ever witnessed in any committee of the Congress took place right across the table while the rolls were being called.

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

Mr. GEORGE. I am glad to yield.

Mr. LONG. I want to deny that to the Republican Party is due the credit for putting this tariff on oil into this bill. It is giving the Republican Party credit to which it is not entitled. I charge that Democrats were the originators of this tariff, the Democratic House, a Democratic committee in the House, Democratic statesmen, and a Democrat from the State of Texas, and I deny that the Republican Party is entitled to credit for it.

Mr. SMOOT. Mr. President——

Mr. GEORGE. I yield only for questions, not for speeches.

The PRESIDENT pro tempore. The Senator from Georgia yields only for a question.

Mr. GEORGE. I shall be glad to yield to the Senator from Utah.

Mr. SMOOT. All I wish to say in answer to the Senator from Wisconsin is that every one of the Senators who sat at the head of the table on the Republican side voted first, last, and all the time for the amendment. They never changed their idea at all and have not changed it upon the floor of the Senate.

Mr. GEORGE. I could not understand the Senator's last statement.

Mr. SMOOT. Did the Senator understand my first statement?

Mr. GEORGE. No; I did not.

Mr. SMOOT. I will state it again. In answer to the Senator from Wisconsin I will state that every Senator referred to by him who sat at the head of the table voted for this amendment first, last, and all the time. There was no change made at any time on any vote. So far as I am personally concerned, I am ready and willing to take the responsibility. I do not ask any one to excuse me in any way. I have no apology to offer. It is for a majority of the Senate of the United States to say whether the amendment shall remain in the bill.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. I yield.

Mr. LA FOLLETTE. I do not wish to cut to pieces the argument of the Senator from Georgia.

Mr. GEORGE. I had not begun my argument.

Mr. LA FOLLETTE. I beg the Senator's pardon for having injected this matter at this time. I shall discuss it in my own time when I speak on the matter, but I just wish to say now that the records on the desk of the Senator from Mississippi [Mr. HARRISON] will show that two conservative Republican Senators from New England did switch their votes on the oil tariff after there had been an adjustment of it made across the table which justified the characterization which I made of it a few moments ago.

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

Mr. GEORGE. Certainly.

Mr. HARRISON. Not only was there a switch on oil but there was a switch on copper and there was a switch on lumber, and I will clarify the situation with reference to that by reading the names as they appear in the record. I expect to do that before the debate is over.

Mr. GEORGE. Mr. President, the distinguished Senator from Louisiana [Mr. LONG] has tried to snatch this dubious glory for Democratic Senators. I am far from denying him any glory that he may get out of it or any Democrats of any glory that they may get out of it, but I am far from criticizing any individual Democrat for his position. I said in the beginning that there were Democrats, distinguished Members of this body, whose States were peculiarly affected by one or more of these industries and that they felt it necessary to protect such industries at this time; that they were convinced that there should be tariffs upon the products of these particular industries within their States and within the sections of the country represented by them. That is all true enough, and nothing that I now say, and nothing that I shall hereafter say is intended to be or can be rightfully construed as anything but a different viewpoint between honorable Members of this body over this economic question of tariffs.

Mr. SMOOT rose.

Mr. GEORGE. Let me finish my statement. While there were two or three of the Democrats who were convinced that they should ask for tariff duties upon particular products, the responsibility, of course, must rest where the distinguished Senator from Utah has admitted it to rest, upon the majority members of the committee, because they had it in their power—not only did they have it in their power but they were invited and had the opportunity, as the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] has stated, to strike these particular duties out of the bill. They did not do so.

I yield now to the Senator from Utah.

Mr. SMOOT. Is it not true that whenever any tariff bill is under consideration in the Senate we find exactly the same situation? I can point to Senators on the other side who voted for protection when we had tariff bills before us. I do not want to mention names at all, but the Senators know.

Mr. GEORGE. That is quite true.

Mr. SMOOT. That is not new in this situation.

Mr. GEORGE. That is quite true. I am not talking about what happened in previous tariff bills. I am talking about what is happening now. The President of the United States has it within his power to eliminate these tariff duties if he is disposed to do so.

Mr. WATSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Indiana?

Mr. GEORGE. Certainly.

Mr. WATSON. How would the President of the United States proceed to do that?

Mr. GEORGE. I think the President of the United States as the leader of his party could remind his party that the primary obligation of the Senate is to protect the credit of the United States.

Mr. WATSON. That he has said many times, and urged Congress to hasten in the discharge of their obligations.

Mr. GEORGE. If the Senator from Indiana, the distinguished leader, wishes to leave the implication that the President of the United States is not the responsible head of his party, then I accept the implication.

Mr. WATSON. The President of the United States is the leader of his party; but quite naturally the President of the United States does not see fit to thrust himself into every legislative situation that presents itself. I have had no discussion with the President of the United States as to whether the tariff rates should be left in or taken out of the bill, because I considered that was our business.

Furthermore, inasmuch as so many votes were taken on the question in the committee, and inasmuch as opinion here has been so thoroughly crystallized by private conversations, I assumed the President of the United States could not have changed any of the votes if he had wanted to; but it never occurred to me to ask him to have those

votes changed, because in reality under the conditions I did not want the votes changed.

Mr. GEORGE. I accept the implication, Mr. President, that the President of the United States has lost his influence as the leader of his own party. I am compelled to go further and say that he has lost influence with his party's leader in this body.

Mr. WATSON. I will say to the Senator that he has not tried to exert his influence over me on this question at all. I am very glad that he has not.

Mr. GEORGE. I am prepared to accept the Senator's statement that he has not undertaken to exert his influence.

Mr. SHORTRIDGE. Mr. President——

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

Mr. GEORGE. Certainly.

Mr. SHORTRIDGE. This being a revenue measure, I assume we have a right to look to sources of additional revenue. From my point of view, neither the rate as reported by the Senate Finance Committee as to coal, as to oil, as to copper, or as to lumber, is a protective rate. I think, however, it would be a revenue-raising source for additional revenue, which the Government sadly needs. Now can not the distinguished, thoughtful Senator from Georgia and can not other perhaps equally thoughtful Democratic Members of this body go along and let these items remain in the bill as purely revenue-raising items; for, to repeat, personally I think they have no protective features at all. If I were urging a protection for coal or oil or copper or lumber, I should urge far greater duties that are in the bill as reported by the committee.

Mr. GEORGE. Yes; I am quite sure the Senator from California would, because the Senator from California is a consistent protectionist, and I am not quarreling with him about his philosophy.

Mr. SHORTRIDGE. Nor am I quarreling with the Senator from Georgia.

Mr. GEORGE. But I am inviting the Senator and all Senators to observe what has taken place.

Mr. SHORTRIDGE. Mr. President, will the Senator indulge me a moment longer?

Mr. GEORGE. Yes.

Mr. SHORTRIDGE. It has been said that this is a tariff item, and that it may not originate here in the Senate by way of amendment. A bill regulating immigration may yield some revenue; a bill concerning the disposal of our public lands may yield revenue; but they are not "bills for raising revenue" in the contemplation of the Constitution, and therefore they may originate here. So if we could agree, and I hope we may agree before 10 o'clock to-night—rising above party, remembering what a great Democratic statesman said, that he serves his party best who serves his country best—if we could remember and be influenced by that wise utterance and lay aside all partisanship; if we could agree as to these four items that they are purely revenue-raising items rather than protective in the sense of a protective tariff, could not the Senator join in letting these four items remain in the bill as revenue-raising items?

Mr. GEORGE. Let me invite the distinguished Senator from California to remember what a great Democrat said—that he who serves his country best serves his party best.

Mr. SHORTRIDGE. Truly.

Mr. GEORGE. And let me invite the majority Members of the Senate to lay aside these purely tariff items, whether they are altogether protective or in part revenue-producing measures, and let us finish the work before us. The Senator from California is most gracious in inviting us, who likewise have very definite and fixed convictions, to forego our objection and to allow coal and oil and copper and lumber to come into the bill under the rates proposed. But I am suggesting to him that he be quite as gracious as he invites us to be and himself waive his insistence upon the inclusion of these particular tariff items in the bill.

Mr. SHORTRIDGE. Mr. President, may I interrupt the Senator again?

Mr. GEORGE. I pause until the Senator responds.

Mr. SHORTRIDGE. I would not ask the Senator from Georgia or any other Senator of like mind to yield his views and his convictions as to the tariff problem. But this is the proposition, namely, that these items are not primarily "protective-tariff" items, according to my view; they are essentially and designedly revenue-raising items.

Mr. GEORGE. Upon that we differ; thus differing and both being conscientious, may I not again invite the distinguished Senator from California to lay these items aside and let us raise the revenue which the country so sorely needs?

Mr. SHORTRIDGE. I would gladly, but for this final thought. Holding as I do that these items are not protective, and that therefore we need not get into a controversy over the two great theories of tariff legislation, if we could agree that they are essentially revenue-raising measures and that the Government is in sad need of additional revenue—if we could so agree—then I venture to suggest—and to express the hope—that the Senator from Georgia and others of like mind will agree to this proposition, namely: We need revenue; these are not protective-tariff items, but they will raise revenue, and we are here seeking additional revenue. If we can so agree, why not let this and other revenue-raising items remain in the bill?

Mr. GEORGE. We are thoroughly agreed upon the statement that we are here to raise revenue; that the country sorely needs the revenue. The distinguished Senator conceives the tariff items in the bill as being purely revenue items, but there are those of us who differ from him on that proposition. So the situation has developed that we are now engaged in a tariff fight; and if any Senator here doubts it, let him rise and say so. It has come to that. Without any criticism of those who think that these items ought to be in the bill, and conceding that they may be right, there are those of us who do not think they should be in this bill, and we have reached an impasse. We have reached it not over any item that is undoubtedly a revenue item only, but we have reached it over these tariff matters.

Mr. SHORTRIDGE. Mr. President, may I just——

Mr. GEORGE. Let me finish this statement, and then I shall be glad to yield to the distinguished Senator, as I always am.

We have reached an impasse; it is plain and it is unmistakable. The distinguished leader of the Republican Party has gone out of the Chamber. He is content to leave the clear implication that the President of the United States is not in control of the majority party when we have reached an impasse upon so important an issue as providing revenue for the Government, when the Government's credit is at stake, because, forsooth, some of us wish to inject tariff matters into the bill, and some of us, let us say without any adequate justification and excuse, do not think they should be injected into the bill. Now I yield to the Senator from California.

Mr. SHORTRIDGE. Mr. President, a final word, though I am violating my promise in again interrupting the Senator. Take the item of oil. California is a great oil-producing State. In Kern County, in the town of Bakersfield, is published a newspaper which is known as the Bakersfield Californian. It is edited and published by Mr. Alfred Harrell, one of the finest citizens of these United States. He is a lifelong Democrat; he believes in the policies of the Democratic Party; he is a gentleman and a scholar. In a recent editorial in his paper, commenting upon the action of the Senate Committee on Finance in reducing the rate on oil of 1 cent a gallon, as fixed by the House, to one-half cent, he says, not abandoning his theories upon tariff legislation, that the rate even as fixed by the House, and certainly the rate as approved by our committee would be giving to the industry no protection whatever, not even a half loaf, and can only be supported upon the theory that it will at this juncture yield some revenue for the Government. I merely refer to this Democratic editorial to show that this friend of mine, a good Democrat, differs from the distinguished Senator from Georgia. It is urged that items of this kind may be considered in this bill and approved with-

out any stultification or abandonment of theory on the part of Members of the Congress or without any embarrassment before their several constituencies or before the entire American people.

I only rose to interrupt and to express the hope that thoughtful Senators might look upon these items as purely revenue-raising measures, and we would avoid controversy or discussion or difference of opinion touching the two great theories of tariff legislation; but, perhaps, I am indulging in a hope not to be realized.

Mr. GEORGE. Mr. President, I regret to say to the Senator that he is indulging in a hope that not one man in this country could have from the beginning thought it possible to realize. He is indulging in a hope that no Senator on this floor can safely indulge, because these are tariff items, and whether the rate be one that will produce revenue only, with an incidental protection, or whether the rate in a given instance be a protective rate, is a question over which we might differ. The distinguished Democrat to whom the Senator has referred I have no doubt is quite honest in his opinion; in fact, I have never questioned the sincerity of the oil producers as they have appeared here before our committee, and, as I have had the pleasure of talking to some of them about their industry and their problem, I have never questioned their sincerity or their absolute conviction that a tariff would be beneficial to the industry; but I must say to the Senator that I would not be willing for the distinguished Democrat on the west coast to assume my responsibility and write a duty which he wished to write affecting an industry in which he has an interest, direct or indirect.

His view of the matter is his view, and he has a right to it, but the obligation resting upon Senators here can be discharged only by themselves, and whoever is right and without regard to which side is in error, the condition in the Senate is clear and unmistakable. We have reached a conflict over tariff items in the tax bill, and the responsibility for those items rests upon the majority party.

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

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

Mr. SHORTRIDGE. I ask whether the Senator thinks that we can or can not enter into some stipulation to vote at a given hour, giving the several Senators ample time to express their views?

Mr. GEORGE. I can only speak for myself. For myself, I would be willing to do so; but I want to say in all frankness to the Senator—I would be uncandid if I did not—that the fight on these tariff items has just begun.

Mr. SHORTRIDGE. Having participated in the tariff battle of 1930, I can realize what that means.

Mr. GEORGE. The fight has just begun upon the first amendment to the first item.

Mr. SHORTRIDGE. I was hoping, of course, that we would come to some agreement to the end of reaching a vote; of course, giving Senators ample time to express their views.

Mr. GEORGE. I should be glad to join the Senator in expressing that hope; but I do not think he ought to ask those of us here to lay down our convictions in relation to matters that we believe will adversely affect our constituents; and if the Senators believe that they must insist upon tariffs at this particular time and in this measure can not lay down their convictions, then we have simply come to the point where we must fight it out.

Mr. SHORTRIDGE. Of course, if Senators think that any rate suggested now in the bill would be hurtful to their constituents or to the Nation as a people, I would not ask any one of them to abandon his views or to cease to fight to defeat such measures.

Mr. GEORGE. The Senator does me very little honor, but I am sure it is unintentional, when he thinks that I would open my mouth to discuss a single item in this revenue bill if I did not believe that the interests of the country were really involved.

Mr. SHORTRIDGE. I meant no such implication. I was poorly expressing the thought that if Senators could agree that the tariff items were purely revenue measures and would do no more than raise revenue and not strike down or injuriously affect other industries in the Nation we might come to an agreement. But, of course, if my learned friend from Georgia thinks that the rates on any one of these items would be hurtful to Georgia, or to any other State in the Union, I would not ask him to abandon his views.

Mr. GEORGE. I am sure the Senator would not.

Mr. SHORTRIDGE. I would be the last man in this body to want to do such a thing.

Mr. GEORGE. That emphasizes the statement that I have repeatedly made that we have reached the point where we simply have to prolong this contest at an unhappy hour, but I am quite sure that I could wish that it was not before the Senate.

Mr. GLENN. Mr. President——

Mr. GEORGE. I yield to the Senator from Illinois.

Mr. GLENN. Observing the statement of the Senator from Georgia relative to the leadership with respect to the inclusion of tariff items in this bill and his statement that the responsibility must be accepted by the Republican Party, let me say that I think the Senator will agree that the vigorous, able, and persistent fight to incorporate in the bill these so-called tariff items has been led by members of his own party.

Mr. GEORGE. I said so.

Mr. GLENN. I think the Senator from Georgia will agree that the Senator from Oklahoma [Mr. THOMAS] has continued in this session the very able and intelligent fight which he made during the last Congress for a tariff upon oil; that both the distinguished Senators from Texas, Democrats of course, have occupied much of the time in their thorough discussion of this question and in arguments for a tariff on oil; that the vigorous and entertaining Senator from Louisiana, the leader of the Democratic Party in that State and Democratic national committeeman from Louisiana, has occupied much of the time in this discussion advocating this, the first of the so-called tariff items.

Mr. GEORGE. Exactly.

Mr. GLENN. Is it not true—and I do not want to take up much time——

Mr. GEORGE. I hope the Senator will not restrain himself.

Mr. GLENN. Is it not true that the situation is involved and mixed between Republicans and Democrats both in the Senate and in the House, with the Democratic Speaker of the House and the leader of his party leading the fight there in that body?

Mr. GEORGE. I hope the Senator will not discuss the House membership, because of our rules which forbid it.

Mr. GLENN. The Senator from Georgia was not so delicate about discussing the President of the United States a few moments ago. Why should we refrain from discussing the Speaker of the House? He is not a thin-skinned person who would be offended at all, and I assume that he is proud of the position he is taking now as a high-tariff advocate when the article which the tariff affects is a product of Texas. After all, does the Senator from Georgia believe that he can correctly place the responsibility for this tariff fight upon one party or the other? Are they not all either entitled to share in the glory or to be involved in the ignominy which may follow?

Mr. GEORGE. Mr. President, I should be glad to answer the Senator from Illinois. I do not undertake to place the responsibility for the tariff fight upon either party. That fight has been going on for quite a number of years. In the army on one side or the other frequently appear Republicans and Democrats, and one can not at any one time say that the whole of either party was on the one side or the other on the tariff controversy. The Senator is quite right in saying that the distinguished Senator from Oklahoma [Mr. THOMAS], now ably assisted by his colleague in this

body, the able junior Senator from Oklahoma [Mr. GORE], has been most active in the effort to obtain a tariff on oil.

Mr. GLENN. Mr. President——

Mr. GEORGE. Let me answer the Senator first.

Mr. GLENN. I merely wish to say——

Mr. GEORGE. Let me answer the Senator. He is quite right in saying that the distinguished Senator from Texas [Mr. CONNALLY] has been quite active in undertaking to secure protection upon oil, and he has referred to the delightful and distinguished Senator from Louisiana, who has also been very active in an effort to procure what he believes to be an adequate, fair, and just tariff upon oil. The Senator from Louisiana, however, is not the President of the United States, nor is he a member of the majority party. The distinguished Senators from Oklahoma and from Texas are not members of the majority party in this body.

Mr. GLENN. That was the only interruption I desired to make. I did not refer to the junior Senator from Oklahoma a moment ago because I was not in the Chamber when he spoke. I did not intend to ignore him.

Mr. GEORGE. I am sure the Senator is correct in his statement; but I did not feel at liberty to pass over the junior Senator from Oklahoma because he is an able advocate, with his colleague, of the duty upon this commodity.

Mr. WATSON. Mr. President——

Mr. GEORGE. I yield to the Senator from Indiana.

Mr. WATSON. So far as the party's attitude in this matter is concerned, speaking for myself, I have no desire to escape the responsibility, so far as I had influence, for inserting these items in this bill. I am a protectionist.

Mr. GEORGE. Oh, I never said that the Senator had attempted to escape it.

Mr. WATSON. Not only that, but the Republican Party is a protective-tariff party. It has not been anything else, and if it is not that, it is not anything.

Mr. GEORGE. I have said nothing at all to the contrary.

Mr. WATSON. I understand. Furthermore, I had very much rather be responsible for inserting these items in a tariff bill than for delaying the passage of this bill, because I regard it as essential that this bill shall be passed promptly.

Mr. GEORGE. So do I. I think the Senator is quite right about it.

Mr. WATSON. We should pass the appropriation bills promptly.

Mr. GEORGE. We are in thorough agreement on that.

Mr. WATSON. There is no doubt about that. The Senator and I agree about it.

Mr. GEORGE. All that I have said is that the responsibility for the delay, and the responsibility for the failure to pass this bill promptly, must rest upon the shoulders of the majority party, because we have reached a stage in the consideration of this bill where we are at odds over these tariff items in the bill; that is all.

Mr. GLENN. Mr. President, will the Senator yield a moment further?

Mr. GEORGE. I shall be glad to yield to the Senator from Illinois.

Mr. GLENN. I wish to announce that the colloquy between the Senator and myself was not intended to indicate my opposition to the view of the Senator from Georgia relative to the advisability of inserting these items in this revenue bill. I think there is great weight in the position which the Senator from Georgia takes relative to that. I may be with him when the vote comes on this matter.

Mr. GEORGE. I am sure that I did not understand that the Senator has approved the insertion of the tariff items in the bill.

Now, Mr. President, I take it that it is important to direct our attention to the consideration of this revenue bill. I take it that it is important to balance the Federal Budget. I take it that every Senator here desires to cooperate to that end. I take it that every advocate of every protective duty is honest and sincere in his conviction that the particular industries should receive consideration at this time. But it is absolutely clear that there are Senators in the body who also believe it to be their duty to resist these tariff items in the bill. That is all there is to that discussion. The responsibility rests somewhere; and if it does not rest upon the majority party, where can it rest?

I am quite sure that my colleagues on this side who believe they should insist upon these items in this bill are willing to take their share of the responsibility; but they are not of the majority party. Not one of them is the President of the United States. Not one of them has it in his power to bring this matter to an end, because if they did, they would long since have persuaded us, with their very able arguments, that we were wrong, that they were entitled to the protection asked, and we would have done the gracious thing that the distinguished junior Senator from California [Mr. SHORTRIDGE] has asked us to do, to wit, supinely surrender our convictions in order to give to the President of the United States and to the majority party the privilege of including in a revenue act whatever tariff items they wish.

Mr. WATSON. Mr. President, the Senator is so eminently fair always that I know he wants to be fair in this instance.

Mr. GEORGE. I certainly do.

Mr. WATSON. The Ways and Means Committee has a clear majority of Democratic members. That is the committee where tariffs originate. There is not a solitary Republican from an oil-producing State on that committee. They put the tariff on oil in that committee. They put the tariff on coal in that committee. The bill came over to the Senate with those two items in it. We had to deal with them; and all that the Republicans did, with the help of some of my Democratic friends on the other side, was to insert copper and lumber in the bill.

Mr. GEORGE. I suppose, then, the Senator's position is that we must accept whatever the House sends us; that if they put in an item on oil or on coal we must accept it.

Mr. WATSON. No; but the Senator says that the Republican Party is solely responsible for the insertion of these items in this bill.

Mr. GEORGE. Let me strike out "insertion" and insert in lieu of it "retention in this bill," if the objection is verbal.

Mr. WATSON. Then let us get at the fact. The bill came over with those two items in it. It came to our committee; and if it had not been for Democratic votes in that committee they could have been stricken out.

Mr. GEORGE. How many Democrats voted for them?

Mr. WATSON. That depends on the item. I do not like to mention names on the floor of the Senate.

Mr. GEORGE. I do not like to mention names, and that is the reason why I have not read the roll call here; but the Senator says that if it had not been for Democratic votes the items would have been stricken out. I say that if it had not been for the votes of the majority party they would have been stricken out.

Mr. WATSON. Why, of course.

Mr. GEORGE. If you had recognized the right of the Democrats themselves to have controlled these items they would have been out of the bill. The Senator does not dispute that, does he?

Mr. WATSON. Why, not at all. The Republicans could have stricken them out of the bill.

Mr. GEORGE. No; I want to put it the other way. If the Republicans had not voted for those items, and had left it to the Democrats, they would have been out, would they not?

Mr. WATSON. That is quite true. If the Republicans had gone out and left the committee and left it to the Demcrats they would have voted them out.

Mr. GEORGE. Then I have stated that the Republican Party must assume the responsibility for retaining the items in the bill. That is all I have said.

Mr. WATSON. If the Senator wants to put it that way, I am entirely willing to take the responsibility for helping to keep them in.

Mr. GEORGE. I so understood the Senator. I understood that. The Senator from Utah [Mr. SMOOT] took exactly the same position. There ought not to be any controversy about it, and there is not any controversy between the Senator from Utah and myself.

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

Mr. GEORGE. Yes; I yield.

Mr. SMOOT. I just wanted to make a correction of a statement that I made, having forgotten the last vote that was taken when the change was made; and I had in mind also the statement which the Senator made about who was at the head of the table. The Senator remembers what happened; and I want to state that there were two Republicans who made the change in the last votes that were taken.

Mr. GEORGE. I am glad to have the Senator make the statement. I do not think I referred to the head of the table. I think that was another Senator who spoke in my time and by my permission.

Mr. SMOOT. It was the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. GEORGE. Now, Mr. President, I want to address myself briefly to the tariff items in this bill.

The first is—

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.

There is your basic rate.

Gasoline or other motor fuel, 2½ cents per gallon—

A purely protective rate. Indeed, Mr. President, it is a compensatory rate. It is confessedly a compensatory tariff rate in this bill.

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.

There is a complete oil schedule, with compensatory duties inserted into that schedule.

Now let us consider briefly the other items:

Coal:

Coal of all sizes, grades, and classifications, coke manufactured therefrom; and coal or coke briquettes, 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, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this paragraph from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this paragraph.

(6) Lumber, rough, or planed or dressed on one or more sides, $3 per thousand feet, board measure.

Translated into an ad valorem duty, it is a duty of considerable size. Not only is that true, but lumber already bears a duty. This is an additional duty, a duty upon lumber which escaped the description in the Smoot-Hawley Act. It is a pure tariff measure. It does not partake at all of the character or nature of a revenue tax.

But the tax on the articles described in this paragraph—

That is to say, lumber—

shall apply only with respect to the importation of such articles.

Copper:

Copper-bearing ores and concentrates and articles provided for—

I ask the Senate to note this—

in paragraph 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein: *Provided*, That no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, containing 4 per cent or more of copper by weight, 3 per cent ad valorem or three-fourths of 1 cent per pound, whichever is the lower. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The Secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph.

Mr. President, without enumerating all of the articles, some 65 specific articles containing copper are given protection, as I now recall, under the Smoot-Hawley Act. That is to say, this is not only a tariff upon copper, upon ore, but it is a compensatory tariff carried to 65 copper products, or articles composed in part of copper.

It will be noted that there is a tax of 4 cents a pound imposed on copper and of 3 cents a pound upon the articles of which copper is a component or chief part. Copper has sold within the week in New York for less than 6 cents a pound. If my recollection is correct, it has sold for around 5 cents per pound. Yet here is a duty, a revenue duty, if you please, of 4 cents a pound, or an ad valorem rate of 80 per cent, placed in a tax bill and paraded before the public as a pure revenue-producing tariff.

I congratulate the Senator from Indiana [Mr. WATSON], I congratulate the Senator from Utah [Mr. SMOOT] upon their frank and candid statement that these rates are protective rates. They can be denounced as none other, they can be defended as none other, and I congratulate the Senators upon their candor.

There may be some dispute as to whether or not the rate upon oil is protective; but when we look at the whole oil schedule inserted in this tax bill, it must be openly confessed that it is a protective measure; and, conceding full faith to any Senator who believes in the protective theory or even high protection, others must concede like good faith to those of us who believe that the time has come when for the sake and salvation of the country we must insist upon reasonable tariffs, we must insist upon some check in tariff making when the world is lying prostrate upon its back with no chance of recovery unless governments exercise a fair degree of discretion and restraint. We must not be asked to lie down and surrender our convictions while others reserve unto themselves the right to insist upon tariff items—protective-tariff items with rates equivalent to 80 per cent ad valorem upon one of the products protected by this bill.

Mr. President, I do not hope to convert anyone. When the Smoot-Hawley bill was ready to be submitted to the President of the United States, literally more than a thousand economists made an earnest appeal to the President to veto that bill. I dare say that so large a group of economists never before agreed upon any one proposition in the history of the world. Literally more than a thousand addressed an earnest appeal to the President of the United States to disapprove that measure. They represented all shades of political thought. They were not all Democrats or all Republicans. It has been my belief that the President of the United States would have preferred not to give his approval to that bill, but he did approve it, and he declared that he was happy to approve it; therefore, of course, his statement must be taken as true. But the point is that one thousand and one economists addressed an earnest appeal to the President. They warned him that that tariff act would destroy the trade and commerce of this country. They warned him that that tariff act would constitute an insuperable obstruction in the channels of world trade and commerce. But a country gone mad on the protective theory would not listen to that solemn warning.

What has happened? During the first three months of this year our international trade declined more than 68 per cent as compared with the first three months of 1929.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. AUSTIN in the chair). Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. SMOOT. That did not come about from the amount of goods imported into the United States.

Mr. GEORGE. I do not think the Senator and myself can agree wholly upon that.

Mr. SMOOT. I have here——

Mr. GEORGE. I do not care to have the Senator put into the RECORD now the table or other matter he has in his hand. I will be glad for him to put it in a little later.

I understand that there was a decline in commodity prices, but I also know that the Department of Commerce is authority for the statement that our exports, as well as our imports, have declined, although the exports do not show the same percentage of decline. I think that is what the Senator wished to say.

Mr. SMOOT. No; that is not what I wished to say. I wanted to call the Senator's attention to the fact that we had collected in 1932, from customs, up to day before yesterday, $301,604,687.58. Up to the same day in the year 1931 we had collected only $336,892,003.69. So, as far as our importations are concerned, the Senator can see that there is a difference of between 10 and 11 per cent in the amounts we have collected, notwithstanding the decrease in the value of goods shipped from foreign countries into the United States.

Mr. GEORGE. The Senator is comparing the figures of to-day with the figures of 1931.

Mr. SMOOT. Yes.

Mr. GEORGE. After the tariff act had done its work. I was comparing the foreign commerce of this country in 1929 with the corresponding months of 1932.

Mr. SMOOT. Of course, the commerce of the world has decreased.

Mr. GEORGE. Exactly; yes.

Mr. SMOOT. The values of all commodities have decreased.

Mr. GEORGE. Exactly. I had no objection to the Senator putting his figures in; but he is comparing corresponding months in 1931 with 1932, when the Smoot-Hawley Tariff Act had done its disastrous work. I am comparing the 1929 months with the 1932 months. There has been a continuous decline, even through 1931 and 1932, in both our exports and our imports.

I am quite well aware of the fact that there has been a general dislocation of trade and commerce throughout the world. That is one of the things the economists told us would happen. That is one of the things we were advised would happen. But that is a thing which the group devoted to exceedingly high tariff duties refused, and persistently refused, to see.

It was inevitable. The great country we are, with our great production, with our great trade and commerce, could not become stagnant without affecting the balance of the world. Nor could we hope to escape the responsibility for our own leadership, at least leadership by precept, by example, of the other nations of the world.

When we were considering the Smoot-Hawley Act we called upon the State Department to advise us what protests had been received from foreign countries. The State Department responded. The response was very disheartening. But my distinguished friend from Utah and the other leaders on the other side who believe as he does in high protection, reminds us that similar threats were always made, and that we ought not to yield to them; but that, on the contrary, we ought to resent them, and they actually turned the great volume of protests into an argument in favor of the high rates in the bill.

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

Mr. GEORGE. I yield.

Mr. SMOOT. I do not know whether the Senator was a Member of the Senate in 1909 or not.

Mr. GEORGE. No; I was not.

Mr. SMOOT. I begin with 1909, because that was when I became a member of the Committee on Finance. Not only did the foreign countries protest at that time but they asked that their representatives be allowed to appear before the committee, and the committee went so far as to allow the foreign countries' representatives to come before the Finance Committee in person. It is nothing new for a foreign country to protest against a tariff rate. There has never been a revenue bill considered—and I think I might say a tariff bill—but that foreign nations have protested, and they will protest as long as there is any kind of a tariff barrier against their countries.

Mr. GEORGE. I think the Senator is perhaps correct, especially when those tariffs are unreasonable and unnecessarily burdensome.

Mr. SMOOT. Let us go to 1913. That is when the Democrats were in power.

Mr. GEORGE. The Senator is going back beyond my day; but I am willing to accept his recollection about it.

Mr. SMOOT. There is no question, whether it was 1913, in a tariff made by the Democratic Party, or at some other time when other tariff bills were passed by the Republicans, but that foreign countries protested against the duties imposed.

Let us take Italy, for example. The Senator knows what protests there were from Italy against the tariff on olive oil, and I think that the duty on olive oil that was agreed to was too high, and so does the Senator think so.

Mr. GEORGE. I certainly do.

Mr. MOSES. Mr. President, may I add that we are not guiltless in the matter, because we have just been making protests to the Government of France against the quotas which they sought to impose upon certain imports of American origin.

Mr. GEORGE. The Senator is quite right. Not only are tariffs offensive to other nations when they become burdensome upon the commerce and trade of those nations, but quota restrictions and the licensing system, both of which devices have had remarkable growth and development even since the enactment of the Smoot-Hawley Act, give offense to nations, and we have protested against certain of the quotas fixed by France.

Mr. President, it is exactly these constantly arising tariff walls all about the world, these constantly multiplying protests from all of the producing and commercial countries of the world, that ought to give us at least warning that the course which we and other nations are disposed to follow at this time with reference to customs laws should be very carefully examined and that assuredly somebody must be expected to examine them whenever they are presented in a legislative body, and therefore they ought not to be presented in a bill of the vital importance of this particular measure.

Mr. SMOOT. Mr. President, that I shall not discuss with the Senator; but I wanted to say this to the Senator now, if he will yield.

Mr. GEORGE. I yield to the Senator.

Mr. SMOOT. When the Smoot-Hawley bill was under consideration the protests that were received from foreign countries were just the same as have always been received against any tariff bill here. I suppose Australia made the strongest protest and in the most bitter words. When we came to look into their tariff, taking it as a whole it was higher than the one we were adopting.

Mr. GEORGE. The Senator means now?

Mr. SMOOT. No; at the time the bill was under consideration.

Mr. GEORGE. The Senator will admit that it is very much higher now?

Mr. SMOOT. I think they have increased, as all other countries have increased.

Mr. GEORGE. The Senator will also admit, while speaking of Australia, that they have given a great preference to products from England and Canada and against us?

Mr. SMOOT. Yes.

Mr. GEORGE. For instance, the duty on automobile chassis from Canadian factories—but American factories, nevertheless—into Australia is only 15 per cent, while the duty on the same article made by the same manufacturer in a United States factory is 32 per cent, as I recall the duties.

Mr. SMOOT. That has been the policy all the time in the past. The Senator knows that Australia, being so closely connected with England, has always given England the advantage.

Mr. GEORGE. No; the Senator is wrong. When we passed the Smoot-Hawley Act we did not have this great preference against us on our products. It was subsequent to that when Australia granted present preferential rates to British products.

Mr. SMOOT. She may have increased them slightly, but it has always been——

Mr. GEORGE. The Senator can not get away from it. Let me tell him again what happened. Australia gave to Ford chassis made in a foreign Ford factory a right to go into Australia upon the payment of a 15 per cent duty, but she collected on an identical Ford part 32 per cent as import duty into Australia if it was made in the United States. She raised her duty on American lumber and gave a $5 per thousand feet preference against American lumber, as I now recall the preference. Is there any wonder that our trade and commerce with Australia vanished overnight?

Mr. SMOOT. Of course, it has not vanished.

Mr. GEORGE. Virtually it has vanished.

Mr. SMOOT. She carried out her policy from the beginning and always will carry it out. England will always have an advantage so far as Australia is concerned. She always has had and I do not know of any reason why she should not have, because Australia is virtually under the control of England.

Mr. GEORGE. It gets us nowhere to dispute about the facts, but if the Senator will refresh his recollection he will see that these discriminatory differentials went into effect against us after the passage of the Smoot-Hawley Act, and yet we sit here and wonder what has happened to our commerce.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. GEORGE. Certainly.

Mr. MOSES. For the first time in the course of this discussion a partisan note has been sounded, much to my regret, coming as it does from the high-minded and judicially temperamental Senator from Georgia. At the risk of violating some confidences, I am informed that there are votes enough here to keep the oil duty in the bill. That being the case we are immediately confronted with the task of reviewing all of the schedule and we shall have, to begin with, 500 typewritten amendments which now rest upon the desk of the Senator from Maryland [Mr. TYDINGS].

I have just inquired of the Senator from Maryland whether in those amendments he has one reducing the existing duties upon kaolin and high-grade clays, and I am assured by the Senator from Maryland that there is such an amendment to be proposed by him. I assume the Senator from Georgia will join the Senator from Maryland and me in supporting that amendment, inasmuch as the whole tariff list is now open to us.

Mr. GEORGE. I shall certainly join in a proportionate cut in all the tariff duties. It is a crude way of doing it, but it is a better way than not doing it at all in the face of the world crisis we now face.

Mr. MOSES. I rejoice at the conversion of the Senator from Georgia since the days we were discussing these duties when the Smoot-Hawley bill was under consideration here.

Mr. GEORGE. Let me refresh the recollection of the Senator from New Hampshire. When we were discussing the Smoot-Hawley bill, for the purpose of punishing me and trying to deter me from making an honest fight to reduce many of these exorbitant rates, the Republican Members of the Finance Committee said, "We will reduce the duty upon a product down there in his State." I did not ask for an increase. I said then what I say now, if the Senator wants to accuse me of injecting a partisan note into this matter. I said then what I now say, that I will join him and his party in making a horizontal cut in every one of the tariff duties.

Mr. MOSES. I am sure the Senator is mistaken. However, as the thing goes on we shall see what the record will develop.

Mr. GEORGE. Exactly. If there is proposed a cut of 25 per cent on all your duties, although I confess that is a crude way to make tariffs, I will go with it. I said in the debate in 1929 and 1930 on kaolin, although it was singled out as one product in my State which received actual benefit from the tariff, that if you made a corresponding reduction in the duties upon products in New England and elsewhere, I would vote even for that cut.

Mr. MOSES. We had to take our reduction in New England anyway.

Mr. GEORGE. I have not injected a partisan note into this controversy. I have said that the responsibility for the injection of these tariff items, which always have been controverted between members of the two parties, must rest upon the majority party in the Senate.

Mr. MOSES. That was an assertion that was not backed up by anything the Senator said or by any of the facts. The Senator knows perfectly well that in the House——

Mr. GEORGE. I did not say anything about the House. I declined to discuss it. I said the retention of tariff duties in this bill was due to the vote of the majority members, and the Senator from Utah has admitted it, and the Senator from Indiana [Mr. WATSON] has admitted it. It remains for the Senator from New Hampshire to say I had injected a partisan note into this question.

Mr. MOSES. I can find no other explanation for the opening sentence of the speech of the Senator from Georgia when he accused the Republicans of having brought the tariff question before the Senate. As a matter of fact, it was thrust upon us by whom? By what took place somewhere else—inasmuch as we may not refer to the House of Representatives. What took place somewhere else brought the thing here.

Mr. GEORGE. I have not injected a partisan note. I tried to detail the facts as they are. The roll calls are here. I do not want to read them.

Mr. MOSES. They will be read before the debate is finished, I am sure.

Mr. GEORGE. No doubt they will be. If to voice my honest conviction, if to stand here and make a fight I believe I am justified in making is partisanship, I am willing to assume that responsibility.

Mr. MOSES. I understand, and so does everyone else, that the Senator from Georgia is a sincere partisan. So am I. On the particular question now under discussion in the Senate I stand with the Senator from Georgia. I stand against this general proposition which he described so vehemently. I stand with him particularly on the amendment now under discussion. But I object bitterly to having the matter described in any sense as partisan, because it is bipartisan, just as every aspect of a tariff bill is bipartisan. General Hancock stated the entire truth when he said that the tariff is a local issue, and each one of us votes as he does because we want to satisfy our respective constituencies. The Senator from Georgia voted for duties on kaolin and clay. I voted for duties on textiles. Why? Because we try to represent the States, respectively, of Georgia and New Hampshire. We were simply performing our duties as Senators in taking that stand.

Mr. LONG. Mr. President, will the Senator permit me to ask a question just at this juncture?

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

Mr. GEORGE. Very well.

Mr. LONG. I would like to attract the attention of the Senator from New Hampshire. May I have the attention of the Senator from New Hampshire?

Mr. MOSES. I always give attention to the Senator from Louisiana.

Mr. LONG. As I understand it, the Senator from New Hampshire and the Senator from Georgia have no misgivings whatever in joining their Democratic and Republican hands to get tariffs on articles of their respective States. Are they now willing to join hands to keep the State of Louisiana from getting a tariff on what we have in our State?

Mr. MOSES. But Louisiana does not have a duty on oil as yet.

Mr. LONG. That is what I say. The Senator from Georgia and the Senator from New Hampshire have no trouble in joining their Republican and Democratic hands to get duties on the products of their States.

Mr. MOSES. To keep the duties we already have.

Mr. LONG. Are the Senator from New Hampshire and the Senator from Georgia going to join hands, after they have gotten a tariff on their products in New Hampshire and Georgia, to keep the State of Louisiana from having a tariff on what we have down there in our State? Is that a fair position for even a partisan Democrat or a partisan Republican to take?

Mr. MOSES. I can not answer for the Senator from Georgia, but I do not intend to relinquish anything the State of New Hampshire has if I can help it.

Mr. LONG. Is not that a wonderful partisan spirit on the part of a Democrat and a Republican to obtain a tariff for themselves and refuse it for somebody else?

Mr. MOSES. This matter is not partisan. It is economic.

Mr. GEORGE. Mr. President, I am attempting to discuss the question on its merits, since it is a tariff question. As to where the blame lies the country will be able to judge. Senators need not be mistaken about that. There will certainly be a reaction in the country as to where the blame is to rest for continuing this tariff fight, when it has developed into a tariff controversy.

Since it is a tariff matter, I propose to discuss, as best I can and as briefly as I can, what I believe to be its merits. As partisan as I am, I am not disposed to discuss this particular question from the standpoint of the man who disbelieves in all protection or from the standpoint of the man who believes in a tariff for revenue only; but I propose as best I can to discuss the question in the light of the facts as they exist at this time and in view of the extreme height to which we have carried our protective measures in this country, and particularly in view of the extreme height to which tariff protection has risen in other countries, other important producing and distributing countries of the globe.

I want to read the language of a distinguished cotton merchant. By common consent he is regarded as one of the greatest cotton merchants in the world. I dare say he is one of the best minds in the world. I quote:

There are in the world two distinct schools of economic thought relating to commerce. One school, which may be termed "the protective school," seeks to control prices by artificial means. The methods commonly resorted to are agreements among producers for maintaning prices, for limiting production, for withholding supplies from the market, etc. This group is also quick to appeal to the Government for help through tariff legislation; and, in the case of agricultural products, by so-called stabilization operations with Government money and through compulsory reduction of acreage by statute. The philosophy of this school is that the operation of the law of supply and demand can be substantially modified and prices satisfactorily regulated by artificial means of restricting production, withholding supplies, or sewing up the markets.

The other school of economic thought, which may be termed "the free school," holds to the belief that there are certain immutable natural laws underlying all economic activity which defy man's selfish efforts to secure an advantage for his particular activity at the expense of those engaged in other activities. This school recognizes that such efforts may momentarily appear to succeed, but holds that the very forces which generate temporary success are silently but ceaselessly and surely operating for eventual failure, if not disaster. Those engaged in the production of and distribution of raw cotton have always belonged to this school.

During and since the Great War—

And this is the particular part that I wish to press upon the attention of the Senate—

During and since the Great War, and largely as the result of the war, the protective school of thought gained almost complete ascendancy in commercial and political circles throughout the world. In consequence, the whole economic fabric was gravely weakened by having become saturated with artificiality to the point of refusal, and is now giving way under the stress and strain of the application of powerful forces which are making their way back to the natural and the normal.

It is indeed a world crisis, as stupid and as inevitable, perhaps, as was the Great War. Looking back upon the events of the past 15 years, one wonders how any great people could have crowded so many major economic blunders into such a short space of time as we have done in the United States.

Some sort of economic crisis would doubtless have followed the Great War in any case, but that it has been enormously intensified and prolonged by our own mistakes can not be intelligently questioned.

I am reading, Mr. President, the language of Mr. W. L. Clayton, a gentleman who has been honored with the confidence of the President of the United States, if press reports have accurately reflected the situation. It is not a question of high protection or tariffs for revenue nor of low tariffs, but it is a question of reasonable tariffs. It is a vital question that affects not only the prosperity of our own country but affects as well the prosperity of other countries, indeed, of the world.

We have not been the only sinner; it is unnecessary to say that we have been the chief offender; but it is proper to say that our example has had a definite and powerful influence on the building up of high tariff rates in every important country in the world. I need not refer to statistics, I need not make reference to the decline in foreign trade and commerce.

I did not mean to get into any controversy with the Senator from Utah by making casual reference to that matter; but it is proper for us to face the facts and to determine whether or not we are going to get out of this situation by a continuance of the policy that in a large measure has induced retaliatory action upon the part of other governments; that has simply honeycombed the nations of the earth with these protective barriers against each other, of course affecting our own commerce as well.

The distressing surpluses of raw and of manufactured products are to be found not in one country alone but in many countries. Trade and commerce can not flow in an even way in their accustomed channels when these obstructions continue to be piled one after another into the channels of trade and commerce. It seems to me that the high protectionist and the free trader alike or the low tariffists alike might certainly agree upon a general policy of reasonable rates of duty, of reasonable tariffs, in a sincere effort again to set in motion the flow of commerce between the nations. It seems to me that it is vital that we do so. Even if a given proposed tariff may within itself be defended as reasonable, I submit that at this time, in view of our experience in 1929 and 1930, and in view of the present attitude of the world toward us and of the several nations toward each other with respect to the matter of trade and commerce, we can not with safety propose any tariff that will not be taken either as an excuse or be acted on as a threat toward the trade and commerce of other countries. That is my position and that is what I wish to show.

Now, let me read from a news dispatch:

Latins organizing union against us because of tariff. Peru and Chile already are near accord. Others are expected to join. Reprisals being prepared. Congress at Lima has bill for 300 per cent duty on imports from here ready for passage.

This is a special cable to the New York Times under date of May 12. I will not read the article but will ask that it may be inserted in the RECORD.

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

The article is as follows:

LATINS ORGANIZING UNION AGAINST US BECAUSE OF TARIFF—PERU AND CHILE ALREADY ARE NEAR ACCORD—OTHERS ARE EXPECTED TO JOIN—REPRISALS BEING PREPARED—CONGRESS AT LIMA HAS BILL FOR 300 PER CENT DUTY ON IMPORTS FROM HERE READY FOR PASSAGE

LIMA, May 12.—The leading republics of Latin America have begun diplomatic negotiations looking toward the formation of a Latin American customs union for united defense and concerted reprisals against the United States tariff policy, according to Foreign Minister Alberto Freundt Rosell to-day.

Mexico, Peru, Chile, and other republics have been exchanging views for some time. Peru and Chile have almost reached an agreement concerning the measures they will take together, and it is expected that Argentina and others will enter this agreement. He said:

"We are engaged in a frank, open struggle with the United States Congress," he explained. "Passage of the proposed duty on copper would mean absolute ruin to Peru and Chile. We have no

alternative but to take concerted action in defense not only of our interests but of our very existence.

"The proposed duty on copper would cause the immediate closing of the Cerro de Pasco Co., throwing between 10,000 and 12,000 men out of work, followed by the paralyzation of the Central Railroad of Peru, isolating the interior from the capital and decreasing by 30 per cent Peru's customs revenues.

"We have instructed our ambassador in Washington to fight to the last ditch, have appealed to the Pan American Union in Washington for assistance, and are pushing diplomatic negotiations for a union of the Latin American republics to present a united front against the United States."

Argentina invited South American republics to form a customs union for defense against the United States several years ago, when Congress increased the duties on agricultural products. The negotiations failed largely because Peru and Chile were not interested at that time, as the increased tariffs did not affect metals. Peru and Chile are now taking the initiative and hope Argentina will join, because the reasons which impelled Argentina to take the initiative in the previous effort still exist.

A bill is pending in the Peruvian Congress for the levy of an import duty of 300 per cent on all imports from the United States. Action has been suspended pending the outcome of Peru's diplomatic efforts in Washington, but Doctor Freundt said the bill would be enacted and enforced if the copper duty is authorized, and intimated that Chile was preparing similar action as part of the agreement for common defense.

Peru's average annual imports from 1927 to 1930 totaled $144,000,000, of which 32 per cent came from the United States.

Doctor Freundt has invited South American diplomatic representatives to meet Monday afternoon to consider united action against communistic organizations.

Mr. GEORGE. Now, let us concede that Chile and Peru are wholly without justification for the action which they propose to take, assuming this article to speak the truth; let us assume that nothing that is proposed in this revenue act can afford any justification for such retaliatory action upon the part of either Chile or Peru; we must at any rate recognize the fact. It is obvious that our neighbors to the south of us on this hemisphere have so interpreted and are so interpreting the proposed tariff rates in this bill.

Now, let me read from a statement made by the Acting Secretary of State in the absence of the Secretary of State. I read this afternoon this statement from Mr. Castle, in a letter addressed to the Hon. CHARLES R. CRISP, Representative in Congress from my own district and acting chairman of the Committee on Ways and Means of the House, the letter being printed on the 17th of this month:

At the session of the Constituent Assembly (of Peru) of April 27, 1932, several congressmen spoke of the serious situation which would occur in Peru should the United States Government apply a duty on copper imported into the United States.

Mr. José Manuel Tirado stated that, should this measure be adopted, Peru should retaliate at once by increasing its customs duties on United States products, principally on merchandise made from cotton.

The Acting Secretary of State inclosed to the Ways and Means Committee extracts of the debate which occurred. I ask, Mr. President, that the extracts of the debate which the Acting Secretary inclosed, appearing on page 265 of the hearings, may be printed in the RECORD.

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

The matter referred to is as follows:

At the session of the Constituent Assembly of April 27, 1932, several congressman spoke of the serious situation which would occur in Peru should the United States Government apply a duty on copper imported into the United States.

Mr. José Manuel Tirado stated that should this measure be adopted, Peru should retaliate at once by increasing its customs duties on United States' products, principally on merchandise made from cotton.

Congressman Domingo Sotil went further in his denunciation of the contemplated action of the United States Government in connection with the copper tax. He stated at this session, and also at the session of April 26, that the proposed duty on copper would spell death to the national mining industry, leaving 60,000 men without employment, thereby increasing misery in Peru. He added that the 2 cents per pound duty on lead closed the United States market to Peruvian lead; the low price for silver has virtually eliminated the local production of silver; the proposed duty on copper makes it indispensable to register the protest of Peru and to adopt rigorous retaliatory customs measures, and consequently Peru's reprisals should include an increase of 300 per cent ad valorem on articles brought in from the United States.

Congressman Armando Montes requested the Constituent Assembly to send notes to the Ministers of Finance and Foreign Affairs, to inform the Assembly of the measures that they have already taken in connection with this grave situation, and the policy that they contemplate following in order to counteract the crisis that is in the offing. That assembly sent the notes as requested. Doctor Montes gives a brief summary of the benefits which (a large American) copper company has provided for Peru and its economic development. He refers to the immediate and unprecedented crisis which will follow in Peru if the proposed import duty on copper is applied by the United States; he also shows how the closing down of the (copper) plant will * * * seriously affect government revenues; in short, it will affect directly a population of 90,000 and indirectly many others. Doctor Montes believes it to be urgent for the Foreign Office to take energetic steps to present a united front against the proposed copper duty on the part of Latin American countries which would be affected by the proposed duty. (Dispatch from American Embassy, Lima, dated April 29, 1932.)

The President of the Congress presented a resolution yesterday calling upon the Executive to confer with all Latin American countries which may be affected by the proposed American duties on copper and petroleum with a view to holding a Latin American conference for the purpose of suggesting identic retaliatory measures by the various countries affected should these duties be put into effect. * * * There is general resentment and even consternation here at the possibility of a 4-cent duty on copper for it would effectually ruin the largest mining unit in Peru, * * *, American-owned. (Telegram from American Embassy, Lima, dated May 11, 1932.)

Mr. GEORGE. I read only the memorandum submitted by the Acting Secretary:

The Chilean Government—

Going now to the Chilean Government—

1. The Chilean Government has noticed the action of a group made up of Senators and several governors of States of the Union in petitioning the President of the United States for the placing of an import duty on copper.

2. This action has caused serious anxiety in governmental and commercial circles in Chile on account of the crisis now affecting the entire world, and especially the economic life of Chile, the principal export products of which are in a condition of almost complete paralyzation.

3. Large sums of American capital are invested in the Chilean copper industry, and a duty on the importation of Chilean copper into the United States will affect such investments in equal degree with the economic life of Chile.

4. Attention is desired to be called to the above facts at this time in order that they may be at hand for reference when the question of a duty upon the imports of copper into the United States must be finally decided.

Appearing in this report of the hearings is a lengthy letter from Mr. Castle to the acting chairman of the Ways and Means Committee to the same general tenor and effect.

Now, Mr. President, I wish to quote briefly from the Montreal Gazette of May 9, 1932, as I understand similar articles appeared throughout the Canadian press.

BRITISH COLUMBIA MAY DEMAND RETALIATORY TAX—WOULD ASK DUTY ON NICKEL AND ASBESTOS WHICH UNITED STATES MUST IMPORT

VICTORIA, May 8.—Possibility that British Columbia would seek retaliatory tariff measures if the United States imposed prohibitive duties on coal, copper, and lumber imports was seen here yesterday when Attorney General R. H. Pooley, acting Premier, intimated such a program was under consideration.

The proposed tariffs before the United States Congress include a $3 per 1,000 feet impost on lumber and duties on coal and copper, which would make export of these commodities from Canada to the United States almost impossible.

If these tariff increases go into effect, Acting Premier Pooley intimated, British Columbia would ask the Dominion Government to impose an export duty on nickel and asbestos—two commodities which the United States must import—and an import duty of $5 per ton on all coal entering Canada. In addition, the British Columbia government, acting within its own jurisdiction, would probably impose an individual inspection fee on all citrus fruits, apples, and vegetables imported into the Province.

Mr. Pooley said British Columbia has been a large importer of United States crude oil, fruits, and to some extent vegetables, while the country to the south imports its raw nickel and asbestos to a large extent from Canada.

Another commodity upon which recommendation may be made to Ottawa is crude petroleum, Canada imported, according to the 1930 figures, petroleum valued at $35,861,000 and gasoline worth $18,868,000.

Crude oil is the chief competitor of British Columbia coal in its home market. The suggestion has been advanced that, in the event of embargo being placed on Canadian coal, the Dominion apply a general tariff that would effectually shut out the United States product and enter into "favored nations" treaty arrangements with South American countries producing crude petroleum.

Premier S. F. Tolmie has gone to Ottawa and any representations necessary will be made through him direct to the Dominion Government with a request that action be taken by the Federal Parliament this present session.

From our State Department, under date of May 11, comes a copy of a telegram from our representative at Ottawa. I will not read it all, but the significant portion of it is this:

Order in council, May 9, authorizes the Minister of Mines, through the Dominion Fuel Board, to assist maritime coal to compete in Quebec and Ontario with imported coal by following subventions—

Thereafter enumerating a list of subsidies granted to Canadian coal in competition with imported coal, which, of course, will operate as effectively as a direct embargo upon American coal shipments into Canada. Yet we are told that all this is mere idle talk upon the part of other nations. We are warned that all this is a mere idle threat; that nothing will be done to our trade and commerce, in the face of the disastrous and retaliatory duties that have been imposed, quotas that have been imposed, and licensing systems that have been resorted to by other nations.

We can not criticize them. The only point is, Mr. President, that we seem to have forgotten that we do not have a monopoly upon tariff making in the United States. We seem to be in the attitude of the man who believes that he can lift himself out of this depression by his bootstraps; that we can live off our own fat, so to speak, and erect an embargo wall about our borders and keep out any article or commodity which competes in any way with anything produced in the United States.

Senators on this floor and men everywhere during this period when we have become tariff mad say, "What is the importance of 7 or 10 per cent of our foreign commerce? How does it compare in importance to the 90 per cent or the 93 per cent of the commerce and trade in the home market?"

No one would minimize the value of the home market. No one will for a moment minimize the importance of the market we have here for the great volume of our production, both raw and manufactured; but it is an unfortunate fact that all products and commodities are not so slightly dependent upon the foreign market. Let us consider this matter just for a moment. I wish the Senators representing and asking for these duties on this side, as well as those who proposed to vote with them on the other side, would approach the problem in an open-minded way just for a little while.

Six out of every 10 bales of our cotton, or 6 out of every 11 bales, at least, must be exported. More than 50 per cent of the products of the cotton farm must be exported and sold into the foreign market. There are more than 2,000,000 farm families engaged in raising cotton in the United States. Roughly, there are more than 10,000,000 Americans who are engaged directly in the production of cotton. Another 10,000,000, and even more, are directly dependent upon the cotton industry.

The only thing that the tariff can do for the cotton producer—the only thing it ever has done for the cotton producer—has been to increase the price of everything he must buy and use and to circumscribe and limit the purchasing power of every market in the world for his product. You say, "Does he not get the advantage of the home market?" Not at all. His cotton is sold in Liverpool, in Bombay, in any part of the earth, for precisely the same price at which it is sold at the mill in Carolina or in any port in the United States. The world price controls, freights and ocean-carriage charges alone being taken into account.

What has been the result? More than 20,000,000 cotton farmers—more than 20,000,000 American citizens—have had their purchasing power reduced and reduced again since 1920—reduced to the vanishing point. American manufacturers have lost their market with these 20,000,000 purchasers; and American manufacturers, despite the short-sighted view of partisanship, whether in my party or in the other, never will get back their market until the American farmer has had restored to him his purchasing power.

You say it is unfortunate that more than 2,000,000 of American farmers are raising cotton, a world commodity. Sixty per cent of each crop must be sold in the foreign market. "Let them go to something else." Let them go to what? Let them go to wheat, and the wheat farmers of Oklahoma and of all the Western wheat-growing States will have their problems multiplied. Drive them out of cotton production, and you drive them into the army of the unemployed, or you drive them into competition with other agricultural producers.

It is no answer to the plea of these people that the tariff has never done but two things to them: Run up the price of what they must buy and cripple and destroy the market into which they must sell their raw products. And you think I will be deterred from standing here on this floor by the charge of partisanship, when I raise my voice in behalf of more than 20,000,000 of my people, in order that oil may have a tariff and that lumber may have a tariff and that copper may have a tariff, and that even coal may have a tariff?

Coming again to the coal question, with Canada already taking steps to impose a $5 duty upon our coal as soon as this bill which imposes a $2 duty upon Canadian imports into the United States goes into effect, let me cite some of the facts. I do not hope to convince any man who is intent upon getting a special privilege for an industry without regard to how it affects the common welfare of the American people; but what are the facts?

Hard coal exported by the United States to Canada in 1929 was 3,376,000 tons, or 99.2 per cent of all of our exports of hard coal. In 1930 it was 2,532,000 tons, or 99.2 per cent of all of our exports. In 1931 our exports to Canada amounted to 99.7 per cent of our exports of hard coal, and to some less tonnage, but still a considerable tonnage.

Our exports of soft coal to Canada in 1929 amounted to 14,645,000 tons, or 84 per cent of our exports of soft coal. In 1930 they amounted to 13,000,000 tons plus, or 85.7 per cent of our exports of soft coal. In 1931 they amounted to 10,631,000 tons, or 87.7 per cent of our exports of soft coal in that year.

The exports of coke to Canada run approximately in the same general figures.

Now, I invite attention to the imports into the United States of hard coal and of soft coal.

Imports of hard coal into the United States for the year 1930 from the United Kingdom were 411,000 tons. Soft coal is not given. Perhaps there was no importation from the United Kingdom. I am not sure.

Canada: Hard-coal imports, 6,000 tons; soft coal, 180,000 tons. While Canadian exports generally of hard coal amounted to 2,532,000 tons, only 6,000 tons came into the United States, and while Canadian exports of soft coal generally amounted to 13,603,000 tons, only 180,000 tons came into the United States.

Mr. President, roughly speaking, we export to Canada about 16 tons of coal to every 1 ton of both hard and soft coal imported from Canada; and yet here is the unmistakable evidence that the Canadian Government proposes a duty of $5 a ton on the 16 tons imported from the United States in retaliation for the $2 per ton that we propose to impose upon the 1 ton imported from Canada.

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

Mr. GEORGE. I yield.

Mr. DAVIS. Is there not a tariff of 75 cents a ton now on American coal going into Canada?

Mr. GEORGE. I think there is a tariff, placed in the last act.

Mr. DAVIS. And, if I remember correctly, the Canadian Government now is giving a subvention of 20 cents a ton to its coal-producing people.

Mr. GEORGE. Exactly. The Senator is quite right.

Mr. DAVIS. And the Canadian Government is granting three-eighths of a cent a mile on freight rates to encourage the coal operators in the western end to bring the coal on to the eastern market and to encourage the eastern coal to come to the central Canadian market.

Mr. GEORGE. The Senator is quite right; and before he came in I read a cablegram, a copy of which has been furnished by our State Department, in which attention is called to the fact that the order in council to which the Senator refers has been abrogated and higher subventions already

ordered since the House sent over this bill carrying a duty on coal.

Mr. DAVIS. Are they not doing that more because of the high cost of production of coal in the Nova Scotia mines? We can produce coal for from about $1.10 to $1.80, and in the Nova Scotia mines it costs $4 a ton to get it to the tipple for transportation.

Mr. GEORGE. The Senator was not in the Chamber when I read the statement of the British Columbia premier in which he definitely suggested an import duty of $5 per ton on all coal entering Canada and other duties upon other American products.

Mr. DAVIS. All coal from the United States?

Mr. GEORGE. From the United States; yes. And he does not put it upon a cost basis; he puts it squarely where it belongs, upon the fear, at least, that we are about to exclude Canada from our own markets.

Mr. DAVIS. My understanding is that the subvention is granted for the purpose of saving whole communities in Canada because of the high cost of production of coal. In other words, if Canada does not give the market of its own coal to its own people it means the wiping out of certain coal communities in Nova Scotia.

Mr. GEORGE. The Senator's understanding may be correct, but I do not care to repeat what I have read at length from the acting Premier. He points to the proposed duties and makes his recommendations for increased rates.

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

Mr. GEORGE. I yield.

Mr. COSTIGAN. Was any effort made before the Finance Committee to establish that the proposed tax on coal equalizes the difference in the costs of production of coal in the United States and in Canada?

Mr. GEORGE. No; I will say to the Senator from Colorado that no effort was made during my presence in the Finance Committee to that end, and I have not had my attention called to any such effort.

Mr. President, wholly aside from the question of whether or not the duties which we propose are justified, wholly aside from the question as to whether or not those duties are fair or just, waiving all those questions aside, I think it must be accepted by fair-minded men that our tariff policy is at this moment operating as the tariff act of 1930 operated, as a danger signal, as a fire bell in the night. Indeed, Mr. President, to change the figure, it is not too much to say that, in so far as we can do so, we are about to deliver a body blow to our international trade and commerce, for this reason. We are now giving offense to our neighbor to the north of us in an acute fashion. We are giving offense to our neighbors to the south of us with respect to matters in which they have a vital interest. We are now reoffending, within the short space of two years, our neighbors upon this hemisphere. We are alienating the good opinion and good will of our neighboring States.

Can we do that with impunity? Can we continue the policy? What is the justification? What is the reason or the logic? Is it not time, when men want duties upon anything, that they address themselves to the manner in which the general welfare of the country is to be affected by those duties? We have lost sight of that. We have adopted the formula—"the difference between the cost of production in the United States and in the foreign countries." We are holding to the letter of the law. We are trampling under foot the whole spirit of tariff legislation. Ever the letter killeth. The spirit alone giveth life.

Mr. COSTIGAN. Will the Senator yield further?

Mr. GEORGE. I yield.

Mr. COSTIGAN. May I state to the eloquent Senator from Georgia that one of the just complaints against the practical application of the so-called flexible provisions in the tariff law is that we are not even adhering to the letter of the law?

Mr. GEORGE. The distinguished Senator is quite right, and he has voiced that opinion in the Finance Committee and elsewhere with great force.

Every industry in the United States now believes that it has justified a tariff when it can come to the Congress and show to the Congress that the cost of producing is greater here than is the cost in some foreign producing country, utterly ignoring the broader, wider question of how the destiny of the American people is to be affected by it.

Can you not see that when everybody has been granted special privileges, we will be just where we started? Can you not see that you have condemned to economic servitude or slavery 20,000,000 American people who are engaged in raising cotton, who can not receive, who never have received, a single penny out of tariff rates, but who have borne the burden of the tariff system in the double fashion that I have already indicated?

Can you not be reasonable? Can you not say, "Even though we believe in protection, we recognize the right of other Americans to live, and recognize the right of other citizens to at least have bread and meat?"

In the face of this the distinguished Senator from New Hampshire [Mr. MOSES] thinks that he will deter me by the charge that I have injected a partisan note into this debate. I am justified if I put it upon the narrow ground that I would defeat the whole tax bill before you shall pile this additional burden upon a people already overburdened. But I do not do that. I merely attempt to direct my appeal to the sense of justice and reason of my fellow Senators in this body.

If there ever was a righteous cause, if there ever was a time when a band of Senators might stand here and say—and might be assured that ultimately public opinion would justify them—"You can have your tax bill, and we will help you get it, but you must choose between the tax bill and these protective duties you wish to place upon our people," this is the time, when you have been reducing year by year the purchasing power of more than 2,000,000 American families engaged in growing cotton, reducing it year by year and in a definite measure by tariffs, until the purchasing power of those producers virtually disappeared from the picture, and an equal number of people directly dependent upon the cotton-producing population in the small villages and towns of the South.

Now you propose to put a tax upon lubricating oil, to put a tax upon fuel oil, and to put a tax upon gasoline. You do not stop there. You propose to put a tax of $2 per short ton upon the asphalt which paves the highways and streets of those same cotton farmers, as well as all other citizens of the United States, because the oil industry is sick, because the copper industry is sick; and it may well be admitted that they are sick, but they will be far sicker if the visionless program of raising tariffs every time an industry finds itself in difficulty is pursued.

It is said we must maintain the standard of labor. Anyone who will read the debates when the tariff policy was originally proposed will find that the tariff came not to raise wages in the United States but it came because the wages were too high, at that time, at least, to permit the growth of industry, and therefore industry had to be given some advantage. Let it have a fair advantage where it needs it. But let the advantage be reasonable; let the protective duty given be reasonable and just, fairly adjusted to those who can not come within the circle of the protected industries.

Can not that be done? Assuredly it can be done. It should be done now if we were not so obsessed with the idea that we must remedy all unhappy conditions, which in one moment we are told are due to world conditions, by increased tariffs. The next moment we are reminded that our tariffs alone are responsible for whatever degree of prosperity we have in the United States.

Let us suppose that the oil industry is sick. I have studied the oil question, I have given it fair and careful study. The oil people have made out an overwhelming case of monopoly upon the part of certain producers, a monopoly which ought to be prosecuted. Yet the distinguished senior Senator from Pennsylvania [Mr. REED], a Senator whom I admire greatly,

who certainly is not unfriendly to one of these giant monopolies, voted for this tariff duty in the Committee on Finance.

Be advised that when you have written your tariff it will be the instrument with which these great companies will literally sever your bodies from your souls. If they have a monopoly, as the oil people have persuaded me they have, be advised that this tariff will not rob them of that monopoly, and be advised that the monopolist can use your instrumentality more directly and effectively against you than you will ever be able to use it against him.

As for copper, the copper people—and I must say it in candor—seemed to me to make out a better case for tariff protection than any other one of these particular applicants who have besought the aid of the Finance Committee and who now beseech the aid of the Senate. I do not think that a tariff will be very greatly helpful to the copper industry, but it does seem to me that its case is stronger upon the facts.

As for the coal industry, the tariff will be of no help whatsoever, except possibly to one or two or at most a few producers in the State of Pennsylvania who sell their coal on the New England coast. I may even be wrong about that.

As for lumber, my own people still have the remnants of once magnificent forests. They have depleted those forests, destroyed those natural resources, in the hope that they might overcome in some measure the frightful handicap that a tariff-mad country has been pleased to put upon them in the name of patriotism and common good. I have sympathy for them; surely I have.

I have sympathy for the copper producers. There is a copper mine in the northwest corner of my own State. I know the industry is suffering. I have sympathy for the oil producers, though my State has no oil. I know that they are suffering, especially the independent producers. I have no doubt that the corresponding loss of the large producers of petroleum products has likewise been great, maybe as great in point of percentages as the losses of the small producer. I have no doubt that the coal people are in distress—I know that they are. I shall be glad to help them.

But not a single advocate of these rates, not one, has stood on this floor and said that these rates would promote the general welfare of the people of the United States. Not a single voice has been raised on this floor, even in assertion that the benefits derived from the duty would outweigh the burdens placed by the tariff, if granted, upon all the people of the United States. That is the test and the only fair test of whether a tariff should be granted upon any product at any time. It is not whether it costs me more to make my cotton or whether it costs me more to manufacture lumber, or whatnot, than some competitor in some foreign country. It is whether or not, if I am given a special favor, and that is what it is, if I am given the special protection of the Government, that nevertheless the contribution to the general welfare, though the direct benefit flows to me, will outweigh the general loss to the whole people. Upon that basis tariffs have been and may again be justified.

But look for a moment into that same section of the country where these 20,000,000 cotton farmers live. I invite any man to rise now and say how in any respect a producer of raw cotton has been benefited by the tariff. He has borne two direct burdens which I have pointed out and which all men know. But in the same territory where these cotton farmers live, we have cities upon the seaboard. God gave them the advantages and imposed upon them the disadvantages of water-front life. These cities have no water power. These cities must depend upon fuel oil to light their streets and to light their homes and to furnish the motive power for all of the industries within their borders. Have I not the right to say that this additional burden ought not to be imposed in order to give a special grant to oil producers? Whatever degree of suffering they may be now enduring, it is not comparable to the suffering which the cotton farmers have endured since 1920. Why, I ask, is it not proper for me or for any other Senator to ask the Senate and to ask the country to weigh the advantage to the whole people and to weigh the corresponding cost or disadvantage to the people of the United States when Senators are asked to vote these duties upon these necessities of life?

I know that some of the oil-producing States likewise produce cotton. They are fortunate in having a variety of products. They are, of course, to be congratulated because of the diversity of products within their borders. But is that any reason why any man should forget the great burden that we are asked to place upon a large population that has neither oil nor copper nor coal nor any other important product that can be effectively protected? A great population must go on raising cotton for the time being at any rate or march out into the army of the unemployed or go into competition with the wheat growers or become competitors of the dairying interests of the Northwest. Is there any line of industry that can absorb 5,000,000 cotton growers at this hour? Is there any agricultural pursuit that can welcome 5,000,000 additional producers within its ranks? If not, we have a right to invite Senators to consider these things before voting these duties.

Mr. President, the truth is that interests in this country want the law to extend the arm with the itching palm further into the depleted pockets of a despoiled and outraged people, indifferent to what may be done to one-sixth of our people, if only they can have what they want. Some of your constituents are my constituents, and they have appealed to me. They have addressed very definite requests, not to say commands in some instances, that I shall support some of these duties.

I appreciate their distress, but I can not comply because I know, as the distinguished Senator from South Dakota [Mr. NORBECK] said, that it is proposed to tax 999 farmers for the benefit of 1 farmer when you impose the oil and other duties that are contained in the bill. I have heard no finer expression of common sense since I became a Member of the Senate than the speech of the distinguished Senator from South Dakota [Mr. NORBECK] in opposition to these tariff duties a little more than two hours ago. He believes in protection.

But that is not the question. The question is whether we will now continue the policy which has contributed to our present unhappy condition and had its influence upon like action in other countries of the world.

I do not know how long it may be before we learn it, but we must learn that we have not a monopoly of tariff making, that we can not offend the countries which lie to the south of us and north of us in this hemisphere and give offense to all European countries with whom we have been accustomed to trade and yet hope for the prosperity that we all long to see return in the United States. I do not know how long before we will learn it, but until we learn it there will be no general recovery. We may resort to artificial means; but until the purchasing power of large groups of our fellow citizens in agriculture has been at least partially restored, American manufacturers will not find their own home market restored to them.

Mr. President, I do not wish to detain the Senate longer. I wish to close with the statement that if we are to continue this policy this revenue bill with every item retained in it will not balance the Budget. The Budget can not be balanced by any taxing provision now in the bill if we do not give American business an opportunity to come back; and if it is going to be strangled and stifled, the Budget will remain unbalanced. Again, if every tariff item in this bill, in whatever degree, may be justified upon the facts, Senators ought not to insist upon writing them in the bill when it has become unquestionably true that some of us at least feel that we are justified in standing here and making a fight against the inclusion of those items in the bill, though we are ready to vote for every reasonable revenue item in the bill.

Mr. WALSH of Massachusetts obtained the floor.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Barbour	Borah	Bulkley
Austin	Barkley	Bratton	Bulow
Bankhead	Bingham	Brookhart	Capper

Carey	Gore	Lewis	Shipstead
Cohen	Hale	Logan	Shortridge
Connally	Harrison	Long	Smith
Coolidge	Hastings	McGill	Smoot
Copeland	Hatfield	McNary	Steiwer
Costigan	Hawes	Metcalf	Stephens
Cutting	Hayden	Moses	Thomas, Idaho
Davis	Hebert	Neely	Thomas, Okla.
Dickinson	Howell	Norris	Townsend
Dill	Hull	Nye	Trammell
Fess	Johnson	Oddie	Tydings
Frazier	Jones	Pittman	Vandenberg
George	Kean	Reed	Walcott
Glass	Kendrick	Robinson, Ark.	Walsh, Mass.
Glenn	Keyes	Robinson, Ind.	Watson
Goldsborough	La Follette	Sheppard	Wheeler

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

Mr. SMOOT. Mr. President——

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

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. I ask unanimous consent that when the Senate concludes its business to-night it take a recess until 11 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, before that is agreed to I should like to ask the Senator at what time he expects to move a recess to-night?

Mr. SMOOT. At 10 o'clock, I will say to the Senator.

The VICE PRESIDENT. Is there objection?

Mr. BORAH. What is the request?

The VICE PRESIDENT. The request is that when the Senate completes its business to-night it take a recess until 11 o'clock to-morrow morning. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President——

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

Mr. WALSH of Massachusetts. I yield.

Mr. LONG. I desire to make a request for unanimous consent. Inasmuch as the opponents of the oil tariff have consumed most of the day, and I am sure have made most of the long speeches they will want to make, I ask unanimous consent that speeches hereafter be limited to 15 minutes.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. I object.

The VICE PRESIDENT. Objection is made.

Mr. WALSH of Massachusetts. Mr. President, the opposition to the pending amendment has been so ably presented by the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. HULL], the Senator from Maryland [Mr. TYDINGS], and other Senators who have preceded me that it is unnecessary for me to do more than to summarize the arguments against the levying of the tariff duty on oil.

The first objection that is presented by the opponents of this proposed duty is that a revenue bill is not a proper measure in which to incorporate protective-tariff duties; that the revenues which would be derived from the duty, if imposed, would be inconsequential; that the proposal is a protective or embargo tariff and should not be incorporated or considered in connection with a purely internal revenue bill.

The next objection relates to the merits of the question itself: Has there been presented here a case for the levying of a protective-tariff duty? I conceive that all will agree that when a petition is presented for the imposition of a protective-tariff duty, which means increased prices to the consumers, the petitioner should at least be able to answer in the affirmative two questions. The first question is, Is the industry seeking protection depressed? The second question is, Is the industry depressed because of the importations of an article or commodity comparable to the domestic article and in competition with it?

As to the first question, is the industry depressed? I concede that each and every one of the four industries affected by tariff items in this bill is depressed. The oil industry is depressed; the lumber industry is depressed; the coal industry is depressed; and the copper industry is depressed—indeed, they are all desperately depressed. Suffering and unemployment must accompany any description of the condition of these industries at the present time. But, Mr. President, I assert that every single industry in this country can present the same picture of depression and can advance the same argument; it is merely necessary to substitute the name of some industry or commodity other than oil, lumber, coal, or copper. The conditions in the industrial life of this country are deplorable; unemployment, suffering, and bankruptcy stalk in and out of every business activity. There is no exception. The conditions described in connection with the industries for the products of which tariff duties are sought could, I repeat, be very appropriately applied to every other industry.

But I come to a more important and essential question. Can the depression in these industries be attributed to or be connected with the importation of similar commodities from abroad? All will agree that tariff protection levied where there are no importations and where competition in domestic markets exists is useless and empty. In order, therefore, to make a prima facie case for a protective tariff it is essential to show that importations are depressing the industry, reducing the opportunity of the domestic industry to control the home market; aye, and even more, it is essential to show that those importations are increasing in volume.

Mr. President, what is the startling fact when we come to examine the question of whether the imports into this country of these particular commodities are affecting and injuring the domestic producer? Let us examine the facts.

Take the year 1931—not at all a favorable year for the consideration of business conditions and for measuring domestic production with importations, a year when it is admitted that there was general and widespread depression throughout the world. The facts show that the net balance of exports over imports in the case of these four commodities was all in favor of the domestic production and the domestic industry.

The net balance of exports over imports of petroleum and its products was $177,758,000. Of coal, the net balance of exports over imports was $54,984,000. The net balance of exports over imports of lumber, rough and planed, was $29,830,000. The net balance of exports over imports of copper was $6,003,000, and of coke, $3,494,000.

Do these figures indicate that the petitioners have produced the very essential evidence that is necessary before levying upon 120,000,000 of people a tax upon these products?

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

Mr. WALSH of Massachusetts. I will.

Mr. LONG. I was just wondering if the State of Massachusetts is interested in the wool tariff.

Mr. WALSH of Massachusetts. Yes, sir.

Mr. LONG. What is that tariff?

Mr. WALSH of Massachusetts. Does the Senator mean the tariff on raw wool?

Mr. LONG. On manufactured wool.

Mr. WALSH of Massachusetts. The tariff on raw wool is 31 cents a pound.

Mr. LONG. What is it on manufactured wool?

Mr. WALSH of Massachusetts. It varies, depending upon the character and type of the manufactured article.

Mr. LONG. There are about 120,000,000 people using that wool, are there not?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. LONG. Has it ever occurred to the Senator that he might be solicitous of the 120,000,000 people wearing wool, and stop them from having to pay this terrible tax?

Mr. WALSH of Massachusetts. Unquestionably I would be solicitous. I have opposed increasing the tariff on raw wool and also thereby increasing the duty on wool manufactures.

Mr. LONG. The Senator would like to reduce that wool tariff, would he not?

Mr. WALSH of Massachusetts. If the facts justified it, I would.

Mr. LONG. The Senator knows the facts and I do not. Does the Senator think he ought to have no tariff on wool, as we have on oil?

Mr. WALSH of Massachusetts. No, sir; I never have advocated that.

Mr. LONG. It is just a case of whose ox is gored in this matter?

Mr. WALSH of Massachusetts. The Senator can put whatever construction he wishes upon it. I am not now discussing the advisability or the inadvisability of a tariff on wool; but I am willing to meet the question of a tariff on wool or on manufactured wools upon the basis or tests I have laid down.

I have been in the Senate 10 years, and I defy any Senator to say when and where I have voted for tariff duties that did not involve proof that the domestic industry was suffering by reason of importations. I stood upon this floor in the last tariff debate and advocated a tariff duty on hats, none of which are produced in my State, because the overwhelming evidence before my committee was that the hat industry was being wiped out by a flood of imports from abroad. I do say, however, that there is no justification and no proof justifying the levying of a protective tariff duty unless it appears that the domestic industry is depressed by reason of the home market being restricted or curbed because of importations from abroad.

Mr. BARKLEY. Mr. President——

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

Mr. WALSH of Massachusetts. I yield.

Mr. BARKLEY. Was the Senator referring to wool hats or straw hats when he referred to hats?

Mr. WALSH of Massachusetts. I do not recall at this moment, to be frank with the Senator.

Mr. ASHURST. Both kinds.

Mr. WALSH of Massachusetts. Perhaps both kinds. I do recall, though, only very recently reading over the speech that I made, and I have it in my desk here, in which I differed from my colleagues; and in fact on two or three occasions I pointed out that I thought there was a case where the imports were increasing so strikingly, and the domestic industry was depressed thereby to such an extent, that tariff protection should be granted.

Mr. BARKLEY. My inquiry was not prompted by a desire to get into any controversy about it, but merely to state that if the Senator referred to straw hats, the bill which at that time was under consideration, and which included a tariff on straw hats, put the tariff on them so high that even the present President of the United States has reduced that tax by Executive order.

Mr. WALSH of Massachusetts. I am using the illustration simply for the purpose of developing the question as to whether or not it is an important item and factor to consider, in the question of a protective-tariff duty, whether or not there are increasing imports. I concede, and I take it to be the position of the Democratic Party, that we are willing to protect the domestic industry against ruthless competition from abroad that results in depriving the domestic industry of the opportunity of a fair chance of growth and development, and of selling its product in the home market.

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

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Washington?

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

Mr. DILL. The figures that the Senator has given relate to the year 1931.

Mr. WALSH of Massachusetts. Yes, sir.

Mr. DILL. The Senator has not given the figures, nor has he given us the results of the depreciated currencies that are so effective in favor of our imports and as against our exports in comparison with 1931. I wonder if the Senator has those figures.

Mr. WALSH of Massachusetts. I will say to the Senator that I have not those figures, but I have the statement made only yesterday by the chairman of the United States Tariff Commission before the Ways and Means Committee when he said that there was no justification for increasing tariff duties because of the depreciation in foreign currency.

Mr. DILL. No; because he said he wanted a general raise of tariffs all along the line instead.

Mr. WALSH of Massachusetts. Was he not there in opposition to the Hawley bill?

Mr. DILL. Yes; and he said that he wanted a general raise of tariffs all along the line, instead.

I want to call the attention of the Senator to the fact that a depreciated currency operates in two ways. It operates as a tariff against our products going into a foreign country in competition with the products of that country, and it operates as destructive of our tariff for the goods that come into this country from that country, and it has only been operative, really, in the last few months.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

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

Mr. BARKLEY. Did I understand the Senator from Washington to say that the chairman of the so-called nonpartisan Tariff Commission appeared before the Ways and Means Committee to advocate a general increase in tariffs?

Mr. DILL. I do not know whether he is the chairman. I think his name is O'Brien.

Mr. BARKLEY. Mr. O'Brien is the chairman; yes.

Mr. DILL. He is quoted in the newspapers to-day as having said that he was opposed to a tariff equal to the depreciation in currency, but that he favored rather a general raising of tariffs all along the line.

Mr. BARKLEY. Does the Senator know whether he was called before the committee or whether he appeared voluntarily?

Mr. DILL. I am unable to answer as to that.

Mr. LONG. Mr. President, will the Senator pardon me? I promise not to disturb him again.

Mr. WALSH of Massachusetts. Certainly, sir; I shall be happy to yield to the Senator.

Mr. LONG. I want to ask just a couple or three questions, and then I will not disturb the Senator again.

The Senator from Massachusetts was in the Senate when the last tariff bill was passed, as I understand.

Mr. WALSH of Massachusetts. Yes, sir.

Mr. LONG. May I inquire of the Senator whether he voted for that tariff bill?

Mr. WALSH of Massachusetts. I am proud to say that I have never voted in favor of a tariff bill since I have been in the Senate. I vigorously opposed the Smoot-Hawley tariff bill.

Mr. LONG. Did the Senator vote for any of the items in the tariff bill?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. LONG. Did he vote for the tariff on saddlery and harness; does the Senator remember?

Mr. WALSH of Massachusetts. I do not remember, sir.

Mr. LONG. Does the Senator remember having voted for the tariff on wrapper tobacco in a trade-out with the Senator from Mississippi [Mr. HARRISON], who wanted a tariff on long-staple cotton, whereby there was a swap movement made in the caucus?

Mr. WALSH of Massachusetts. I am unable to say how I voted on any particular item. I voted on each according to my convictions as to whether or not the facts presented justified increasing or lowering the duty. I know one thing, I never traded my vote on any tariff or other measure in this body.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

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

Mr. WHEELER. The Senator gave some figures on copper a moment ago and I should like to get those figures. I understood him to say that the export of copper was greater than the import. Would the Senator mind giving the figures?

Mr. WALSH of Massachusetts. The amount is $6,003,000.

Mr. WHEELER. More exported than imported?

Mr. WALSH of Massachusetts. Yes.

Mr. WHEELER. Would the Senator mind telling me where he got those figures?

Mr. WALSH of Massachusetts. I got them in connection with the preparation of the minority report, and I incorporated them in the minority report. They came from the Department of Commerce.

Mr. WHEELER. Let me say to the Senator that I think his figures are in error; but first let me call his attention to this fact:

I have here before me the sworn statement given out by the Anaconda Copper Co., showing that the cost of production of copper in the city of Butte in their mines is 13.2 cents per pound, whereas copper can be brought into this country from Africa and laid down in New Jersey for 5 cents. Likewise, it can be brought in from Chile and laid down here for somewhere around 5 or 6 cents. Likewise, it can be brought in from Canada and laid down; and while I concede the Senator's statement that in 1929 the production of copper in this country exceeded the consumption, I think the Senator's figures are in error as to the present time.

Mr. WALSH of Massachusetts. I should be very glad to have the Senator correct them. I know the Senator has appreciated the purpose I am using them for, as indicating, even if they are slightly inaccurate, the importance of showing, in order to establish a claim for a protective-tariff duty, that the imports are larger than the exports, and that the imports are of such a volume as seriously to curtail domestic production.

Mr. WHEELER. I have not the figures on oil; but I do know with reference to copper that there is no question in the world that the facts can be and will be presented to the Senate showing that there is not a mining company in the United States of America producing copper that can compete with the slave labor of Africa, or with the cheap labor of Mexico, or with the cheap labor of Chile; and the sworn figures of the Anaconda Copper Co.—who, incidentally, are not in favor of a tariff because of the fact that they own mines outside of the United States—show that in 1931 their cost was 13.2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, I have given some figures indicating that the exports of these four commodities in the year 1931 were in each case in excess of the imports. Now, I am going to give some figures combining all of these products together and present to the consideration of the Senate what we are undertaking to do with our foreign export business if we adopt these tariff provisions.

Mr. President, 18½ per cent of our entire export business consists of purchases by the people of foreign countries of oil, copper, coal, and lumber—18½ per cent of our entire foreign business. In 1931 we imported $175,000,000 worth of these products, and in the same year we exported $440,000,000 worth of these products.

We are, therefore, attempting the impossible task of trying to retain an export business of $440,000,000 by the elimination of an import business of $175,000,000.

Mr. President, the proponents of these tariff duties seek to put an embargo on all imports of these products and yet retain $440,000,000 worth of business which they have enjoyed through the exportation of these products to foreign countries.

Was there ever a more unsound case presented for tariff duties than in the case of these four products? I repeat, they should prove at the outset that the importation of a particular product is destroying the domestic market for the domestic producer, and they can produce no evidence here of that most necessary fact in order to exact a heavy toll in increased prices from the American consumers.

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

Mr. WALSH of Massachusetts. I yield.

Mr. DILL. The Senator bases that argument on the assumption that the countries to which these products are exported are the countries from which the products are imported.

Mr. WALSH of Massachusetts. Oh, I do not mean to have that inference drawn. It does not follow at all.

Mr. DILL. That would be the effect of the Senator's argument. But I want to call the Senator's attention to this fact, that as a result of the Hawley-Smoot tariff bill this country started a tariff war throughout the world, and retaliatory tariffs have been built up all over the world against the products of this country. The products covered in this bill are left out of the Hawley-Smoot bill, and the producers of them are suffering from the retaliatory tariffs of other countries against the products of the same communities which produce these products.

Mr. WALSH of Massachusetts. I note the Senator's observation.

Mr. President, having presented what seem to me to be the general arguments against the imposition of tariff duties upon these four commodities, I want to direct Senators' attention to the case under immediate consideration, namely, that of oil.

First, I want to call attention to the volume of the imports. Then I want to call attention to the difference in the cost of imported oil in comparison with that of domestic oil. Third, I want to call attention to what benefit, if any, the domestic producer can expect to enjoy if this tariff duty is levied. Fourth, the effect of the tariff upon (1) manufacturing industries; (2) home owners; (3) farmers; (4) automobile owners; and (5) the American merchant marine.

Mr. President, 120,000,000 barrels of imported oil are used annually in the eastern part of the United States. It is transported there by water. Twenty million barrels are consumed in New England, one-sixth of the total amount. Twelve million of the 20,000,000 barrels are consumed in Massachusetts. Three manufacturing concerns alone in Massachusetts consume annually 2,000,000 barrels of oil. So much for the consumption. We all know of the exceedingly large volume of the domestic production. It amounted in 1931 to 850,261,000 barrels of crude oil.

Let me now call attention to the price of the imported oil carried by water to the Atlantic seaboard, in comparison with the price of the domestic oil carried by rail to the Atlantic seaboard.

Oil can be delivered, and is delivered, at 79 to 89 cents a barrel when imported and transported by water along the Atlantic seacoast. It costs approximately $1.90 per barrel to produce and transport oil by rail from the mid-continent field to the Atlantic seaboard.

That is why the advocates of the oil tariff urged and requested originally a duty of $1 per barrel, in order to offset the difference in the price of the imported oil transported by water as against the domestic oil transported by rail to the Atlantic seacoast.

Mr. SHIPSTEAD. Mr. President, can the Senator tell us what part of that charge is a freight charge?

Mr. WALSH of Massachusetts. The Senator means on the domestic oil?

Mr. SHIPSTEAD. Yes.

Mr. WALSH of Massachusetts. I will give the figure.

Mr. THOMAS of Oklahoma. It is about 76 cents.

Mr. WALSH of Massachusetts. The freight charge from the mid-continent field to the Atlantic seaboard is about 76 cents. I thank the Senator from Oklahoma for reminding me of that. I was going to say approximately 80 cents.

Mr. SHIPSTEAD. It would appear that this is a problem of freight rates rather than of tariffs, then.

Mr. WALSH of Massachusetts. Exactly. What is the proposition here? Let us figure out that difference. Oil costs 79 to 89 cents, let us say 90 cents, when delivered to the Atlantic seaboard from the foreign field. It costs $1.90 when brought from the domestic field to the Atlantic seaboard, so that there is a difference of a dollar.

What is the proposition here? It is to impose a tariff duty of 21 cents per barrel, not a gallon, but 21 cents a barrel. What are my New England consumers going to do? Are they going to stop buying imported oil, refuse to add 21 cents to the present price, and buy from the domestic producers? Not at all, for that would mean 80 cents more per barrel than the imported price plus the tariff duty of 21 cents.

The Senator from Minnesota appreciates the point I am about to make, namely, that this tariff duty can not and will not be of any benefit to the domestic producer. It should be a dollar a barrel to be of any benefit to him. The proposed duty is only 21 cents a barrel. The difference needed is admittedly $1 a barrel. We have the situation here of Senators proposing a tariff duty which will not help the domestic producer in obtaining any advantage for him on the Atlantic seaboard market, but will raise the price of oil to the industries, to the users of oil for fuel, to the automobile users, and to the consumers in that section who use gasoline.

Let me emphasize that. I repeat, it can not and will not result in the delivery of the Atlantic-seaboard oil market to the proponents of this tariff. It may have the result of increasing the price 21 cents a barrel; to whom? To the Atlantic-seaboard purchaser. But they are still going to have their oil imported. It may have the advantage of increasing the price of oil to the consumers in the immediate field and in the immediate sphere of the oil-producing fields. But that is a very doubtful proposition.

Mr. President, I now come to the effect that this duty of 21 cents a barrel would have in increasing the production costs of the industries of the Atlantic seaboard, and increasing the fuel costs of the home owners who use oil for heating purposes, and increasing the expenses of automobile users.

First as to industry. I refer to that rate fixed by the House, the 42 cents per barrel, or what is equivalent to 42 cents per barrel. I choose for the purpose of illustration a few plants located in the southeastern section of Massachusetts.

It is estimated that the tax levied in the House would increase the cost of operating the municipal lighting plant at Taunton, Mass., $40,000 a year. That is the information the mayor of that city gives me. Taunton is a manufacturing city of about 50,000 inhabitants. It is one of the few cities that owns its own municipal lighting plant, and the mayor of that city estimates that if the rate is made, as in the House bill, 42 cents—and, of course, cost under the rate in the Senate committee bill would be one-half—it will cost $40,000 a year additional to purchase the oil necessary for the running of the municipal lighting plant.

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

Mr. WALSH of Massachusetts. I yield.

Mr. BARKLEY. Does the mayor give the total annual cost of purchasing fuel oil for the lighting plant of that city?

Mr. WALSH of Massachusetts. I have a letter from the mayor, which I will be glad to show the Senator, in which he presents his case. He has written me giving these figures.

Mr. BARKLEY. I was just interested to know how he arrives at the estimate of $40,000 as the amount of increased cost, because that would have to be represented in the increased price of oil.

Mr. WALSH of Massachusetts. Where constituents who have written me suggesting what the increased price would be to them, I have not attempted to analyze their statements, I have not attempted to say, "I think you are mistaken; let me have your proofs." I am attempting to quote what they have written me, and I am going to quote other figures besides those as to the municipal lighting plant at Taunton. It seems to me that the increased price of $40,000 for oil used by the municipal lighting plant at Taunton, based on the rate in the bill as it passed the House, is not excessive.

Mr. BARKLEY. What is the population of Taunton?

Mr. WALSH of Massachusetts. About 50,000.

Mr. BARKLEY. I do not mean by my question to intimate that the mayor is incorrect about it, but it struck me that that was rather a large increase.

Mr. WALSH of Massachusetts. I have several other increases to cite.

Mr. BARKLEY. That would, of course, carry with it the implication that if the price of crude oil in the United States increased 42 cents a barrel by natural processes, the increase in the operation of that plant would be higher.

Mr. WALSH of Massachusetts. There is a plant in my State which uses 700,000 barrels, and an increase of 21 cents a barrel, the Senator can figure out, would mean about $140,000, approximately, if it should become effective.

Mr. President, the increased cost to the Whitington Manufacturing Co., of Taunton, would be $30,000 a year. That is based on the House rate. Of course under the Senate rate it would be one-half that.

The increase to the American Printing Co., of Fall River, would be $157,000 a year, under the House rate.

The increase to the Sales Finishing Co., of Pawtucket, R. I., would be $125,000 a year.

One mill at Lawrence, Mass., estimates the increased burden to them—one mill alone, I call to the attention of the Senator from Kentucky—at $200,000 a year, based, again, upon the House rate of 1 cent a gallon.

Of course, all of these figures will be reduced one-half if the rate in the Senate committee bill is adopted. In a word, the total burden to New England consumers in industry is estimated at $100,000,000.

Mr. President, in order that the Senate may appreciate the importance of the oil duty to New England, I want to call attention to the percentage that oil represents in the total imports to four of the leading New England ports of entry. Oil represented 13 per cent of the total imports into the port of Portland, Me., in the year 1930. Oil represented 26 per cent of the total imports into the port of Boston in 1930. Oil represented 99.9 per cent of the total imports into the city of Fall River in 1930—Fall River being, as we all know, a very extensive textile manufacturing city. It is on the water front, and the large industries there are able to have oil transported by water right to their very doors. Oil represented 71 per cent of the total imports into the port of Providence, R. I.

Mr. President, I shall conclude directly, but before doing so I want to call attention to the effect this duty will have on the home owner. It is estimated now that there are 100,000 home owners in Massachusetts alone who are using oil for heating purposes in their homes. It is estimated that it would mean an average increased cost of $27 per family if the rate in the bill as it passed the House is adopted, which may be adopted in conference, or an annual increased cost in their fuel of $13.50 if the rate in the Finance Committee bill is adopted. In other words, 100,000 home owners are to be penalized with increased burdens in this period of depression with no corresponding benefit to the producers of domestic oil, because they will have to continue to get their oil transported by water from the foreign fields unless the duty is made very much higher than that levied in the bill; and if it is levied at $1 a barrel, we might as well conclude that New England has joined Arizona in becoming dotted with ghost towns and ghost cities.

I hope the Senator from Arizona [Mr. ASHURST] will pardon my use of his very vivid and dramatic illustration of the effect that the closing down of the copper mines has had in Arizona.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arizona?

Mr. WALSH of Massachusetts. I yield gladly to my friend.

Mr. ASHURST. I had no intention of interrupting the brilliant and able Senator from Massachusetts. He has evidenced that he is a master of his views of the subject. But able as is the Senator and notwithstanding the cameolike distinctness with which he has brought out his own points

as he sees them, I observe that it was not a protective tariff but free trade that made ghost towns of the copper-mining camps and made the copper-smelter stacks to stand now like hearse plumes.

Some years ago Arizona was signally honored during a political campaign when the learned Senator from Massachusetts [Mr. WALSH], whose eloquence in campaigns is eagerly sought, came to Arizona and delivered a speech which, after the lapse of nearly 10 years, is affectionately remembered by the citizens of the community in which he spoke. Somewhat adjacent to that community it was concluded that a new and commodious schoolhouse should be erected with lines of elegance and classic halls, and it was further determined that a copper roof would be appropriate for that schoolhouse so near that then thriving copper-producing region.

The school trustees assumed that American copper would be used, but, lo, after the roof had been capped upon the building it was discovered that the copper was from Chile! [Laughter.] Because, as I have said before, copper can be produced in those countries of convict, conscript, and forced and cheap labor, at a labor cost in some places of 8 cents a day and in some other places at 50 cents a day.

The American copper producers and copper miners can not compete and ought not with our American standards of living be required to compete with the convict, forced, and conscript labor of Russia and the cheap and forced and insensate labor of some parts of South America and Africa.

I have trespassed too long upon the time of the Senator from Massachusetts, and I thank him for affording me this opportunity to interrupt and, I fear, mar the symmetry of his speech.

Mr. WALSH of Massachusetts. Mr. President, the Senator, in his brilliant description of my campaigning tour in Arizona, omitted to mention the fact that after he had led me through the State of Arizona, where he needed no pleader to urge the insignificant minority who remain indifferent to his fine record of public service, he finally brought me, before I left Arizona, to the town of Tombstone, to get the tombstones to vote for him. [Laughter.]

Mr. LEWIS. May I ask if that is why the Senator from Arizona referred a moment ago to the "cemetery" of the address of the Senator from Massachusetts? [Laughter.]

Mr. WALSH of Massachusetts. Undoubtedly it had some association.

Mr. President, it is gratifying, notwithstanding my attitude of opposition to these duties, to appreciate that the other side of the question is being so ably championed by such brilliant, experienced, and astute public servants as the Senator from Arizona [Mr. ASHURST], the Senator from Texas [Mr. CONNALLY], and the Senators from Oklahoma [Mr. THOMAS and Mr. GORE], and others who are advocating these duties.

I want to conclude by inviting attention not only to the burdens which this protective duty on oil will bring to the industry and home owners but finally the burden which it will bring to the owners of automobiles. One of the Senators called my attention to the fact that there are 26,000,000 reputed owners of automobiles in this country. If this tax becomes effective on gasoline, it is going to mean a tremendous burden to these consumers—and all this for the benefit of a few big domestic producers.

Mr. President, we ought not to be advocating burdens and barriers at this period and epoch in the history of our country. Aside from the fact that these duties have no place in a purely internal revenue bill, they are going to result in bringing injury to our export business, no benefit to the domestic producer, and will be a further source of discouragement and disheartenment to American consumers.

Mr. President, I ask to have incorporated in the RECORD in connection with my remarks several letters and communications of protest that have come to me from my constituents in regard to this proposed duty.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EFFECT OF THE OIL TARIFF

First. Will yield Treasury no revenue; will subsidize great oil corporations approximately $500,000,000 at expense of consumers.
Second. Farmers' gasoline bills will be increased $95,000,000.
Third. The great corporations will collect the subsidy.
Fourth. The Atlantic seaboard affects price levels in the world trade.
Fifth. Party platforms against tariff on oil.
Sixth. An oil tariff will affect our foreign trade.
Seventh. Will affect road building throughout the country.
Eighth. Will result in the abandonment of our long-standing conservation policy.

MARITIME ASSOCIATION OF THE
BOSTON CHAMBER OF COMMERCE,
Boston, Mass., January 12, 1932.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: It seems proper to bring to your attention the relative importance of oil imports as compared with other import commodities received at the principal New England ports. The following table shows in short tons the volume of foreign petroleum and petroleum products received at the ports of Portland, Boston, Fall River, and Providence during the years 1929 and 1930, and the percentage relationship of such oil imports to the total foreign imports received at each port named during the years 1929 and 1930:

Port	1929		1930	
	Tons	Percentage of total imports	Tons	Percentage of total imports
Portland	75,544	10½	108,515	13
Boston	918,557	28	751,068	26
Fall River	807,757	99½	819,864	99.9
Providence	473,073	73	545,112	71

This shows how seriously any limitations or restrictions on foreign oil imports would affect the New England ports. The action taken by the members of the New England delegation in protesting any such legislation is heartily indorsed by the maritime and port interests of this section.

Respectfully yours,

F. S. DAVIS, *Manager.*

BRIEF OF OPPOSITION OF INDEPENDENT OIL MEN OF NEW ENGLAND TO S. J. RES. 238 AND S. 5818

1. Approximately 70 per cent of the fuel oil sold in New England at the present time comes from imports.
2. Approximately 70 per cent of all the fuel oil sold by independent marketers comes from imports.
3. Practically all of the gasoline sold by independents comes from imports.
4. The embargo on refined imports and the limitation on crude oils increase the cost to the independent of his product, and from the experience of the past the increase in retail price would not be proportionate with the increase in cost, with the result that the margin between cost and selling price would not be sufficient for independents to operate without a loss.
5. The price of fuel oil will be increased to such an extent that there will be a return to coal and subsequent harm to the independent oil men's business.
6. Limitation of crude imports and prohibition of refined imports will not be as effective in overcoming the conditions due to overproduction as proper curtailment of production with reference to the amount in storage and the demand.
7. The inability to obtain fuel oil and the inability to obtain gasoline at a price that will allow a sufficient margin of profit for continued operation by independents can only result in the abolition of the independent as a competitor. With this competition removed, the control of prices will be in the hands of one group, with the result of a substantial increased cost to the public, and the major American producing integrated companies will have accomplished legally the very thing that was sought to be avoided by the Clayton and Sherman Acts. It is estimated that it will result in an increase of 75 cents a barrel for fuel oil, which means an increase of $90,000,000 in the Atlantic seaboard States and an increase in cost of gasoline in Massachusetts alone of $4,000,000. No one can estimate the effect that the increase will have on New England manufacturers who are burning fuel oil, or whether it will result in driving some manufacturers back to the use of coal, with a tremendous expense for conversion, and neither is it possible to estimate the effect that an embargo would have in the nature of a retaliative tariff by the countries affected by the embargo on the products of New England manufacturers; but there can be no question that a retaliative tariff would mean a tremendous decrease in the number of sales orders now received by New England manufacturers in foreign countries, and thus through another medium a great addition to the already acute unemployment situation.
8. The relief that an embargo might give to workers in the mid-continent oil fields will be more than overcome by the num-

ber that will be put out of work that are now employed both in eastern refineries and by the independent marketers.

9. The embargo on imports will not cure the situation, because the amount of exports exceeds the amount of imports by more than 50,000,000 barrels.

10. The practical effect of the embargo on independents in New England will be to limit the sources of supply for gasoline to two sources, both of which at the present time import a part of their products. It should, moreover, be borne in mind that an embargo of this nature establishes an extremely dangerous precedent and that if it is effected demands for embargoes on other commodities are sure to follow. At the present time there is agitation in Michigan for the obtaining of an embargo on copper if the embargo on oil is successful in the Senate.

THE OIL-DUTY SITUATION

For two years the mid-continental and California oil producers have been attempting to get an embargo or a heavy duty on foreign oil, which comes principally from Mexico and Venezuela. Bills of various kinds are now pending before Congress. They may be grouped as follows:

(1) Bills calling for an embargo on importations of foreign oil.

(2) Bills imposing a duty of $1 a barrel on crude and fuel oil and 50 per cent ad valorem on refined oils.

(3) Bills giving the Tariff Commission jurisdiction over articles on the free list as well as over articles on the dutiable list.

These bills have the strongest kind of backing from the independent oil producers and from some of the large companies, such as the Sinclair Co.

The situation so far as New England is concerned is as follows: New England consumes 20,000,000 barrels of fuel oil a year. The price of this oil at the present time at the tanks is 60 cents a barrel. The Tariff Commission in a special report has found that it costs approximately $1.90 a barrel to land oil from the mid-continental fields in New England. It would seem as if the price of fuel oil would go up $1 a barrel. It is demonstrated that an increase of $1 a barrel on crude oil would mean an increase of 4 cents a gallon on gasoline.

Another angle of the situation is the increase in cost of asphalt. Foreign oil has an asphalt base. Mid-continental oil has not. All asphalt must come either from foreign oil or from California oil. A duty of $1 a barrel on crude oil would mean an increase in cost of asphalt from about $7 a ton to at least $12, and perhaps more. This would greatly increase the cost of road building, especially on secondary roads where asphalt is used in large quantities, although it is also used in connection with the building of cement roads.

The increase in the cost of oil for heating would be approximately 25 per cent. As the distributing cost of heating, especially domestic heating, is very substantial, there is a less percentage increase in the cost of oil for such purposes than in the cost for industries using the oil for power purposes.

It seems doubtful whether the midcontinental fields would profit by the exclusion of foreign oil which constitutes only one-tenth of oil used in this country, for there is in the midcontinental fields a vast surplus which undoubtedly is the efficient cause in keeping down the price of oil in those fields.

The midcontinental people base their claim largely upon the fact that if foreign oil is excluded 100,000 oil workers will be given employment. This is an entirely fallacious argument for these oil workers will be employed only in opening up new fields, a most uneconomic procedure, which would tend still further to depress the price of oil.

If, on the other hand, it should prove that the price of oil is increased, then the big companies which have some six hundred million barrels in storage would profit immensely by the tariff, although some of them who operate in Mexico and Venezuela would have the value of their plants impaired.

These companies, however, could sell their oil in foreign countries. To-day one of the largest items of export from this country is oil, amounting to nearly $400,000,000 a year. We would lose a large part of this business, which, of course, would have the tendency to depress the industry still further in this country. In short, the duty on oil is not likely to help anybody, and certainly will seriously injure those located along the Atlantic coast, who consume practically 120,000,000 barrels of fuel oil a year.

EVERETT FACTORIES AND TERMINAL CORPORATION,
Everett, Mass., January 31, 1931.

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: As a constituent of yours and a business man of greater Boston, I wish to state my views to you on the fuel-oil situation.

I would say, on the start, that I am as greatly interested in the oil business as I am in local industries—as I hold several thousand shares of oil stock, among which are Texas and the Standard of Indiana—and after giving the matter considerable study I wish to call your attention to the following facts:

Fuel oil is being used to a greater and greater extent for house heating, as well as power-plant operations. Our company run four boilers in our power plants and the Standard Mailing Machines Co., in which I am interested, also use oil for heating apparatus. As you are undoubtedly aware, the crude petroleum produced in this country is largely refined for gasoline and the percentage of fuel oil is comparatively small; whereas the Mexican and Venezuelan oils are heavy and produce a large quantity of fuel oil, so that the small benefit accruing to the oil-producing companies would be more than offset by the detriment to the consumers of fuel oil.

The further question of the rapid depletion of the oil resources in this country is a very far-reaching problem, and, with the embargo on importations, would tend to greater production and more rapid depletion.

Taking these facts into consideration and the far-reaching effects of an embargo, I trust you will use your efforts to see that this is not established.

Trusting you will accept this letter as an indication of the feeling of men who are interested in the welfare of the country on a broad scale, I remain,

Yours very truly,

ELMORE ANDREWS.

ATTLESBORO, MASS., *February 12, 1931.*

Hon. DAVID I. WALSH,
Clinton, Mass.

DEAR SIR: Situated as we are in New England, oil can be brought from Mexico and South America at a very small cost, and, as you undoubtedly have been informed, there was over 100,000,000 barrels of such oil consumed in the Atlantic seaport States in 1930, and of this amount about 70,000,000 was imported—therefore, is this embargo and tax, as proposed in these two bills, is passed on imported crude oil, it will mean that this supply coming from foreign countries will have to be made up from other sources in our own country, and, as you undoubtedly are aware, there is none of the crude oil to be found east of the Rocky Mountains. Therefore, if we are obliged to get our supply from the States situated on the western coast, it will mean a big increase in the freight on same. It now costs about 30 cents a barrel to have this oil delivered from Mexico and South America to our nearest port, Providence, R. I., and if the same has to be sent from the Pacific coast, it would add between 50 cents and $1 per barrel to our present cost.

In the last two or three years a great many New England manufacturers have installed oil-burning equipment because same is considerably cheaper to operate than coal and is far cleaner. If, however, these measures should be passed, it would undoubtedly force a great many industries to resort to burning coal again as they could not afford to pay the increased cost for the fuel oil over what coal can be bought in Providence for—about $5 a ton.

We believe that in this time of depression no legislation should be passed that would in any way hamper industry and that every measure should be taken to make it possible for manufacturing to operate their plants as cheaply and efficiently as possible. Such an embargo or tariff on crude oil as contemplated in these two bills by the United States against Latin American countries will, in our opinion, first, retard rather than assist in stabilizing the oil industry. Secondly, it will be a distinct discrimination against consumers in New England and the Atlantic seaboard States. It will also, as previously stated, aggravate the business depression from which it is now suffering, and fourth, it will decrease rather than increase the sale of domestic producers and refiners.

Thanking you in advance for giving this matter your careful consideration, we are

Yours very truly,

C. H. EDEN CO.,
E. H. BROWN, *Treasurer.*

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,
New York, January 28, 1932.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The American Steamship Owners' Association is deeply concerned by a report that another attempt will be made this year to levy a tariff or embargo on petroleum. Inasmuch as 90 per cent of the American merchant marine is oil burning, American shipowners have a vital interest in any proposal directly or indirectly affecting their fuel supply.

After a careful study of the situation this association is convinced that the proposed tariff or embargo is economically unsound and that either measure would work additional hardship on the American shipowner—

(a) By tending to raise the price of bunker fuel oil at Atlantic seaboard and Gulf ports.

(b) By placing the American shipowner, in common with other consumers of petroleum products, in the position of relying almost exclusively on American crude production, which while abundant enough at the present time can not last indefinitely if the entire burden of American demand is placed upon it, particularly in view of the fact that oil fields in the United States have been drained without restriction for a much longer period than foreign reserves.

At the present time the American merchant marine, in competition with European and Asiatic steamers, enjoys only one advantage, without which it would be unable to even support the competition which it is now able to maintain. This advantage is cheaper fuel oil for bunkers. Overhead due to higher first cost of operating expenses, salaries of officers and crew—every cost of operation of American merchant steamships is substantially higher than that of the boats of any competing nation. Should the present advantage in cost of fuel be taken away by a tariff act or an embargo which would send the bunker fuel from Mexico, Venezuela, and Colombia to Europe instead of to American bun-

kering ports, the hardship wrought to our transocean trade as well as to our coastal trade would be disastrous and irreparable.

The National Survey of Fuel Oil Distribution, a report of the United States Bureau of Mines, published last month, shows that in 1930, 94,131,000 barrels of fuel oil were used by American steamships. No more recent figures have been published. In that year there were imported and derived from foreign crude oils produced by American companies and transported in American-flag steamships, 71,600,000 barrels of fuel oil. This amount of fuel oil we are convinced could not be produced and transported to the Atlantic coast from domestic wells. The results of the exclusion of foreign oil by (1) a subtraction of this amount of fuel oil from its supplies, and (2) the diversion of this oil to foreign bunkering points would be a disaster surely not in the contemplation of the proponents of a tariff on oil.

As an indication of the cost to the American merchant marine the Mid-continent Royalty Owners Association in the year 1929, in its argument before the Senate Finance Committee in favor of a tariff on oil, admitted and gave figures tending to prove that a tariff of only $1 per barrel on crude and 50 per cent ad valorem on fuel oil would cost the American consumer of fuel oil $200,000,000 a year; and that of this, $52,179,000 would be paid in increased price by the American merchant marine. (Report of the hearings before the Committee on Finance, U. S. Senate, on H. R. 2667, schedule 16, free list, pp. 413–14.) This statement, an admission against interest, is certainly below the cost which the proposed combined specific and ad valorem tariffs would impose upon American steamships. Any increase at all in operating costs of steamers should be avoided.

Summing up, the American Steamship Owners' Association fails to see how the placing of a tariff or embargo upon imports of crude can do other than adversely affect American shipping and at the same time extend a boon to operators of foreign fleets by diverting cheap bunkers abroad; furthermore, it is convinced that such a proposal would not only fail to assist the American oil producer, but through the diversion of foreign production to other shores would stimulate refinery construction abroad, thus cutting down the demand for American-refined products, reducing refining activity in the United States and causing further unemployment.

The association therefore strongly urges you to assist the American merchant marine by keeping crude and fuel oil on the free list where all fuels have been from the beginning of American tariff history.

Respectfully submitted.

H. B. WALDER, *President.*

TAUNTON, MASS., *January 30, 1932.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The Taunton Municipal Lighting Plant Commission wishes to be recorded as against any tariff change or increase in import duty on fuel oil. Our generating plant consumed in 1931 90,559 barrels. An increase in the cost of fuel would, of course, have to be passed along to consumers of electric energy.

We will appreciate any effort on your part to prevent an increase in the cost of this commodity.

Very truly yours,

TAUNTON MUNICIPAL LIGHTING PLANT COMMISSION,
F. P. CALLAHAN, *Chairman.*

MASSACHUSETTS FISHERIES ASSOCIATION,
Boston, Mass., February 10, 1932.

Hon. DAVID I. WALSH,
United States Senate,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: The fishing industry of Massachusetts uses approximately 21,000,000 gallons of fuel oil annually, and the proposed tax on fuel oil or the duties which are asked on it, would work a decided hardship on the industry.

Practically every boat in this industry has lost money in the last two years of operation, and it is a foregone conclusion that the industry can not live through this depression, if we have additional burdens put on it. As a matter of fact, it will be very surprising if over half of the boats in the industry to-day do not change hands, and if the bankers are not forced to go into the fishing business.

You can readily see that a tax which has been proposed of 2 cents a gallon on Diesel oil would amount to more than $400,000 a year on this industry, and it simply can not exist under such a condition.

I hope, Senator, that you realize the importance of giving us your entire support in seeing that such a tax is not placed on our fuel oil. Even though it may be placed elsewhere, we ask that the fishing industry be exempted from this.

Last year we had a threat in the State of a tax of 3 or 4 cents per gallon on our fuel oil, and it took quite a bit of work on my part to whip this bill, and even now we are faced with it again in the coming session of the legislature.

It seems almost impossible to get the thought of the peculiarities of the fishing industry across to the legislators. It is not like other industries, and when taxes or penalties are put on us we can not pass them on to the retailer or consumer. The reason for this is that our product is sold from the boats at auction, and our price is controlled by the price of competing products, and if a penalty of $200,000, or of any amount, is put on the industry it must come out of the fishermen and the boat owners.

Thousands of our fishermen to-day are not making a living, and as I said before there is scarcely a boat that is not in the red at the present time.

The matter is of prime importance to Massachusetts's great fishing industry.

With best wishes and kindest regards, I am,

Cordially yours,

E. H. COOLEY, *Manager.*

ASSOCIATED INDUSTRIES OF MASSACHUSETTS,
Boston, February 12, 1932.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: Inclosed you will find copies of editorials, which have recently appeared in the Boston Herald, Boston Transcript, and Boston Traveler, in connection with proposals now pending before Congress designed to provide an embargo, tariff duty, or excise tax on imported oils and their derivatives.

These contributions appear to reflect the attitude of New England on this important matter.

Yours very truly,

O. L. STONE, *General Manager.*

BOSTON, MASS., *March 12, 1932.*

Hon. DAVID I. WALSH,
U. S. Senator, Washington, D. C.

DEAR SENATOR WALSH: It is commonly reported that those in public life are always glad to have a word from their constituency, conveying views on important measures pending, to assist in the enactment of representative laws. Acting upon this premise, I am accordingly venturing to address you concerning a matter which is confronting you.

New England is burdened with a relatively high cost of fuel, due to the cost of transportation determined by geographical location. Manufacturers are subjected to similar increments on raw materials which enter into their fabrication, and careful study reveals that this has resulted in serious defection in industry, which has migrated to points nearer the source of these essentials.

As an engineer engaged in compensating, so far as possible, for these natural handicaps, I have found material aid in the substitution of the heavy fuel oil, identified as "Bunker C," and delivered at present to the coast of New England at a price of 60 cents per barrel. At this figure, our industrial establishments are encouraged to substitute it for coal, at a material saving in the cost of their manufactured product.

We are now informed, however, that the Congress proposes to place thereon a substantial tax, possibly as high as 1 cent per gallon, equivalent to 42 cents per barrel, or 70 per cent ad valorem. This, sir, I assure you, if realized, will eliminate the advantage now enjoyed by this fuel, and will deprive our manufacturers of the relief now sought. It would hardly appear to protect the inland domestic oil producers, already favored by geographical position, in competition with imported product. Nor would it seem to promise opportunity for large revenue, since the higher cost will terminate extension of its use, and effect a reversion to coal.

There is in this office a practical and typical illustration. I have made an investigation and report for a client, advising the substitution of oil for coal in his power plant. Since the threatened imposition of a tax levy on the former, I have been obliged to withdraw the recommendation, pending the disposition of the bill. If any substantial burden is placed upon this item it will cause the abandonment of the proposed measure of economy. Similar cases are in prospect.

In addition to that upon the manufacturers the effect upon the engineers, now struggling under present conditions for existence, is obvious.

I am, accordingly, endeavoring to add this feeble plea in support of your own respected judgment, backed by the strength of your position, to prevent this additional handicap which the industry of New England, and particularly of Massachusetts, can ill bear.

Yours very truly,

WALTER A. HALL.

EAST BOSTON, MASS., *March 10, 1932.*

Mr. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We understand that the matter of additional tariff on crude-oil products will come up in the near future, and as an increase in the price of fuel oil will materially affect every manufacturer, either directly or indirectly, in Massachusetts, we wish to voice our protest on extra import duties on oil in the crude as used under the boilers of power-developing plants.

The power cost to-day of a textile plant varies between 20 to 35 per cent of the total pay roll, and the bulk of this charge in the small plant is in fuel costs. It is of vital importance to the small plant that the price of fuel be cheap, as it represents its only opportunity to compete with plants of the larger public utilities, from whom they must buy when the price of fuel is high and controlled.

It is the writer's personal opinion that an extra duty on fuel oil will result in higher all-round power cost, which is only going to benefit a few in comparison to those it will harm.

Yours very truly,

MAVERICK MILLS,
J. MCELROY, *Superintendent.*

BOSTON, MASS., *March 7, 1932.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We have no doubt that you are fully aware of the far-reaching consequences of the proposed tax on foreign oil, but in the event that some of the immediate effects have escaped you, we are taking this opportunity to call one angle of the situation to your attention.

We have an office in Caracas, Venezuela, and have pending with the Venezuelan Government contracts approximating $20,000,000. Venezuela is an exceedingly rich field for American trade and customers. The Venezuelan people and Government are exceedingly friendly to the United States and its citizens. The proposed oil tax will seriously impair the governmental income of Venezuela and the immediate effect will be serious impairment or total loss of business to American firms like ourselves.

According to newspaper reports, the latest proposal is to impose a duty of 1 cent per gallon on gasoline or oils from which gasoline is made. One cent per gallon on gasoline does not seem prohibitive, but 1 cent per gallon upon crude oil, as we interpret it, means virtually 1 cent per gallon on fuel oil. A tax of 1 cent would undoubtedly mean an increase in price of that amount, which might well mean from 12½ per cent to 25 per cent increase in cost of fuel oil in New England. An advance of this kind would, of course, affect other fuels equally. Can New England sit by and see the cost of heating her homes and running her factories increased by these percentages while their business prospects are destroyed in one of the most fertile fields in the world, all because of some immediate benefit to a few owners of oil leases in the Southwest?

Very truly yours,

CHASE & GILBERT (INC.),
By KINSLEY VAN R. DEY,
Vice President.

ASSOCIATED INDUSTRIES OF MASSACHUSETTS,
Boston, March 11, 1932.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: The Associated Industries of Massachusetts urges you to vote against the 1 cent per gallon excise tax on imported gasoline, gas oil, fuel, and crude oil proposed in H. R. 10236, known as the bill "to provide revenue, equalize taxation, and for other purposes," and to have that item eliminated from the measure.

The imposition of this excise tax means additional costs to New England users of gasoline and light and heavy fuel oil of not less than $100,000,000 a year.

When the House Ways and Means Committee was engaged in the work of preparing the new revenue bill, which is designed to balance the Federal Budget, its members referred to the United States Treasury officials the proposal to raise revenue by a so-called excise tax on imported oil, with a request for information as to how much the Treasury estimated it would produce in revenue annually.

The Treasury reported it would produce not one cent of revenue; and the Ways and Means Committee, convinced that such was the case, practically dropped all consideration of an excise tax on imported oil.

As soon as this fact was learned by proponents of a tariff duty or excise tax on imported oil they hurriedly brought together 40 Members of Congress from the States of Oklahoma, Kansas, Texas, and mid-continent fields who threatened they would join with others in opposing the manufacturers' sales tax, which constitutes the principal revenue-producing item in the bill, unless an excise of 1 cent per gallon on imported oil was provided for by the committee.

Fifteen members of the Ways and Means Committee, fearing that the revenue bill would fail of passage if the threat was not heeded, yielded to these importunities Saturday morning, March 5, and wrote the excise-tax rate into the bill as a means of saving the entire measure, while nine members of the committee opposed such a course.

This action constituted an example of the misused power of a determined minority of less than 10 per cent of the House membership, and it is clearly apparent that a majority of the Ways and Means Committee acted under threat, well knowing that there can not possibly be any income derived under the proposal, inasmuch as the excise tax will automatically stop the importation into this country in any considerable volume of crude fuel oil and gasoline.

In issuing its report, Acting Chairman CRISP, of the Ways and Means Committee, stated that not more than $5,000,000 annual income would be received by the Government from this excise tax, a very insignificant sum, were it actually realized, when compared with the total revenue of $1,246,000,000, which the committee anticipates will be derived from the provisions of the bill if enacted in the form it was reported.

The committee's contention that the excise tax of 1 cent per gallon will yield $5,000,000 annually is an admission in itself that some 74,000,000 barrels out of a total annual importation of 86,000,000 barrels at the present time will be barred from the American market and sold abroad.

The inevitable result of the proposed tax will be to materially increase the cost to users of gasoline, fuel oil, and asphalt; and in view of the comparatively small amount of revenue expected or hoped for, the conclusion is inevitable that this tax was inserted, not for the purpose of producing Federal revenue commensurate with the cost of collection but to placate the proponents of a tariff, excise tax, or embargo on imported oil, and of securing assurance of the support of the congressional delegations from the mid-continent fields in behalf of the sales-tax principle of the bill.

Plainly and obviously it is a castigation of New England and the Atlantic seaboard States for the delectation of the mid-continent oil fields.

To one not familiar with the oil situation it may be difficult to understand why there should be such a difference between the ultimate cost to the consumer and the amount of the tax.

More than 90 per cent of all the crude oil imported into the United States comes from Venezuela, Colombia, and Mexico, from fields developed, owned, and operated by American capital, employing American labor and using American-flag tankers.

Thus this proposed excise tax on imported oil is a simon-pure tax on American business.

The cost of water transportation from these foreign fields to the Atlantic coast is much less than the freight costs from the domestic mid-continent oil fields, hence the price of gasoline on the eastern seaboard States is governed by the price of gasoline produced from Central American crude oil.

It is perfectly obvious that the proposed tax on imported crude oil will automatically increase the cost of gasoline and therefore the price of domestic gasoline will advance to equal it.

In other words, imported gasoline now acts as a price stabilizer by providing competition on the Atlantic seaboard.

We appreciate the serious condition of the oil industry in the Southwest, but this condition is due in no material degree to the importation of foreign oil, which constitutes less than 9 per cent of the total consumption in this country. The difficulties of the industry in that section are due to three causes:

(1) The excessive cost of transportation by pipe lines owned by the big companies. Some of these companies earn from 300 to 400 per cent on the cost of their plants;

(2) The fact that the price of oil is determined by the big companies, which price is posted, and everyone who sells has to accept that price or go without sale.

(3) The overhanging menace of a tremendous surplus (this is, perhaps, the most important). If the flush wells alone were opened up to full capacity, they would produce five times as much oil as could be consumed.

During the Teapot Dome controversy the Federal Oil Conservation Board urged American companies to invest in foreign oil fields in order to conserve domestic resources, thus deferring the time when we may be entirely dependent upon imported oil in periods of stress and necessity.

American companies heeded the request, invested heavily in Central America, and erected refineries on the Atlantic seaboard, where extensive operations are now being carried on.

If the tax reduces imports from 86,000,000 to 12,000,000 barrels annually, as the figures announced by the sponsors of the revenue bill indicate, it is inevitable that these refineries will either be forced to operate at a reduced rate or shut down entirely, thus adding to existing unemployment.

Hundreds of manufacturing plants, steamship lines, fishing fleets, hotels, etc., in New England are using fuel oil exclusively for power and heating purposes and consume annually upward of 20,000,000 barrels of this fuel, or about 850,000,000 gallons.

In addition, there are upwards of 100,000 families in Massachusetts alone using light fuel oil in their homes, and to them a tax of 1 cent per gallon means a material increase in their fuel bills.

Through its taxation committee, this association several weeks ago informed Acting Chairman CRISP and other members of the House Ways and Means Committee of its approval of the principle involved in a manufacturers' sales tax, levied at the source of final production, so as to prevent pyramiding, and we approve of the sales-tax plan that has been presented in H. R. 10236.

This tax will bear equitably on all licensed manufacturers throughout the country; but the same can not be said of the excise tax on imported gasoline, gas oil, fuel, and crude oil, because it will apply only to the Atlantic seaboard, which is dependent upon the imported fuel. This situation is due to our great distance from the domestic fields, which precludes shipments of mid-continent oil to this section of the country at a price making it economically feasible to use it.

The imposition of the tax will mean that those now using light and heavy fuel oils will be obliged to junk their oil-burning apparatus and return to the use of coal, thus again placing this section at the mercy of the coal operators, who will rejoice in having their present fuel-oil competition removed.

In the case of hundreds of manufacturing and other concerns using fuel oil for power purposes it will mean heavy expenditures in installing coal-burning boilers, and already some textile concerns are seriously considering liquidating if the tax is imposed because of their financial inability to revamp their boiler equipment.

Below we give a few statistics showing what the added cost would be annually to manufacturing concerns in Massachusetts

now using fuel oil if they continued to use that commodity in lieu of coal in the same average quantity as in 1929, 1930, and 1931:

	Barrels	Gallons	Tax at 1 cent per gallon
American Printing Co., Fall River	375,000	15,750,000	$157,500.00
American Sugar Refining Co., Boston	70,000	2,940,000	29,400.00
Bethlehem Shipbuilding Corporation, Quincy	35,000	1,470,000	14,700.00
Braintree Electric Light Co., Braintree	60,000	2,520,000	25,200.00
Copley-Plaza Operating Co., Boston	25,000	1,050,000	10,500.00
Eastern Steamship Lines (Inc.), Boston	680,000	28,560,000	285,600.00
Falulah Paper Co., Fitchburg	50,000	2,100,000	21,000.00
First National Stores (Inc.), Somerville	35,000	1,470,000	14,700.00
Ford Motor Co., Somerville	30,000	1,260,000	12,600.00
Mount Hope Finishing Co., North Dighton	191,000	8,022,000	80,220.00
M. T. Stevens & Sons Co., North Andover	96,000	4,032,000	40,320.00
Strathmore Paper Co., West Springfield	47,294	1,986,348	19,863.48
Pacific Mills, Lawrence	650,000	27,300,000	273,000.00
American Woolen Co., Lawrence	700,000	29,400,000	294,000.00

We believe there exists no justification for the inclusion of what is essentially a tariff item in a revenue bill, and especially when it is realized that it is inserted solely as a political gesture.

The question is whether this section should submit to an excise tax, which the Treasury says is uneconomic and nonproductive of revenue, and which will mean increased costs amounting to more than a hundred millions of dollars to New England, or whether we should stand up for our rights and enter our objections to being used as a cat's-paw to obtain mere political advantage in behalf of a bill which ought to be so framed as to provide a plan of taxation equitable to all parts of the country alike.

Very truly yours,

O. L. STONE, *General Manager.*

HUDSON WORSTED CO.,
Hudson, Mass., March 14, 1932.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: I see the proposition in the new tax bill to put 1 cent per gallon excise tax on various kinds of gasoline and light and heavy fuel oils.

Now, as a large user of gasoline and heavy fuel oil I wish to enter a protest against this tax. It means so much to New England manufacturers who are using fuel oils and fleets of trucks on fuel oil; it means almost 100 per cent advance in price, and as the Treasury Department's estimate is that it will only bring in about $5,000,000 in taxes, why saddle New England manufacturers with $100,000,000 to raise $5,000,000?

We believe that there are a lot of economies that could be made in Government expenditures that would save considerably more than this tax, especially in the amount of literature the Government sends out.

I trust you will see your way to oppose this tax on oil for fuel purposes and gasoline, I am,

Sincerely yours,

H. T. DYSON.

FALL RIVER, MASS., *April 18, 1932.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: The tax on fuel oil which the Government is going to establish will mean $12,000 a year additional to the Charlton Mills, in Fall River, and you know very well that the textile industry the last four years has been in a very precarious position.

We have tried to give as much employment to our help as possible, but with an additional tax of this kind it will simply cripple us.

Anything you can do for us will be greatly appreciated.

Yours truly,

CHARLTON MILLS,
JAMES SINCLAIR, *Treasurer.*

BIGELOW-SANFORD CARPET CO. (INC.),
Thompsonville, Conn., April 23, 1932.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: As a resident of Longmeadow, Mass., and as consulting engineer for Bigelow-Sanford Carpet Co. (Inc.), with mills at Clinton, Mass., Thompsonville, Conn., and Amsterdam, N. Y., I am interested in bringing to your attention the proposed tax on fuel oil.

When this tax was proposed, fuel oil was selling at a bunker price of 60 cents per barrel at Providence, Boston, and Portland. Inasmuch as a barrel holds 42 gallons, the 1-cent tax as proposed would mean 42 cents on a commodity which cost 60 cents, or a tax of approximately 70 per cent. Recently, however, the price of fuel oil per barrel has advanced at the ports mentioned to 65 cents per barrel, and the proposed tax thus becomes approximately 64½ per cent.

It hardly seems possible that Congress should apply to a commodity of this sort taxes which become in effect a prohibitive tariff.

We are now using Bunker C oil at our Clinton plant. We propose installing equipment to use this oil at our Thompsonville plant, but, needless to say, this proposition has been deferred pending the action of Congress.

I realize that the House has shown conclusively that the sales tax is dead, but I wish to protest the proposed tax upon imported fuel oils whether for commercial or for domestic use. I would, therefore, urge you and those associated with you to give careful thought not only to the proposed taxation on fuel oil but to the excessive cost of government. Whereas general living conditions have decreased markedly during the last two and one-half years, the cost of Federal, State, county, and town Government appears to have increased.

Any cooperation that you can give in reducing the cost of government and likewise decrease the amount of tax necessary to operate our Government institutions will at this time materially help to stimulate business and relieve what appears to be an unnecessary burden.

Yours very truly,

E. WADSWORTH STONE,
Research and Consulting Engineer.

LAWRENCE, MASS., *March 15, 1932.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

We hope you will vote against 1 cent per gallon excise tax on imported fuel oil and crude. It means an increase in the cost of our products that can only be offset by further reduction in wages already too low. It is an unfair burden on consumers and manufacturers in New England which will help the oil companies toward stronger monopoly and higher prices in this section as compared to others. It is unfair; the revenue it will produce is small, according to the Treasury Department; its harm great, and probably the more so in New England of anywhere. This unfair effort to milk New England for the benefit of a small minority in the House should not be tolerated in a bill which in most other respects has been so fairly framed for the interests of the country as a whole. We hope you will not only vote against it but will also vigorously oppose and expose its unrighteousness.

JOHN W. BOLTON & SONS CO.

WORCESTER, MASS., *March 14, 1932.*

Hon. DAVID I. WALSH,
United States Senate:

We protest enactment part of House bill 10236, relative excise tax on petroleum and its derivatives. Enactment would cost New England manufacturers $100,000,000 annually while providing no revenue. Tax is prohibitory and unjustified, since difficulties of American oil producers not caused by foreign competition but by circumstances relative excessive production pipe-line costs, etc.

GRATON & KNIGHT CO.

Mr. LONG. Mr. President, I have taken a little time to look up the tariff record of the Senator from Massachusetts and also the Senator from Georgia [Mr. GEORGE], to whose eloquent speech to-day I listened throughout. I find in the RECORD, from what I could glean—perhaps the chairman of the Finance Committee might inform me—that the Senator from Georgia supported in the last tariff bill a tariff of about $2 upon sand containing silica of 97 per cent or more—so that even the common, ordinary sand that might be used for the gizzard of the chicken was to be taxed. More than 120,000,000 people would be affected by that.

I find further that pitch and tar and clay and rayon duties seem to have received the very masterly support of the Senator from Georgia. If I have made a mistake, I want to know it.

Mr. GEORGE. Yes; the Senator has made several mistakes. I voted for lower duties and made the fight jointly with the Senator from Montana [Mr. WALSH], who would bear me out if he were present.

Mr. LONG. The Senator voted for a duty of 38 cents.

Mr. GEORGE. I voted for lower duties always on rayon. Of course, I had to vote for the lower of the two things that were presented.

Mr. LONG. The Senator offered an amendment, and the lowest amount offered in his amendment was 38 cents, and the bill only provided for 45 cents.

Mr. GEORGE. That was a good deal lower than the rate called for in the bill. I voted for lower duties. I voted for duties upon farm products, and I did vote, as I said in my address, to prevent a reduction of the duty on clay.

Mr. LONG. Did not the Senator also ask for a tariff on sand?

Mr. GEORGE. I did not.

Mr. LONG. The Senator did not vote for a tariff on sand?

Mr. GEORGE. I do not know about any vote upon a matter of that kind.

Mr. LONG. The RECORD, as I remember it, showed that the Senator voted for a tariff of $2 a ton on sand.

Mr. GEORGE. No; I did not ask for a duty on sand at all.

Mr. LONG. But the RECORD shows the Senator voted for it.

Mr. GEORGE. I do not care what the RECORD shows; I did not ask for it. The Senator from Nevada [Mr. PITTMAN] asked for a duty on sand, and he would bear me out in my statement if he were here.

Mr. LONG. I find also from the RECORD I have just been reviewing that the Senator from Massachusetts [Mr. WALSH] voted for a number of these tariff items, particularly on goods manufactured in Massachusetts, including boots and shoes, things worn by every human being on the globe; harness that went on the backs of horses; knives, table forks, spoons; bicycles for young children; tricycles for babies—all of which were voted for, as I understand, because those items are produced in Massachusetts.

Mr. WALSH of Massachusetts. May I suggest to the Senator that before he attempts to call attention to the votes of the distinguished Senator from Georgia, whose splendid public service needs no defense, and other Senators he produce the record?

Mr. LONG. I have it upon my desk and I shall be glad to produce it.

Mr. WALSH of Massachusetts. If the Senator has been able, in the brief time I have been talking, to consult the record of the votes and the arguments pro and con and obtain a complete idea of the reasons for our position, he has a very rapidly moving mind.

Mr. LONG. I had very able help, and we looked up the Senator's record, and we did not find any tariff item in which Massachusetts was interested, as I recollect, that the Senator did not vote in favor of it. It may be that there were some we did not look up.

Mr. WALSH of Massachusetts. The Senator has not made a very accurate statement. I leave it to my colleagues, who have been here longer than has the Senator from Louisiana, if I have not shown a very independent course toward the demands of my constituents for high protective tariff duties. I have stood on this floor again and again and have voted against them, though I have voted for duties in some cases where it seemed to me the facts indicating steadily increasing imports were justified; and not only that, but, as a Democrat from a Republican protective tariff State, I have voted against Republican tariff bills. I think that is a record to which I can point with some satisfaction as a Democrat.

Mr. HAYDEN. Mr. President, the Senator from Massachusetts in the course of his remarks stated that the United States was an immense exporter of copper. I have before me some very accurate figures recently compiled by the Department of Commerce and the Tariff Commission.

Mr. WALSH of Massachusetts. For what year?

Mr. HAYDEN. For the years 1929, 1930, and 1931.

Mr. WALSH of Massachusetts. Do the figures represent the average for the three years?

Mr. HAYDEN. No; the figures are separate for each year.

Mr. WALSH of Massachusetts. My figures were only for the year 1931, and were based on value rather than tons.

Mr. HAYDEN. The figures I have are for each separate year. The United States was a net importer of copper in two ways, a net importer of copper to the extent of 54,322 tons, excluding manufactures of copper, in 1929; of 94,487 tons in 1930; and of 56,515 tons in 1931. Including manufactures of copper, the United States was a net importer of copper in 1929 to the extent of 460 tons; in 1930 to the extent of 42,203; and in 1931 to the extent of 20,349 tons; and at the rate of the importations for the past six months, if they are carried through for the remainder of the year, the United States will be a net importer of copper, excluding manufactures, of 223,408, and, including manufactures, of 194,512 tons.

I thought, Mr. President, for the sake of the RECORD and for the sake of accuracy, that these figures should be made known.

Mr. WALSH of Massachusetts. I concede that I may be mistaken, although I want the Senator to know that in preparing the minority report I sought to check up the figures very carefully and very accurately, and I thought they were accurate. I repeat, the difference may be due to my use of the values of the imports, while the Senator uses tons.

Let me say further that I observe from what the Senator himself has read, confirmatory of my argument, that there has been a decrease in the importations of copper in 1931 as compared to 1930 of 50 per cent, showing that the importations are going down and not up.

Mr. HAYDEN. That was true for the fiscal year 1931 as compared to the fiscal year 1930, but immediately after that, during the past six months, there has been a tremendous increase in the importations of copper.

Mr. WALSH of Massachusetts. I shall be glad to review the matter, and very frankly on the floor to-morrow, if I find I am mistaken, make public declaration of the figures that I find to be correct. I have no desire to mislead my fellow associates in this Chamber——

Mr. HAYDEN. I am sure of that.

Mr. WALSH of Massachusetts. I have no desire to resort to trickery or resort to deception or misunderstanding.

Mr. HAYDEN. I am quite sure of that.

Mr. WALSH of Massachusetts. I make no criticism of the motives of other men; I seek to base my action upon facts as they appear to me, and I concede to my fellow Senators the right to use their own conscientious judgment, as I try to do.

Mr. HAYDEN. Believing that and being sure the Senator had unwittingly included in the minority report a statement which to my knowledge can not be verified by the facts, I have taken the trouble to obtain these figures.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska to the amendment reported by the committee, on which the yeas and nays have been ordered.

Mr. TYDINGS. 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	Copeland	Jones	Robinson, Ind.
Austin	Cutting	Kean	Sheppard
Bailey	Davis	Kendrick	Shipstead
Bankhead	Dickinson	Keyes	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	George	Lewis	Smoot
Bingham	Glass	Logan	Steiwer
Borah	Glenn	Long	Thomas, Idaho
Bratton	Goldsborough	McGill	Townsend
Brookhart	Gore	McNary	Trammell
Broussard	Hale	Morrison	Tydings
Bulkley	Hastings	Moses	Vandenberg
Bulow	Hatfield	Neely	Walsh, Mass.
Capper	Hawes	Norbeck	Watson
Carey	Hayden	Norris	Wheeler
Cohen	Hebert	Nye	
Connally	Hull	Oddie	
Coolidge	Johnson	Reed	

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Nebraska to the amendment reported by the committee on which the yeas and nays have been ordered.

Mr. LA FOLLETTE addressed the Senate. After speaking for about 30 minutes he yielded for an executive session. His speech will be published entire.

Mr. McNARY. Mr. President, will the Senator yield for an executive session?

Mr. LA FOLLETTE. I yield to the Senator from Oregon.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate several messages from the President of the United States, submitting nominations, which were referred to the appropriate committees.

DIPLOMATIC AND FOREIGN SERVICE

The VICE PRESIDENT. Reports of committees are in order. If there are no reports of committees, the calendar is in order.

The legislative clerk read the nomination of Orsen N. Nielsen to be secretary, Diplomatic Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES SHIPPING BOARD

The legislative clerk read the nomination of T. V. O'Connor, of New York, to be a member of the United States Shipping Board.

Mr. JOHNSON. Mr. President, because of the illness of the Senator from Tennessee [Mr. McKELLAR], who requested that the nomination be passed over, I ask that it may go over.

The VICE PRESIDENT. It will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of George A. Welsh to be United States district judge, eastern district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. REED. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of the nomination of Judge Welsh.

Mr. NORRIS. Mr. President, I would like to ask the Senator from Pennsylvania what reason there is for notifying the President so promptly?

Mr. REED. I am aware it is a departure from our usual rule, but the calendar in the eastern district of Pennsylvania is clogged with an accumulation of business. This vacancy has existed for a considerable time, and the present judges are utterly unable to cope with the work. It is merely that a week or so may be saved in disposing of business of importance in that district. I know of no other reason.

Mr. NORRIS. I have no objection.

The VICE PRESIDENT. Without objection, the President will be notified.

The legislative clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of Mississippi.

Mr. HASTINGS. Mr. President, I ask that the nomination go over.

The VICE PRESIDENT. The nomination will be passed over.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Edwin G. Williams to be passed assistant surgeon, Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MOSES. I ask unanimous consent for the confirmation en bloc of all postmaster nominations on the calendar.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. REED. Mr. President, I ask that the nominations in the Army be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. HALE. I ask that the nominations in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc. That concludes the calendar.

The Senate resumed legislative session.

ADDITIONAL REPORT OF A COMMITTEE

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 363) for the relief of Nannie Swearingen, reported it with an amendment and submitted a report (No. 722) thereon.

RECESS

Mr. McNARY. I move that the Senate carry out its unanimous-consent agreement and recess until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 10 o'clock and 5 minutes p. m.), under the order previously entered, took a recess until to-morrow, Friday, May 20, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 19 (legislative day of May 9), 1932

UNITED STATES ATTORNEY

Sterling D. Bennett, of Texas, to be United States attorney, eastern district of Texas. He is now serving in this position under an appointment by the court.

MEMBER OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION

Perry W. Reeves to be member of the Federal Board for Vocational Education (representative of labor).

JUDGE OF THE MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

Robert E. Mattingly, of the District of Columbia, to be a judge of the Municipal Court of the District of Columbia. He is now serving in this position under an appointment which expires May 23, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. John Cocke, Cavalry, from May 14, 1932.

To be lieutenant colonel

Maj. Henry Wallace Hall, Cavalry, from May 14, 1932.

To be major

Capt. William Francis Heavey, Corps of Engineers, from May 14, 1932.

To be captain

First Lieut. Homer Barron Chandler, Air Corps, from May 14, 1932.

To be first lieutenants

Second Lieut. Oliver Wolcott van den Berg, Field Artillery, from May 13, 1932.

Second Lieut. Ralph Eugene Rumbold, Infantry, from May 14, 1932.

MEDICAL CORPS

To be lieutenant colonels

Maj. Michael Andrew Dailey, Medical Corps, from May 12, 1932.

Maj. John George Ingold, Medical Corps, from May 17, 1932.

Maj. Alvin Charles Miller, Medical Corps, from May 18, 1932.

DENTAL CORPS

To be lieutenant colonels

Maj. William Archer Squires, Dental Corps, from May 13, 1932.

Maj. Arnett Percy Matthews, Dental Corps, from May 14, 1932.

Maj. John William Scovel, Dental Corps, from May 14, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 19 (legislative day of May 9), 1932

SECRETARY IN THE DIPLOMATIC SERVICE

Orsen N. Nielsen to be secretary in the Diplomatic Service.

UNITED STATES DISTRICT JUDGE

George A. Welsh to be United States district judge, eastern district of Pennsylvania.

PUBLIC HEALTH SERVICE

Edwin G. Williams to be passed assistant surgeon, Public Health Service.

APPOINTMENTS IN THE REGULAR ARMY

Brig. Gen. Edgar Thomas Collins, from June 1, 1932, to be major general.

Col. Harry Burgess, Corps of Engineers, to be brigadier general.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Maj. Franklin Langley Whitley, to Infantry.

PROMOTIONS IN THE REGULAR ARMY

Sheldon Webb Anding to be colonel, Infantry.

William Gaither Murchison to be colonel, Adjutant General's Department.

Howard Stanley Miller to be colonel, Coast Artillery Corps.

Clarence Lininger to be colonel, Cavalry.

Edward Murray Offley to be colonel, Cavalry.

Richard David Newman to be lieutenant colonel, Cavalry.

Thomas Jefferson Johnson to be lieutenant colonel, Field Artillery.

Robert Howe Fletcher, jr., to be lieutenant colonel, Infantry.

Frederick Ambrose Barker to be lieutenant colonel, Infantry.

Agard Hyde Bailey to be lieutenant colonel, Infantry.

Sumner McBee Williams, to be lieutenant colonel, Quartermaster Corps.

Preston Thompson Vance to be major, Field Artillery.

Philip Coleman Clayton to be major, Cavalry.

William Hays Hammond to be major, Infantry.

Halbert H. Noyes to be major, Quartermaster Corps.

Theodore Russell Maul to be major, Quartermaster Corps.

John Amos Nelson to be major, Quartermaster Corps.

Cyrus Wilson Haney to be major, Quartermaster Corps.

Joseph Leonard Tupper to be major, Infantry.

Joseph Jones Yeats to be captain, Infantry.

William Henry Buechner to be captain, Infantry.

Arthur Dale Rothrock to be captain, Ordnance Department.

John William Monahan to be captain, Air Corps.

Ernest Emery Harmon to be captain, Air Corps.

Cortlandt Spencer Johnson to be captain, Air Corps.

Andrew Reid Duvall to be captain, Infantry.

Henry Walter Ulmo to be captain, Coast Artillery Corps.

Charles Carl Chauncey to be captain, Air Corps.

Julian Meredith MacMillan to be captain, Infantry.

Walter Eugene Richards to be captain, Air Corps.

Robert Elmer Selff to be captain, Air Corps.

Raymond Dailey to be captain, Quartermaster Corps.

George Hall Sparhawk to be first lieutenant, Air Corps.

John Felix Guillett to be first lieutenant, Air Corps.

Dixon McCarty Allison to be first lieutenant, Air Corps.

Joel G. O'Neal to be first lieutenant, Air Corps.

Alva Lee Harvey to be first lieutenant, Air Corps.

Robert Lee Miller to be first lieutenant, Coast Artillery Corps.

John Gross Merrick to be first lieutenant, Cavalry.

John Osman Taylor to be first lieutenant, Field Artillery.

Frank Neuman Leakey to be first lieutenant, Field Artillery.

George Olaf Norman Lodoen to be first lieutenant, Infantry.

Lindsey Roscoe Wingfield to be first lieutenant, Field Artillery.

Philip James Henderson to be first lieutenant, Infantry.

Edgar Richard Curtis Ward to be first lieutenant, Coast Artillery Corps.

Leeson Oren Tarleton to be lieutenant colonel, Medical Corps.

Shelley Uriah Marietta to be lieutenant colonel, Medical Corps.

Harry Hill Van Kirk to be lieutenant colonel, Medical Corps.

Robert Skelton to be lieutenant colonel, Medical Corps.

Omar Heinrich Quade to be lieutenant colonel, Medical Corps.

Crawford Fountain Sams to be captain, Medical Corps.

Mark Tad Morgan to be captain, Medical Corps.

PROMOTIONS IN THE NAVY

To be rear admiral

John W. Greenslade.

To be commanders

Norman Scott.
Joseph L. Nielson.
Virgil C. Griffin, jr.
Ernest G. Small.
Willard E. Cheadle.

To be lieutenant commanders

Edmund D. Duckett.
Learned L. Dean
Charles P. Porter.
Wilmer W. Weber.

To be lieutenants

Justin S. Fitzgerald.
Paul B. Koonce.
Wallace E. Guitar.
Philip D. Lohmann.
John H. Brady.

To be surgeon

Charles G. Terrell.

To be paymaster

Charles E. Rappolee.

To be chief boatswains

Thomas O. Kirby.	Anthony Feher.
Svend J. Skou.	Harold E. Russell.
Frank H. Lemon.	Albert A. Webb.
Ivan E. Pitman.	Marshall M. Angleton.
John O. Strickland.	Harold L. Arnold.
William S. Burns.	John T. Sunderman.
William H. Fiddler, jr.	Harry W. Weinberg.
James F. Jeter.	Fred Michaelis.
James L. Freese.	Thomas F. McDermott.
Edgar J. Hayden.	Kenneth C. Ingraham.
Lyle Turner.	Henry M. Brun.

To be chief gunners

Warren C. Carr.	Glen R. Ringquist.
Charles A. Strumsky.	Joseph J. Cox.
Arthur S. Fenton.	Francis Quotidomine.
Charles B. Day.	William M. Coles.

To be chief electricians

Merion E. Hair.
Harry C. Woodward.
Thomas Q. Costello.

To be chief radio electrician

George W. Almour.

To be chief machinists

John R. Rayhart.	Edward J. Tyrrell.
Ralph M. Jeffries.	Virgil D. Duke.
John W. Cunningham.	John M. Fitzsimmons.
William J. Lowe.	David L. Jones.
Edward J. Sherry.	Thomas G. Powers.
William T. Crone.	Jacob F. Matsch.
Clarence C. McDow.	Raymond G. Shively.
Meares B. Cartmell.	Clarence J. P. Buckey.

To be chief carpenters

David Somers.
William J. Kennedy.

To be chief pay clerks

Harry S. MacKan. Frank L. Bevier.
Floyd L. Chapman. Oscar H. Wevel.

To be lieutenant

Thomas E. Kelly.

MARINE CORPS

William C. Powers, jr., to be lieutenant colonel.
Clinton W. McLeod to be captain.
Con D. Silard to be first lieutenant.
Ward E. Dickey to be first lieutenant.

POSTMASTERS

ALABAMA

Eason K. Wood, Calera.
James P. Aaron, Camp Hill.
Louie W. Vaughan, Cuba.
Ira C. Chapman, Deatsville.
Sister Mary Teresa, Holy Trinity.
Denby S. Roberts, Lexington.
Jethro D. Dennis, Marion.
George B. Pickens, Moundville.
Arthur P. Thompson, Piedmont.
Samuel B. Wininger, Pisgah.
Samuel J. Tucker, Springville.
Alden M. Wallace, Tuskegee.
Maggie Winningham, York.

ARIZONA

Robert B. Anderson, Clifton.

COLORADO

John Davis, Arriba.
Roy McWilliams, Ault.
Irving P. Beckett, Craig.
William V. Kerr, Eads.
Oscar L. Morris, La Salle.
Mabel M. Gallagher, Windsor.

GEORGIA

Jesse H. Hicks, Chickamauga.
Judge T. D. Conley, Collegepark.
James P. Rose, Lyerly.
Don W. Pettitt, Nelson.

IDAHO

Peter W. McRoberts, Twin Falls.

ILLINOIS

Hiram B. Rutherford, Newman.
Luther G. Raymer, Park Ridge.

INDIANA

Doris P. Petra, Francesville.
Justin P. Dipert, Grovertown.
Pirl H. Hawthorne, Hartford City.
William H. Warn, jr., Milan.
Louis T. Heerman, Syracuse.

KANSAS

John C. Shields, Chetopa.
Henry B. Lawton, Kiowa.
Leland L. Jacobs, Plains.
Arthur P. Barrett, Pratt.
Lloyd Van Metre, Sublette.
Walter M. Wheatcroft, Utica.

KENTUCKY

Ronald S. Tuttle, Bardstown.
John G. Fisher, Berry.
Edward B. Ray, Canmer.
Ruth VanZant, Edmonton.
John C. Jackson, Evarts.
James A. Hargan, Fort Knox.
Edgar Renshaw, Hopkinsville.
John Eversole, London.
Rollie E. Keown, Morgantown.
Charlie H. Throckmorton, Mount Olivet.
Helen E. Park, Rockport.
Clyde S. England, Russell.
Ruby M. Wood, Salt Lick.

MAINE

Roy A. Evans, Kennebunk.

MINNESOTA

J. Arthur Johnson, Center City.
Isaac C. Stensrud, Hartland.
Olive C. Hall, Hollandale.
Ruth J. L. Anderson, Lindstrom.
Louise S. Lundberg, Taylors Falls.
James M. Patterson, West Concord.

MISSISSIPPI

Mitchell E. McLaughlin, Leland.
Kathleen M. Baker, Scooba.
Charles Kramer, Stonewall.

MONTANA

Orion A. Tellifero, Browning.
Oswald M. Johnson, Chinook.
Margaret B. Whetstone, Cut Bank.
George H. White, Oilmont.

NEW HAMPSHIRE

Mary E. Smith, Woodsville.

NORTH CAROLINA

Robert D. Herndon, Chapel Hill.
B. Ray Cohoon, Columbia.
George E. Sweet, Cornelius.
Joseph S. Mitchell, Draper.
Frank L. Smith, Drexel.
Ocie O. Freeman, Gates.
Thomas S. Keeter, Grover.
James S. Ware, Kings Mountain.
Christopher C. Snead, Laurel Hill.
Joseph B. Harrell, Marshville.
Joseph B. Sparger, Mount Airy.
Frank Dudgeon, Pinehurst.
Benjamin F. Griffin, Pineville.
Annie L. Stanton, Stantonsburg.
George W. Stanton, Wilson.

OHIO

James G. Mills, Cardington.

OREGON

Elizabeth J. Morgan, Corbett.

PENNSYLVANIA

Ruth M. Steiger, Albion.
Arza R. Bullock, Cambridge Springs.
Edward R. Dithrich, Coraopolis.
Bertha S. Kuns, Creighton.
Samuel M. Carnell, Dott.
Mildred E. Wagner, Freemansburg.
John J. Nichols, Lansdowne.
William M. Overholt, Mount Pleasant.
George A. Hill, Newtown.
Clyde G. McMurray, Oakdale.
William M. Thomas, Ridgway.
William Percy, Scottdale.
Temple K. Gregg, Strafford.
Thomas Y. Tarlton, Summithill.
Wyndham C. Jones, Titusville.
Ray J. Crowthers, West Elizabeth.

SOUTH CAROLINA

Cecil S. Rice, Denmark.

TEXAS

Harvey L. Pettit, Bloomburg.
Zella E. Mitchell, Campbell.
James A. Morgan, Vega.

WEST VIRGINIA

Charles Ash, Glen Jean.
Alphonse Leuthardt, Grafton.

WISCONSIN

Adolph R. Mill, Kaukauna.
Theodore B. Ottum, McFarland.
William Frankland, Montfort.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 19, 1932

The House met at 12 o'clock noon.

The Rev. Hugh T. Stevenson, of the Bethany Baptist Church of Washington, D. C., offered the following prayer:

Almighty and Eternal God, we draw near to Thee at this hour because Thou has been with our fathers in every crisis of our history. We thank Thee for the help, aid, and assistance that Thou hast given them in those trials. Help us to realize our need of Thee in this hour that is testing the very souls of men. Guide us and lead us so that we may learn from our errors, correct our mistakes, follow Thy light, and do Thy will. We ask Thy blessing to rest upon our country and upon all who are in authority. Fill us with peace, prosperity, and power. May we as a people honor Thee by doing Thy will and glorifying Thy name at all times and in all ways. We ask it in the Master's name. Amen.

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

MESSAGE FROM THE SENATE

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

S. 1335. An act to remove the limitation upon the filling of vacancy of district judge for the district of New Jersey.

Also a further message by Mr. Craven, its principal clerk, announcing that the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6477) entitled "An act to further extend naturalization privileges to alien veterans of the World War residing in the United States."

ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1335. An act to remove the limitation upon the filling of vacancy of district judge for the district of New Jersey; and

S. 2498. An act to authorize the transfer of jurisdiction over public land in the District of Columbia.

WAR DEPARTMENT APPROPRIATION BILL

Mr. COLLINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11897, the War Department appropriation bill, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. TAYLOR of Colorado. Mr. Chairman, I rise in opposition to the pending amendment to this paragraph.

Mr. GOSS. Mr. Chairman, may we have the pending amendment read for the information of the House?

The Clerk read as follows:

Amendment offered by Mr. McDUFFIE: Page 71, line 4, strike out the paragraph ending in line 20.

Mr. TAYLOR of Colorado. Mr. Chairman, the appropriation carried in this War Department appropriation bill during the past several years for the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails in the Territory of Alaska has been $800,000 a year. This year the Bureau of the Budget reduced that appropriation to $656,000 for the next fiscal year. This War Department subcommittee has further reduced that amount to $354,310 for the coming fiscal year, and the amendment now under consideration, offered by the gentleman from Alabama [Mr. McDUFFIE], is to strike out that entire amount and leave no appropriation whatever for any work of that kind throughout the entire Territory of Alaska for the next fiscal year.

I most earnestly ask the House to carefully consider the very serious and in fact disastrous effect of this amendment. There are at the present time about 1,750 miles of wagon roads in the Territory, and about 1,400 miles of dogsled roads, and approximately 7,300 miles of trails, besides some 700 miles of what are called flagged trails. The actual annual maintenance of those roads and trails, without any substantial extensions or improvements, costs about $600,000 a year; and there is a very great need throughout Alaska for many more roads and trails for the proper development of that Territory.

Everyone who has ever visited Alaska knows that roads and trails are absolutely necessary for the purpose of any and practically all development in the Territory. The climatic conditions and the topography and character of the country make it imperatively necessary to constantly keep these roads and trails in repair. The deep snows and the spring and summer floods and torrential rains make road construction and road repair—and especially road maintenance—enormously expensive.

I speak from personal observation and knowledge of the conditions in Alaska. The Interior Department Appropriation Subcommittee, of which I have had the honor to be the present chairman and a member for many years, has twice visited Alaska. Last August, Mr. MURPHY, of Ohio, and Mr. HASTINGS, of Oklahoma, and I, as three members of that committee, made quite a careful study of the needs of the Territory in all respects. We were accompanied by the chairman of the Indian Affairs Committee, Mr. LEAVITT, of Montana, and the chairman of the Public Lands Committee, Mr. COLTON, of Utah, and others. And I am confident that every one of those gentlemen will substantiate what I say. We went from Seward to Fairbanks on the railroad. We stopped on the way and visited the Mount McKinley National Park. We returned from Fairbanks over the Richardson Highway from Fairbanks, nearly 400 miles to Valdez. That is not only the most wonderful highway in Alaska but it is one of the marvelous highways of the world. I can not take time to describe it or give its tremendous importance to the development of that Territory, but I will say that the Board of Road Commissioners of Alaska and the Army engineers and their assistants have done a wonderful work in the construction of that road, as well as in the maintenance of it. It is practically impossible to construct any road of any length in Alaska that will not require constant repair. No amount of skill can entirely guard against the deep snows, the melting glaciers, and the terrific floods. Bridges and large portions of this and all other roads are washed out at some time. We were compelled to have our automobiles pulled through several rivers by caterpillar tractors.

Mr. McDUFFIE. Mr. Chairman, may I interrupt the gentleman?

Mr. TAYLOR of Colorado. Yes.

Mr. McDUFFIE. Will the gentleman inform the committee how much money the Federal Government has already expended in building roads and trails, bridges, and in highway construction in the Territory of Alaska to date?

Mr. TAYLOR of Colorado. The total amount expended for that purpose from 1905 to June 30, 1931, was $17,273,794.62. Of that amount Alaska has contributed $3,769,418.62, and there have been some contributions from other funds and sources.

There are five Army officers connected with the work of the Alaska Road Commission who receive a total of $21,020.92 for salaries and allowances.

The Richardson Highway original construction cost $2,732,000, and the maintenance and improvement of it to June 30, 1931, was $3,820,000, making a total cost to that date of $6,552,000, of which amount Alaska contributed about $2,600,000.

I may say to the gentleman from Alabama that from the time our country purchased Alaska from Russia for $7,200,000 on March 30, 1867, to December 31, 1931, our Gov-

ernment has spent all told $200,117,286.92 in Alaska, and our country has received in return from Alaska $50,357,660.65 in the form of money going into our Federal Treasury. Aside from that, Alaska has produced principally in fish, minerals, and furs about two and one-half billion dollars that has been taken out of that Territory by citizens of our country and brought into the United States. Besides that, the citizens of Alaska have purchased merchandise from our country to the amount of $889,232,561. It is one of the richest possessions that any nation in the world has ever had. Its white population of about 28,000 are courageous, pioneer, red-blooded, loyal, and splendid American citizens, who are, against frightful obstacles, doing their level best to develop and make homes in that marvelously rich and wonderful Territory of our Government.

They richly deserve all the encouragement and support that Congress can ever give them. Alaska has no public debt and the lowest tax rates of any place under the American flag. For 50 years it has produced more gold every year than we paid Russia for the entire Territory that is one-fifth as large as the entire United States. It is often said that it is "conservationed to death"; that is, it has more government per capita, less liberty, and more harmful congressional limitations upon its material development than any other place under our flag. There are about 15,000 Indians and about the same number of Eskimos scattered throughout that vast region. I wish you could all visit Alaska some time.

To anyone who knows anything about the climate and roads and conditions in the Territory it is absolutely cruel and unspeakably outrageous to refuse for even a year to make any appropriations for the maintenance of the roads and trails throughout that region. Alaska can not possibly be developed without roads and trails. In fact the people could not exist there without them. People must be able to travel about the country, especially by dog teams, about eight months in every year. Our country is in great need of the production of more gold. Mines can not operate unless they are accessible. The Government must open and improve and maintain the roads very largely, although it is true that Alaska contributes about 30 per cent toward all the road and trail construction. And when you consider the very limited resources of those people you must admit they are doing mighty well when they do that much.

Our Federal-aid road 50-50 law does not apply to Alaska at all. For that reason we have never made road appropriations up there in the way we have made fabulous appropriations for the much more wealthy States of our Union. Our Nation has a vast and enormous stake in Alaska. We can not afford to let it deteriorate, and we certainly can not afford to discourage or dishearten those people who all came from our States.

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

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The Chair calls attention to the fact that before the committee rose on Tuesday a motion prevailed that all debate on this paragraph and all amendments thereto should close in five minutes. Under those circumstances the debate on this paragraph is closed.

Mr. TAYLOR of Colorado. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. That motion was made and debated.

Mr. COLLINS. Mr. Chairman, I ask unanimous consent that the debate be extended 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LUCE. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. LUCE. Is it not a fact that when we were in the Mount McKinley National Park last summer we saw a road in process of construction which was to extend to the gold fields, west of the park, which promised great additions to our gold supply?

Mr. TAYLOR of Colorado. Oh, yes. The gentleman from Massachusetts was with us and his statement is correct. We who were there all know it would be absolutely suicidal on our part to cut out this appropriation for road construction and road repair and upkeep in the Territory of Alaska.

Mr. BARBOUR. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. BARBOUR. If I remember correctly the statement was made on the floor the other day that Alaska does not contribute anything to road building. There are two funds in Alaska which go into road building. One is known as the Alaska fund, which comes from certain business licenses, and the other is an annual or biennial appropriation made by the Territory of Alaska.

Mr. TAYLOR of Colorado. That is true, and our Government contributes but 70 per cent.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. SUMMERS of Washington. I want it perfectly plain that Alaska's contribution is about $50,000,000 annually. The gentleman did not make that clear.

Mr. TAYLOR of Colorado. Not that amount annually, but all told.

Mr. SUMMERS of Washington. It is about $2,500,000,000 all told, but $50,000,000 annually.

Mr. TAYLOR of Colorado. I said Alaska has since we purchased the Territory in 1867 produced about $2,500,000,000 in wealth. That is what the gentleman means.

Mr. SUMMERS of Washington. Yes; from Alaska.

Mr. TAYLOR of Colorado. I was talking about cash while the gentleman was talking about the output of fish, minerals, furs, and everything else that has been taken out of Alaska. I am talking about the money that went into the Federal Treasury from Alaska. That sum since 1867 has been about $50,000,000.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. JOHNSON of Washington. Is it not true that if this appropriation should be stricken from the bill it would result in false economy, because the roads deteriorate very fast?

Mr. TAYLOR of Colorado. It would mean almost an utter destruction of all we have expended on roads and trails in Alaska. If those roads are allowed to go without maintenance for one year, it would mean that we would practically have to start all over again. Gentlemen, Congress absolutely must continue this road and trail work in that Territory. If we do not, our country will suffer an enormous loss and we will be most wrongfully and cruelly inflicting an irreparable injury and loss upon 28,000 as splendid people as there are anywhere on this globe. [Applause.]

Mr. McDUFFIE. Mr. Chairman, I have no desire to do an injustice to any of our territorial possessions, certainly none to Alaska. I repeat what I said last Tuesday. I think we owe a special duty to the natives of Alaska, and probably it is more serious than the duty we owe to our own American citizens there, in view of the fact that they are our wards.

I recognize that we have brought from Alaska goods amounting in value to vast sums, but let us not forget that the bringing in of goods, so far as the amount is concerned, has receded as the years have passed. Let us not forget that we have already expended hundreds and hundreds of millions of dollars in the Territory of Alaska. Let us not forget that there are only 25,000 white people there and all told, counting our Eskimo population, less than 60,000 people in the Territory of Alaska. Let us not forget that if what the gentleman from California says is true, and if what the gentleman from Colorado says is true, there will be enough funds provided by the Territory itself to do all of the maintenance work on all the necessary roads and trails in Alaska.

The idea of maintaining 3,100 miles of highways in Alaska for the use of less than 60,000 people is perfectly preposterous to me.

We have a railroad in Alaska, built, if you please, to tap the coal fields of Alaska, and I am reliably informed that

they have to go to Canada to buy coal with which to run that railroad.

Mr. RANKIN. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. RANKIN. They have now gotten to the point where they can use some of the coal of the Alaskan mines, and they are using it on this railroad.

Mr. McDUFFIE. I appreciate the interest gentlemen show in Alaska. The gentleman from Washington is a neighbor of Alaska; the gentleman from Colorado is interested in the Interior Department appropriation bill, and it is but natural for them to be interested. They have been there; they have been on the ground; but I have not. I am not an expert on Alaska, but I make the statement—which I do not think can be successfully contradicted—that if the Territory of Alaska is contributing anything at all to the funds for roads in Alaska those funds will be ample to take care of the maintenance of the roads, trails, and bridges in Alaska for the fiscal year of 1933.

The gentleman from Nebraska [Mr. SIMMONS] said the other day—and he was there also—that he saw a beautiful boulevard built in a forest, if you please, and that a vast sum of money had been expended for a wonderful bridge over a stream. That boulevard started in the forest and ended in the forest, and was paid for, if you please, largely by the money of the taxpayers of the United States.

It is true we have brought much goods from Alaska, but we are not continuing at the great rate of former years. Compared with the States of the Union, certainly, no man will say that the returns to the Public Treasury, according to the figures quoted by some gentlemen here and according to the figures placed in the RECORD by the distinguished Delegate from Alaska, are at all comparable. We are spending several million dollars more a year annually upon the Alaskan Territory from the Public Treasury than the receipts to the Treasury from the Territory.

I submit to you that at a time like this, when we are trying to effect economy in government, no individual in Alaska will be hurt by striking out this little appropriation. No loss will occur to the people of Alaska if we strike this item out, and I submit again that it should be stricken from this bill.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. McDUFFIE) there were—ayes 50, noes 56.

So the amendment was rejected.

The Clerk read as follows:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes, and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893 (U. S. C., title 33, sec. 661); and for examinations, surveys, and contingencies of rivers and harbors: *Provided*, That no funds shall be expended for any preliminary examination, survey, project, or estimate not authorized by law, $59,277,095: *Provided further*, That no part of any appropriation expended under the supervision of the Chief of Engineers shall be available for the purchase of motor-propelled passenger-carrying vehicles or launches, speed boats, or other similar small motor-propelled boats unless there shall be a specific appropriation therefor.

Mr. COLLINS. Mr. Chairman, I offer an amendment to strike out the proviso beginning on page 72, line 17, and ending with the word "therefor," in line 22.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 72, line 17, strike out the proviso beginning in line 17 and ending in line 22.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Mississippi yield?

Mr. COLLINS. I yield.

Mr. STAFFORD. I assume there was some real purpose to correct an abuse when the gentleman's committee sought to ban the purchase of launches, speedboats, and other motor-propelled boats for the use of the engineers of the Army.

Mr. COLLINS. The gentleman is exactly right, as he generally is——

Mr. STAFFORD. I thank the gentleman for that nice verbal bouquet.

Mr. COLLINS. We found that in a number of instances river and harbor funds had been used to purchase expensive speedboats—speedboats entirely out of proportion in size and cost to the necessities of the occasion—with the result that we thought we should require those in charge of the expenditure of these appropriations to furnish the Congress estimates of proposed expenditures for speedboats and small motor-propelled boats and similar craft, the same as they are required to do as to passenger-carrying vehicles; but we understand now that this provision, in view of the nearness of the commencement of the next fiscal year, might prevent the engineers from buying any boats, however necessary they might be, because it will be impracticable for them to furnish estimates as to their needs in time for inclusion in this bill. In addition to this General Brown has assured the committee that during the next fiscal year no boats will be bought except those that are absolutely essential and requisitions for which have come under his very close scrutiny.

Mr. STAFFORD. I thought there was such a superfluity of motor boats in connection with the work of the Corps of Engineers that for one year at least there might be a respite in the purchase of these expensive boats.

Mr. COLLINS. Ordinarily I think the amendment should be carried, but I doubt very much the advisability of carrying it in the bill so late in the year.

Mr. STAFFORD. My own idea was that it should not be carried forever and ever, but there might be a respite just for one year, to let them dispose of some boats, where they have an excess number of them, and place a ban on the purchase of new boats for the time being. It was my opinion this provision would not do any violent injury to the service.

Mr. COLLINS. I do not think there will be any abuse next year, I will say to the gentleman.

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

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 72, line 16, after the word "law," strike out "$59,277,095" and insert "$53,277,095."

Mr. TABER. Mr. Chairman, I have offered this amendment to cut from the rivers and harbors appropriation the sum of $6,000,000, or approximately 10 per cent of the total appropriation. This appropriation is divided, in the estimates that were furnished the committee, on the basis of approximately $37,000,000 for new construction and approximately $22,000,000 for maintenance.

I appreciate there are a large number of Members in this House who believe that the work they expected last summer they were going to get will be affected by this amendment and, perhaps, their vote will be influenced on this account; but let me call their attention to the facts that now exist. You know and I know that all contracts for public improvements are being let now on a basis at least 20 to 25 per cent below the letting figures of the 1st of last July and the 1st of last August, when these estimates were made up.

Mr. DIES. Will the gentleman yield?

Mr. TABER. I will not, because I have not the time.

You know and I know that with the money that will be carried in the bill after this 10 per cent cut there is no question in the world but what just as much in results can be had and just as much work can be accomplished as the Chief of Engineers figured would be accomplished when these figures were put together and $75,000,000 was sent by

the Chief of Engineers to the Bureau of the Budget the 1st of last August or the 1st of last September.

Having in mind the reduction in material prices, and having in mind the reduction in labor prices, the Bureau of the Budget cut these figures from $75,000,000 to $60,000,000, and the committee cut them about $700,000. Now, if you cut 10 per cent more and reduce it to about $54,000,000, you will still leave enough, in my opinion, to let them do everything they planned to do when they first made the figures up.

A lot is said about the number of workmen to be affected by this sort of thing. With all the work that is going on, and all that is carried in the bills that have so far gone through Congress, the new construction work will provide employment with the $175,000,000 or $200,000,000 for something like 100,000 men.

It is far more intelligent for us to proceed on the basis to set industry to work, as the result of balancing the Budget, than it is to appropriate a paltry sum to provide relief for unemployment. Let us get to the bottom of the situation and the root of the trouble. We have been going along on a false basis of employment of people by the expenditure of public funds, for things and projects that were not absolutely needed, and which we could get along without. We have got to get to the point where we can balance the Budget and stop this sort of thing.

[Here the gavel fell.]

(By unanimous consent, Mr. TABER was given two minutes more.)

Mr. TABER. If we do not balance the Budget and cut out these things that ought to be cut out and ought to be trimmed down, providing we are taking care of those projects which are absolutely necessary in a reasonable way, we are going to get to the point where we will have to cut everything of that kind out entirely.

Why not put our house in order on an intelligent basis, balance the Budget, and cut out enough to help toward putting the country to work? I appeal to the membership of the House to support this amendment and save to the people of the country this amount of money that will be saved as a result of the decreased cost of material and labor that has come along in the last 8 or 10 months. [Applause.]

It costs about $4,900 to put a man to work in rivers and harbors work—the largest amount required in any branch of construction work in the Government. It costs about $2,500 in the building-construction projects in our own districts.

Mr. WILLIAM E. HULL. Mr. Chairman and gentlemen of the House, I rise in opposition to this amendment, for this reason: First of all, the original budget that was agreed to by the engineers amounted to $75,000,000. On account of existing conditions it was reduced to $60,000,000. It has been cut as low as you can cut it, unless you want to destroy it.

My judgment is that if you take off this 10 per cent you will lose three times as much as if you left it on. The engineers are prepared over the country to follow the line in accordance with the surveys they have made.

They have the material on the ground and the men; they have the organization. In other words, when the money runs out the organization would have to disperse, the machinery be removed, and laid aside work until we could pass another appropriation.

This is a piece of folly, to talk about cutting an appropriation that will do so much damage to the country at the present time.

Mr. PARSONS. Will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. PARSONS. Is it not a fact that in projects partly finished if you let them go for a year you would lose more than you would save by this amendment?

Mr. WILLIAM E. HULL. Yes; if you let them lie for a year or two you would lose more than you would save.

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

Mr. WILLIAM E. HULL. Yes.

Mr. HOPKINS. Is it not a fact that last year we spent $83,000,000 of it and already labor is going to be laid off to the extent of $23,000,000? This appropriation took the biggest cut of any appropriation. As the gentleman from New York [Mr. LAGUARDIA] pointed out, the majority of this is in labor, either at the river, in the quarry, or in some other place, and if we take $6,000,000 more off on the amendment of the gentleman from New York [Mr. TABER], it will result in cutting the wages of labor at those points.

Mr. LAGUARDIA. Three hundred and fifty thousand labor days.

Mr. WILLIAM E. HULL. The real truth of the matter is that 90 per cent of the work is labor. We are talking now about appropriating a couple of billion dollars for the purpose of helping labor. I talked with General Brown just the other day. Four hundred and thirty-one million dollars worth of river and harbor work in this country has been allocated, and if you are going to appropriate money to help labor, that is where it should be used. Ninety per cent of the work is labor. If you are going to do something to help labor, where can you do it better than by going on with this $431,000,000 of projects instead of taking off a measly little $6,000,000?

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

Mr. WILLIAM E. HULL. Yes.

Mr. LINTHICUM. And if the gentleman from New York [Mr. TABER] is right in his statement that we can get work done for 20 per cent less than we could formerly, is not this the time to take advantage of that very fact?

Mr. WILLIAM E. HULL. Exactly so; and we must recognize the fact that we have the best organization in the Engineers' Department that we have ever had. The greatest care is being taken, the greatest effort at reducing expenses is being made, and I say to you that to deliberately step out here and cut this off would be a crime, and I hope nobody will follow the gentleman from New York.

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

Mr. WILLIAM E. HULL. Yes.

Mr. CULKIN. Will the gentleman discuss briefly the amount of this appropriation that must be allocated to maintenance?

Mr. WILLIAM E. HULL. The gentleman from New York did that—$22,000,000 for maintenance, which would give you about $37,000,000 for new work. Think of it. With all of these men who are at work, even taking the gentleman's own figures, you will have to lay them off, and that is all there is to it. There is no sense in the proposition. I am just as much for economy as the gentleman from New York is. I want to balance the Budget just as much as he does, but the real truth of the matter is that this river and harbor work brings something to the Government; you get something for the money that you put out. You are not simply exploiting something; you are putting the money into these projects to bring about better facilities for transportation in the country.

I shall close this talk with just one statement. All of us on the Rivers and Harbors Committee, every member, have worked hard to do what? To bring to the attention of the House only projects that would be essential to the Government. On our committee we do not recommend worthless projects. We look into them, and this amount of money must not be lowered. If it is, you will destroy many of these projects that have been approved by the House of Representatives.

Mr. McDUFFIE. Mr. Chairman, I offer the following amendment in the nature of a substitute for the amendment offered by the gentleman from New York [Mr. TABER].

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. McDUFFIE to the amendment offered by Mr. TABER: Page 72, line 16, strike out "$59,277,095" and insert "$55,313,240.25."

Mr. McDUFFIE. Mr. Chairman, of course, we might have and should have responded to the wishes of the people

of America and effected some economies in this bill with the military activities. If some of these gentlemen who are so solicitous of the Treasury this morning had been half so solicitous a few days ago, or when our economy program was before them, we might have saved in this bill $24,000,000, which Mr. Hoover is alleged to have said to one or probably two of his spokesmen he would like to have saved in this bill. I would like to see some savings made in this bill.

There is no one on the floor of the House who is more interested in the development of our rivers and harbors work than I am. I have spent some 10 or 12 years studying such problems. I think it is a very important work of the Government and entirely necessary. I recall, however, that during the war our Government stopped the construction of new projects unless they were in the nature of emergencies, though we continued to maintain all projects.

While we are not at war with a foreign enemy, we are at war with economic conditions in this country that are far more serious than they were when we were in actual warfare. A 10 per cent cut is suggested. I shall be glad to insert in the RECORD the effect of that, as stated by General Brown, whom I regard as one of the truly great men of this Nation, together with his letter in which he said that a 10 per cent cut under $60,000,000 will delay to some extent work on projects already adopted, and on new projects, excepting those that are highly essential in the development of the Nation's commerce. I do not think this House is going to cut the amount suggested by the committee by 10 per cent. I have submitted an amendment of 5 per cent for the consideration of the House in lieu of the 10.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. WILLIAM E. HULL. Does the gentleman not think that on account of the war and the delay in taking care of these projects we find one of the reasons why we have to make these appropriations now? It was delayed so long that now we are up against it.

Mr. McDUFFIE. I am not so sure as to that. We have made very good progress in the development of our rivers and harbors. I am sure there are very worthy and essential projects that need development as quickly as possible in keeping with the condition of the Nation's finances. Such work will undoubtedly proceed. Of course, those of us who have studed this work of the Government regret to see the funds decreased, but, gentlemen, these are strenuous days; unhappy days of economic distress. Many activities of the Government must be curtailed, and at a time like this some should be eliminated. We will not, of course, eliminate river and harbor work; but I can not but feel that we are forced to make as much cut as possible on this or any other appropriation item without seriously impairing efficiency and creating lost motion and waste.

As to the employment feature involved, General Brown stated that he figured every $1,500 might be measured by the labor of one employee in this work. If we take those figures, we find that we are not decreasing employment very much by the substitute amendment. I submit if you care to make reductions on this item, if you think it is wise policy, the 5 per cent reduction, in my judgment, will place you on safe ground and certainly prevent serious injury to probably one of the most important public works of the Government. The most important projects will be given attention, though a little less money will be expended on them under a 5 per cent cut.

Mr. CULKIN. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. CULKIN. Is it not a fact that General Brown's original estimate of $75,000,000 has already been cut $15,000,000 by the Budget?

Mr. McDUFFIE. Fifteen million dollars. That is doubtless true.

Mr. CULKIN. And is it not a fact that that is the greatest cut that has been made in any appropriation bill in the House?

Mr. McDUFFIE. I do not know whether it is or not. I know it was suggested in the Economy Committee—and I am almost afraid to mention that committee now—that it could be cut $20,000,000. I did not make the suggestion, but it was made, and I think it came originally from certain gentlemen, speaking the view of those connected with the administration, who thought such a cut was possible without injury. I think $20,000,000 reduction is too much. I do think General Brown's letter can be construed to mean that he could carry on the most essential construction in this work with a further reduction of 5 per cent. I am frank to say I doubt the wisdom of a 10 per cent reduction of this item. I believe General Brown will make this fund go as far as possible with the best results to the taxpayers.

Mr. CULKIN. Will the gentleman yield further?

Mr. McDUFFIE. I yield.

Mr. CULKIN. The gentleman understands that this item in this bill represents something over $22,000,000 for maintenance?

Mr. McDUFFIE. Yes.

Mr. CULKIN. And represents work on 300 projects scattered north, south, east, and west?

Mr. McDUFFIE. Well, as for that matter, it means a cut on projects in my own district. Ten per cent would mean a cut of practically one-half million dollars within my immediate territory. This should at least show my good faith in offering an amendment to cut this item. Economy means cuts everywhere.

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

Mr. McDUFFIE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. TABER. I understand from the Board of Engineers that with $37,000,000 they will be able to employ 8,000 men, or practically $4,900 per man.

Mr. McDUFFIE. I thought the gentleman had a question to ask, but am glad to have his figures. I made no inquiry of the board. I discussed this subject with the Chief of Engineers.

I am the last man on this floor to hinder or impede this very important activity. I am sincere when I say I believe that every essential project, those on the Missouri River, the Illinois, the Great Lakes, the Tennessee, Lake Okeechobee in Florida, and others, while taking a cut—I believe a 5 per cent cut—is not such a reduction as would destroy or greatly impede the activity, nor result in lost motion.

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

Mr. McDUFFIE. I yield.

Mr. WILLIAM E. HULL. Does the gentleman think it is good economy to stop work that is already being done?

Mr. McDUFFIE. This will not stop work that is already being done; that is, the essential work that is already being done; the work that is absolutely necessary to carry on.

Mr. WILLIAM E. HULL. On what authority does the gentleman say that?

Mr. McDUFFIE. Just the same authority that the gentleman stands on this floor and gives his own authority. I have studied this problem quite as long as the gentleman from Illinois.

Mr. WILLIAM E. HULL. Not any more than I have.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. McDUFFIE. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert the letter from General Brown, setting out what the situation will be, in his judgment, in the event of a 10 per cent cut.

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

There was no objection.

Mr. McDUFFIE. You will note that General Brown's estimate and suggestions are based on a 10 per cent cut,

while I am offering only a 5 per cent cut, leaving $56,313,000 in round numbers for the work for 1933. I feel sure this committee will not accept a 10 per cent cut, and possibly you will make no cut at all, yet I feel this is a plan where we can save two or three million without serious injury.

The letter and figures of General Brown follow:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, May 6, 1932.

Hon. JOHN MCDUFFIE,
House of Representatives, Washington, D. C.

MY DEAR MR. MCDUFFIE: In accordance with your request I have carefully gone over the work planned by this department during the fiscal year 1933, with a view to determining the projects that would be affected by a reduction in the appropriation for river and harbor works from $60,000,000 to $50,000,000.

The Budget estimate of $60,000,000 was attained by the elimination of all work on projects authorized by Congress but not yet begun, except certain projects of especial importance to commerce and navigation on which operations have not been undertaken because of the delay in meeting conditions of local cooperation, in the furnishing of lands, etc., the fulfillment of which is to be anticipated. A further reduction will entail the postponement of all work except that of the highest importance for commerce and navigation, for most of which continuing contracts have been or are being entered into. I inclose a list showing the reductions necessary in the allocations presented to the Subcommittee on Appropriations which would be necessary if the appropriation were reduced from $60,000,000 to $50,000,000.

Sincerely yours,

LYTLE BROWN,
Major General, Chief of Engineers.

(One inclosure.)

Reduction of allocations consequent upon a reduction in fiscal year 1933 appropriation for rivers and harbors from $60,000,000 to $50,000,000

	Budget	As reduced	Saving
New Bedford and Fairhaven Harbor, Mass	$60,000	0	$60,000
Fall River Harbor, Mass	88,000	0	88,000
Taunton River, Mass	150,000	0	150,000
New London Harbor, Conn	50,000	0	50,000
Bridgeport Harbor, Conn	80,000	0	80,000
East Rockaway (Debs) Inlet, N. Y	150,000	0	150,000
East River, N. Y	1,034,000	$500,000	534,000
Newtown Creek, N. Y	102,300	0	102,300
Newark Bay, Hackensack and Passaic Rivers, N. J	200,000	0	200,000
Delaware River, between Philadelphia and Trenton	100,000	0	100,000
Delaware River, Philadelphia to the sea	500,000	0	500,000
Baltimore Harbor and Channels, Md	625,000	0	625,000
James River, Va	150,000	0	150,000
Alabama River, Ala	70,000	0	70,000
Caloosahatchee River-Lake Okeechobee drainage area	2,133,000	1,800,000	333,000
Mobile Harbor, Ala	80,000	0	80,000
Gulfport Harbor and Ship Island Pass, Miss	60,000	0	60,000
San Francisco Harbor, Calif	425,000	375,000	50,000
San Diego Harbor, Calif	152,500	0	152,500
Los Angeles and Long Beach Harbors, Calif	37,000	0	37,000
Honolulu Harbor, Hawaii	400,000	300,000	100,000
Waterway, Cape Fear River-Winyah Bay, S. C	500,000	0	500,000
Waterway, Jacksonville-Miami, Fla	300,000	0	300,000
Pensacola Bay, Fla., to Mobile Bay, Ala	265,000	0	265,000
Mobile Bay to New Orleans, La	10,000	0	10,000
Louisiana-Texas intracoastal waterway:			
New Orleans-Sabine River	1,682,000	1,553,000	129,000
Sabine River-Corpus Christi	772,000	600,000	172,000
Mississippi River, between Ohio and Illinois Rivers	1,700,000	1,000,000	700,000
Mississippi River, between Illinois River and Minneapolis	3,700,000	3,000,000	700,000
Missouri River, Kansas City to mouth	4,400,000	3,695,800	704,200
Missouri River, Kansas City to Sioux City	500,000	0	500,000
Ohio River, open channel work	900,000	500,000	400,000
Monongahela River, Pa., and W. Va	700,000	410,000	290,000
Allegheny River, Pa., locks and dams	25,000	0	25,000
St. Marys River, Mich	1,437,000	1,000,000	437,000
St. Clair River, Mich	406,000	19,000	387,000
Holland Harbor, Mich	40,000	0	40,000
Indiana Harbor, Ind	120,000	0	120,000
Cleveland Harbor, Ohio	10,000	0	10,000
Fairport Harbor, Ohio	475,000	336,000	139,000
Oswego Harbor, N. Y	900,000	400,000	500,000
Total	25,488,800	15,488,800	10,000,000

Mr. WRIGHT. Mr. Chairman, I have devoted many, many weeks of arduous labor during the present session in trying to bring about a reduction in Government expenditures and a decrease in appropriation bills; but I do not believe this is the place in this bill to make a cut. There are other cuts which can be made and to which I will direct attention presently.

Mr. Chairman, I doubt whether this Congress realizes the condition which confronts this country. I doubt whether we appreciate the gravity of it. Hunger, want, and unemployment prevail everywhere. Here is an amendment which proposes to cut the number of people employed. We have heard about a dole, and we hear about relief measures pending in the Senate and in the House, and it is said that before we adjourn this Congress we must do something to relieve these suffering people. I would infinitely more prefer to appropriate money here and let those people exchange labor and material for money, rather than give them a dole, a gratuity. That is what this amendment would do.

I said there were other cuts which could be made in this bill; and when we get back in the House, I hope they will be made. I refer to the citizens' military and Officers' Reserve Corps summer training camps. Under the bill as reported the citizens' military camps would be suspended one year and the Officers' Reserve Corps would be permitted to have the summer camp with all expenses paid but would draw no salary while there. These provisions as to the camps would apply for one year only.

Now, we did not go at this matter in a haphazard way in the preparation of this bill. We did not make these cuts arbitrarily. I shall tell you something that was said to me during the preparation of this bill. There was a high-up Army officer called to see me. He was not a dissatisfied officer. He was not one who had a grudge against the General Staff, but he was full-fledged. In other words, he was "in the swim," and he sought to elicit information from me as to what we might do in the preparation and reporting of this bill. I said, "We want to effect some economies if possible." He said, "Now, if you want to know where some real economies can be made that will not affect or impair the efficiency of national defense in the United States, I would be glad to inform you secretly where they could be made."

I said: "You are the man I am looking for."

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

Mr. WRIGHT. I yield.

Mr. BARBOUR. The gentleman did not ask that high Army officer to appear before the subcommittee and give the entire subcommittee and the membership of the House the benefit of that information by printing his statement in the hearings. Why did he not give it openly rather than secretly?

Mr. WRIGHT. I gave it to the committee.

Mr. BARBOUR. It is not in the hearings.

Mr. WRIGHT. The committee got the information. I am not going to disclose the officer's name here to-day because I promised I would not.

Mr. BYRNS. What does the gentleman think would happen to him?

Mr. WRIGHT. Many things might happen to him. He furnished me information, and I promised to protect him.

Mr. JAMES. What would happen to an officer who gave the committee such information in the open?

Mr. WRIGHT. I imagine he would not be promoted.

The next day he brought me a list, all of which I will not read. He said: "Suspend the national rifle matches for one year and save half a million dollars; suspend for one year the citizens' military training camps and thereby save over two and one-half million dollars." He said: "So far as the Reserve Officers' Corps is concerned save over $2,000,000 there by cutting out the ten thousand 14-day trainees," and that we acted upon.

These suggestions are brought to the House on the recommendation of a high Army officer.

[Here the gavel fell.]

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

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

Mr. WRIGHT. I yield.

Mr. BALDRIGE. What was the name of the Army officer?

Mr. WRIGHT. I will not tell the gentleman. I would suffer my right arm to be severed from my body before I would tell, because I promised the officer I would not divulge his name.

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

Mr. WRIGHT. Yes.

Mr. CULKIN. The appropriation was cut $15,000,000 upon suggestions made by the Chief of Engineers, was it not?

Mr. WRIGHT. Yes. The Bureau of the Budget cut the estimate from $75,000,000 to $60,000,000, and the committee adopted the Budget estimate.

Mr. CULKIN. It has been cut $15,000,000.

Mr. WRIGHT. It has been cut $15,000,000.

This morning's mail brings me a letter from a reserve officer of high rank, a major. I am not going to read all of the letter, for I will not have time. I shall read only one or two sentences:

> First, let me say that any reserve officer who is not willing to go to camp for actual transportation and subsistence is not worthy of holding a commission in the Army of the United States.

Further, he says:

> For myself, I can not say that I am entitled to go to camp this summer, but I have qualified for the command and General Staff School at Leavenworth, and although it is great disappointment to me to miss it, I can honestly say that any reserve officer who is not willing to cut down expenses at this time is not sincere in his supposed patriotism.

Mr. GOSS and Mr. MARTIN of Oregon rose.

Mr. WRIGHT. I will yield to one gentleman, but I can not yield to two.

Mr. MARTIN of Oregon. Will the gentleman yield to me?

Mr. WRIGHT. I yield to the gentleman from Oregon.

Mr. MARTIN of Oregon. What kind of a man do you think it is who will not let his name be published in connection with information he furnishes?

Mr. WRIGHT. I expect things came up while the gentleman from Oregon was in the Army in connection with which he did not want his name to be given.

Mr. MARTIN of Oregon. Any scalawag who will not let his name be used——

Mr. WRIGHT. If the gentleman is going to call this man a scalawag, he might have to meet him face to face.

Mr. MARTIN of Oregon. That is all right. The gentleman should divulge his name.

Mr. WRIGHT. I am not going to divulge his name, because I told him I would not.

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Chairman, I am opposed both to the substitute and to the original motion.

We have not time to discuss the effect upon all the waterways of this country such a proposition would have. I shall not refer to the Tennessee River, nor to the Mississippi River, nor to the Missouri River, nor to the port of Baltimore, and the other major ports that are vitally interested in the appropriation carried in the bill at this time. I will simply refer to one case, that of the Great Lakes. The rivers and harbors bill of 1930 carried a provision authorizing $24,000,000 for the deepening of the connecting channels of the Great Lakes. The division engineer at Cleveland, Colonel Markham, informed me day before yesterday that if the work could be prosecuted now without delay, it could be done for far less than $20,000,000, and result in a saving of some six or seven millions of dollars to the Government under the estimate made in 1929.

Furthermore, the boats are idle upon the Great Lakes this summer, as I am reliably informed. They do not expect to carry more than 12,000,000 tons the present year, when they usually carry 130,000,000 tons. The boats are tied up in Cleveland and in all the ports on the Great Lakes. The connecting channels are virtually idle, and now, above all times, he informs me, perhaps a double amount of work could be done in a given time than could be done when all those boats are in operation. [Applause.]

Let me give you an instance by illustration. By actual demonstration it has been found that some five years ago at a point in the Detroit River, three boats passed a given point, going in one direction or the other, every two minutes. Just think of that, gentlemen. And when you come to the channels between Lake Superior and Lake Huron, with the locks in operation and boats constantly going through them, with several hundred boats passing there in a day's time, when could they do the work better than they can at this time, when those boats are idle? It would result in the saving of many millions of dollars to this Government by prosecuting the work at this time, with the least possible interference with business. It would be no interference with the great steel industry, because they tell me they expect to operate for 30 months on the ore they now have, and it is hoped that before the expiration of that time all these connecting channels will be completed and that then business, if it revives, can push along perhaps as never before in our history. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the amendment. While I disagree with the amendment offered by the gentleman from Alabama [Mr. McDUFFIE], I can certainly understand the provocation which prompted his offering that amendment. Why, the Committee on Appropriations came out with a real constructive bill effecting substantial economies. We have stood on this floor and seen this bill torn to pieces and about $8,000,000 to $9,000,000 added to it.

Mr. BALDRIGE. Will the gentleman yield?

Mr. LAGUARDIA. No. I am sorry.

I can understand how some of the gentlemen are seeking an alibi in order to offset what they have added to this bill. [Applause.]

I have given you figures showing the number of labor days on each million dollars. I obtained those figures from the office of the Chief of Engineers. Those figures show 60,000 labor days for every million dollars appropriated for river and harbor work and 77,000 labor days for every million dollars for flood-control work. But if that does not impress you, permit me to talk to my colleagues over here. President Hoover, on March 14, 1932, sent a special message asking an immediate appropriation for river and harbor works. He asked for $60,000,000 and stated:

> As delay seems inevitable and unless some action be taken, a large number of men will be thrown out of work and other expenses incurred by suspension of work.

Here is the entire message:

[House of Representatives, Document No. 272, Seventy-second Congress, first session]

IMMEDIATE APPROPRIATION FOR RIVER AND HARBOR WORKS

Communication from the President of the United States, transmitting request that the Congress give consideration to immediate appropriation of the funds for the maintenance and improvement of existing river and harbor works in order that we may avoid the unemployment and dislocation which will rise from such delay.

THE WHITE HOUSE,
Washington, March 14, 1932.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: It appears that the regular War Department appropriation act for the fiscal year 1933 will be delayed beyond the usual time. The Budget estimate for the maintenance and improvement of existing river and harbor works for 1933 is $60,000,000, which would become immediately available upon the passage of the act. I am now advised by the Secretary of War that, depending upon the usual course of appropriations, the engineers have entered upon certain contracts, the continuance of which have depended upon the passage of the appropriation at the usual time. As delay seems inevitable and unless some action be taken, a large number of men will be thrown out of work and other expenses incurred by suspension of work. I therefore recommend that the Congress give consideration to immediate appropriation of the funds for the maintenance and improvement of existing river and harbor works in order that we may avoid the unemployment and dislocation which will arise from such delays. Such a course would imply no increase in the contemplated expenditures.

I inclose herewith the recommendations of the Director of the Budget.

Respectfully,

HERBERT HOOVER.

BUREAU OF THE BUDGET,
Washington, March 14, 1932.

SIR: The Budget for the fiscal year ending June 30, 1933, on page 596, contains an estimate of appropriation of $60,000,000 for the maintenance and improvement of existing river and harbor works, as follows:

"RIVERS AND HARBORS

"To be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers:

"Maintenance and improvement of existing river and harbor works: For the preservation and maintenance of existing river and harbor works and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893 (U. S. C., title 33, sec. 661); and for examinations, surveys, and contingencies of rivers and harbors: *Provided*, That no funds shall be expended for any preliminary examination, survey, project, or estimate not authorized by law, $60,000,000 (U. S. C., title 33, secs. 541, 622, 661; act Feb. 23, 1931, vol. 46, p. 1306)."

The Secretary of War advises as follows:

"The department has been actively prosecuting river and harbor work with funds heretofore appropriated. It was considered in the public interest to press the work during the past winter season in the interest of the unemployment situation, and to advance the work under present favorable conditions of prices. It is prepared to undertake the vigorous prosecution of the work during the summer season now approaching. Anticipating the passage of the War Department appropriation before April of this year, contracts contingent upon this appropriation have been entered into and the contractors have engaged labor and material to proceed with the work.

"The funds from prior appropriations available for this work are, however, so reduced that it will soon be necessary to suspend operations on many important projects and lay off a considerable force of men unless additional funds are soon appropriated. It is the understanding of this department that the passage of the War Department appropriation act for the coming fiscal year is not to be anticipated for some time."

In view of the conditions set forth by the Secretary of War, it is recommended that this matter be brought to the attention of Congress, with request that the estimate of $60,000,000 contained in the Budget for the fiscal year 1933, for the maintenance and improvement of existing river and harbor works, be given special consideration at this time with a view to having river and harbor funds made available at an early date.

Very respectfully,

J. CLAWSON ROOP,
Director of the Bureau of the Budget.

The PRESIDENT.

Now, are you going to stand by the President? There can be no doubt in this instance as to what the President said, because I have it here in writing. [Applause.]

Now, I want to ask my colleague from New York how he can possibly stand up here and urge his amendment in the face of this message asking that this appropriation be made immediately available by reason of the emergency character of the work involved?

Gentlemen, this House is going to take action within a very few days on a gigantic measure which will bring employment to several million people. Only a few minutes ago the distinguished Speaker of this House issued a statement to the whole country stating that he approved and would sponsor—and I know the House will follow him—legislation increasing by a billion dollars the amount now made available for the Reconstruction Finance Corporation. I tell you the country is going to respond to this leadership of the Speaker of the House. The Speaker's statement is statesmanlike, and it is very generous in that he offers to place in the hands of the President of the United States $100,000,000. In addition to that, he recommends another billion dollars for public works. He outlines the details of this program; and I invite every Member of this House to study carefully the Garner plan, which was made public only a few minutes ago. [Applause.]

Now, then, can we, in the face of this, stand for the amendment offered by the gentleman from Alabama? I say that in view of the fact that we are going to authorize loans to States, to subdivisions thereof, and loans to semi-public corporations, all in an effort to create work and to stimulate industry in order to save the country. We are now on the eve of a complete collapse, and something drastic must be done.

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

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to insert at this point the encouraging and timely statement made by Speaker GARNER of the House of Representatives.

The CHAIRMAN. Is there objection?

There was no objection.

The statement referred to follows:

Ever since Congress met in December it has been discussing and undertaking to pass legislation that would be helpful in relieving the present distressing economic conditions. Some far-reaching legislation has been placed upon the statute books. I have been hopeful that these legislative efforts would tend to bring about better conditions, but the facts are that the unemployment and distress of the people are greater now than when Congress was organized last December.

I am unalterably opposed to the dole, but it must be apparent that before Congress adjourns some real effort must be made toward taking care of the unemployment situation as well as the people who are in physical distress as a result of lack of food and raiment.

It is evident that the situation can not be remedied by international negotiations to remove barriers and restrictions upon international commerce, since the present administration will not permit legislation of this nature. Therefore we must consider what, if anything, can be done to improve the situation by direct action of the Government. To that end I have three suggestions to offer, and I sincerely hope that the administration will consider them and cooperate with the Congress in their enactment into legislation:

First. I would pass what is known as the Huddleston bill, which has for its purpose the placing in the hands of the President $100,000,000 to be used as he deems necessary to relieve extreme suffering in any section of the country. If it is not necessary to use it, of course it will not be used. This is in accord with the action of the Congress in 1898, when it placed in the hands of President McKinley, as well as the commanding general of the Army in the Philippines, $100,000,000 to be expended as his judgment might deem advisable in the defense of the country. Likewise, in 1917, $100,000,000 were placed at the disposal of President Wilson for similar purposes. It has been said, with some degree of truth, that the present condition is more distressing to the people of this Nation than in either 1898 or 1917, and surely we can trust the President to use the $100,000,000 patriotically and wisely for the purpose intended.

Second. I would broaden the base of the Reconstruction Finance Corporation, permit it to exercise its judgment in making loans without any restriction whatever, and add $1,000,000,000 to its authorized issue, making the total three billion instead of two, as at present. This would enable that corporation to loan funds to States, counties, and cities where legal and adequate security could be offered. It would also permit that corporation to exercise its good judgment in making loans to individuals or corporations where adequate security is offered and where it is assured that labor would be employed.

The principal purpose of the original reconstruction act was twofold—to sustain credit of banks and corporations and to loan money to industrial corporations, such as railways, for the employment of additional labor. There has been little or none of the second purpose brought about. The principal activities of the corporation up to this time have been to sustain the credit of banks and other corporate interests by taking their frozen assets and making them loans upon the same which could not be had otherwise; and in loaning money to railway corporations largely for the purpose of paying interest and maturing obligations. We surely can trust the present board to administer wisely the additional duties as they are administering the present limited duties.

Third. I would provide for the issuance of a billion dollars' worth of bonds for the purpose of a governmental building program, based largely upon laws already passed by Congress and approved by the President. In order that there might be no infringing upon the present Budget obligation, I would levy a tax at the same time to take care of the interest and sinking fund. This procedure would be economically sound and would give considerable employment to labor in the different sections of the country and make provisions for governmental activities which must be had, under any conditions, in the near future.

Of course, the first question asked under the third suggestion would probably be "What taxes would you levy?" I have not tried to make a survey with the view of offering suggestions, but, speaking for myself only, I would levy one-third of 1 cent per gallon on gasoline. Of course, this and other taxes of similar nature would be repealed as soon as conditions improve to the point where our revenue from income, inheritance, and corporation taxes would meet our expenditures.

Mr. COCHRAN of Missouri. Mr. Chairman, the gentleman from New York [Mr. TABER] says that in his opinion the Chief of Engineers can go along with the projects that have been laid out. I would like to know when the gentleman

from New York qualified as an expert civil engineer and where he gets his information that the Chief of Engineers can go along just the same with a reduction in the appropriation?

Mr. TABER. Does the gentleman read the daily newspapers and keep track of the prices of material and labor that have been going down and have resulted in tremendous profits to the contractors who have taken Government work?

Mr. COCHRAN of Missouri. The Chief of Engineers of the United States Army is going to get a reasonable bid from a contractor, and he will take into consideration the prevailing price of material as well as the prevailing wage scale, as well as any other outstanding features that enter into the proposal, and it has always been his policy to do the work if he does not get a reasonable bid or one that is within his estimate. The engineers have handled numerous projects just because the contractors would not come within the estimates.

Mr. TABER. And the bids are going to be a great deal lower than they were a year ago.

Mr. COCHRAN of Missouri. If so, the work will progress faster. That is what we want. We want the job completed. The sooner the better. In fact, it would be better to complete the work in a year or two rather than over a period of years. It must be done.

I am in favor of balancing the Budget, but I am not going to vote to balance the Budget at the expense of the laboring people of this country. [Applause.] It is far more important, as I said the other day when the Muscle Shoals bill was pending, to place the people of this country at work than to balance the Budget. We can balance the Budget and still provide work for the unemployed.

Your Secretary of the Treasury, in a speech on December 14, in New York, placed in the RECORD the following day by the gentleman from Oregon [Mr. HAWLEY], stated that it is folly to assume that the issuance of $2,000,000,000 or more of bonds would in any way impair the credit of this country.

I say to you, as was stated before, that you are going to vote on legislation that will be beneficial to the millions out of work before we adjourn, and you are going to vote for it, and you will probably appropriate more money for rivers and harbors work than is carried in this bill. You must lead the way to meet the unemployment situation.

Mr. BRIGGS. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. BRIGGS. Is it not a fact that the Chief of Engineers eliminated from the program everything except what is regarded as absolutely essential?

Mr. COCHRAN of Missouri. I have no direct information as to what the Chief of Engineers has eliminated. I will take the gentleman's word for it.

Mr. BRIGGS. Do not the hearings show that?

Mr. COCHRAN of Missouri. Probably so. I hope the Chief of Engineers will go ahead with this public work that will give employment to some of the 8,000,000 men now out of work.

Mr. BRIGGS. Has it not been shown that these activities are not only essential activities of the Government from the standpoint of economy in moving the great commerce of this country but that these activities are giving employment to the people at the lowest possible cost to the Government?

Mr. COCHRAN of Missouri. Absolutely. Here is an opportunity to complete work that you are eventually going to complete, and you can complete it for less money than you will be able to finish the job if you wait several years. Why not take advantage of the situation and go ahead with the projects that have been surveyed and authorized? Some of them are half completed. Some of them are almost completed. The engineers are ready to go, and they are waiting for this money, as the President stated in his recent message when he asked for $60,000,000. The President urged an immediate appropriation.

I am sorry the Committee on Appropriations did not bring out a resolution appropriating the money that the President asked for, because it would mean that men would go to work immediately, and not have to wait until July 1.

I hope, Mr. Chairman, that both amendments will be voted down. There are other ways to economize without stopping public improvements or at the expense of the unemployed.

I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD and to insert therein a brief article upon the subject which I have just discussed.

Mr. Chairman, I submit the following editorial from the St. Louis Star of May 16:

FOURTEEN FRONTS

Speaker GARNER states nothing but the bald truth when he says Mr. Hoover has done more to freeze public confidence than anybody else in the country. The President's daily statements have been an advertisement of his bewilderment. He said last January that fighting a depression was like a great war, "not a battle upon a single front but upon many fronts," yet all the time he has been fighting a rear-guard action upon a single front—that of the Reconstruction Finance Corporation.

The St. Louis Star pointed this out when Mr. Hoover addressed Congress last January. Recognizing that the Reconstruction Finance Corporation was needed to support railroad credit and to relieve pressure on insurance companies and banks, the Star then said:

"Is this measure calculated to increase freight tonnage, which is the one great need of the railroads? Not at all. It is simply to reduce the financial consequences of lack of business. It is a binding up of wounds, a trying to catch up with what has already happened. * * * What is lacking in Mr. Hoover's outlook? One trouble seems to be that, appealing to the country to dismiss its illogical fears, he has more fears than anybody else. He fears inflation of the public debt, hence will not consent to a public-works program that would vitalize a hundred lines of industry. * * * He fears the tariff overlords of the Republican Party. * * * He will not move against the 12-hour day and child labor in southern textile mills. * * * Nor will he move against conditions that are ruining both miner and operator in the coal industry. Controlled production in demoralized industries for the common benefit of capital, labor, and the public is beyond Mr. Hoover's ken."

Whenever anybody proposes a general plan of action Mr. Hoover calls it a panacea and says panaceas won't work. Of course they won't. But what is a panacea? It is a single remedy for all disease. The Reconstruction Finance Corporation, valuable within its limits, was Mr. Hoover's panacea, and it failed to work a cure. So, too, the bond issue for public works, to which the President has been driven by political and economic compulsion, will fail if it stands alone.

If the battle must be fought on "many fronts," let's have a list of them. Here are 14:

1. Issue bonds for a broad program of public works, including the wiping out of slum districts through loans to be amortized in rents.

2. Continue the forcible inflation of credit and currency through the Federal reserve, keeping in mind that this will not restore business and prices except as an aid to a trend already in progress.

3. Compel the spread of employment by shortening hours sufficiently to absorb the population rendered idle by labor-saving machinery. Do this through Federal power over interstate commerce or through corporation income tax graduations.

4. Resubmit the child labor law to the United States Supreme Court, recognizing that the court's decision in the Indiana chain-store case was a reversal of the doctrine on which the 1922 child-labor decision was based. End the demoralization of interstate commerce by unscrupulous producers in backward States.

5. Repeal the antitrust laws, substituting automatic regulation of business through an excess-profits tax coupled with Federal supervision over issuance of stocks and bonds, thus helping business to a reasonable profit and directing part of the excess profits into the pockets of labor.

6. Force a reorganization of the coal and oil industries to make them profitable for their owners, raise the purchasing power of their employees, and conserve natural resources in which the people have a supreme stake.

7. Give the Interstate Commerce Commission the same authority over truck, bus, and river transportation that it has over the railroads, and do it before the trucking of freight at cut-throat prices bankrupts the railroads.

8. Repeal the railroad earnings recapture law, leaving railroads subject to an excess-profits tax.

9. Write the words of the sixteenth amendment, "From whatever sources received," into the income tax law, thus ending evasion of the income surtax through tax-exempt securities. The Supreme Court virtually invited Congress to do this, in the California franchise-tax opinion last month.

10. Raise income surtaxes, inheritance and gift taxes high enough to aid in the redistribution of wealth and enable the masses of the people to buy the products of industry and share in its ownership.

11. Vastly extend the reforestation of marginal farm lands both for timber benefits and to reduce the agricultural surplus which

depresses farm prices. Stop reclamation of swamp and desert land; stop overgrazing on the national domain.

12. Cooperate with the rest of the world in getting rid of the reparations and war-debt deadlock, now paralyzing world recovery. Collect whatever can be absorbed in additional imports, the only form of international payment possible.

13. Make a start toward lowering of tariff barriers, recognizing that the "most-favored-nation" principle has been destroyed by customs unions and import quotas.

14. Call a world monetary conference to deal with the loss of silver's buying power.

Mr. Chairman, regardless as to whether we agree with all the suggestions in the editorial from the St. Louis Star, it must be conceded that the writer seeks at least to offer what he feels are constructive suggestions to meet the situation that confronts not only the Congress and the administration but the entire country. While we are chosen to write the laws of the country, still there is a duty that every citizen owes his country, and that duty, as I see it, now calls for the cooperation of all citizens in the effort being made to overcome the depression that has had a grip on our Nation for several years.

The editorial, in part, suggests the raising of income taxes, surtaxes, inheritance and gift taxes high enough to aid in the redistribution of wealth and enable the masses of the people to buy the products of industry and share in its ownership.

I am frank to say I voted for the increases in income, inheritance, and gift taxes carried in the revenue bill as it passed the House. In doing so I felt that I should consider the question of ability to pay. Considering conditions, the suggested rates were not confiscatory. For that vote I have been criticized.

I realize there are few rich men left in comparison with those who were fortunate enough to possess large sums and who earned large incomes prior to 1929. There was no thought in my mind to deal unfairly with the rich, other than one class, and that class was our citizens who had accumulated large fortunes in this country and who have sent over $3,000,000,000 abroad for investment in factories in foreign countries, where there are now being manufactured by cheap labor, the articles that were formerly manufactured in this country and shipped abroad. As the result of investing this vast sum of money abroad our foreign trade has been greatly reduced; in fact, aided by the tariff, the foreign trade of this country faces destruction. And that is not all. We read where other Americans are seeking sites for factories, Lord Derby stating in a recent speech that some 25 American corporations would soon be erecting factories in England. The shoe industry of my city, St. Louis, I am sure realizes that it must meet the competition of foreign factories erected with American money. Of course, a man has the right to invest his money as he sees fit, but is it not reasonable to feel that Americans should have some thought for their own country and their fellow citizens?

I spoke in favor of and in every way aided the efforts to adopt an amendment that would have denied certain deductions to Americans who had made large investments, not in securities, but in factories in foreign countries. I have no apology to offer for that.

One of the letters I received criticizing the Congress for raising the income, surtaxes, inheritance, and gift taxes came from a well-known attorney of my city whose specialty is handling income and estate tax cases before the Internal Revenue Bureau. He wrote, in part:

> Of course, those who do not care to pay the taxes will find the means of avoiding; but resort to such means is also destructive, because money is placed in trust or other inactive holding and withdrawn from business credits.

In speaking of the tax on stock transfers he said:

> The proposed tax upon stock transfers is about the most destructive proposition that I can conceive. Of course, the business of dealers in securities is already very precarious, but I am not thinking of them.
>
> Moreover, such a tax is so easy to avoid that if it becomes high enough to justify the effort the tax will not be collected. For instance, there is at present under consideration a plan, if this tax is imposed, of organizing corporations in other countries, say, Canada, which will be merely holding agents.

Mark you, he says a plan is already under consideration. The tax has not as yet been imposed.

He then proceeded to advise me at length how this would work, and added that this was only one of several schemes that could be resorted to to evade taxes.

I had been engaged for weeks with the Economy Committee, working day and night, and when I came to my office one evening and found that letter I became rather irritated, especially when the thought came to me that the writer was one who would probably be in a position to show the taxpayer how to evade the tax, owing to the fact that he could be classed as an expert in tax matters.

I do not say that he would show citizens how to evade the tax, for I have no information that would warrant me to say that he is anything but an honorable man.

I hastily dictated a response. I told the gentleman that I had voted for the taxes of which he complained. I further stated that the time had come when there must be a redistribution of the wealth of the country. I did, however, fail to further explain my view in regard to the redistribution of wealth. This left my communication open to criticism. It could be construed in many ways—in fact, in any way the reader desired to construe it. One could say I favored by force or by most radical legislation depriving those who possessed wealth of their just holdings.

Mr. Chairman, the mere mention of redistribution of wealth causes many to shudder, to become astonished. The thought is misconstrued. There is no desire upon the part of anyone who has offered such a suggestion to boldly scatter among the many the holdings of a few. The real thought as I understand it is that there should be a less inequitable distribution of wealth and income.

Even had Congress adopted the higher income and estate taxes, the wealthy and their children still would have retained the bulk of great fortunes and there is no desire to deny them to maintain and distribute among their heirs the greater part of their holdings. Compare, if you please, the laws of Great Britain and other foreign countries in this respect with the laws of the United States. There is no comparison. The rates abroad are far greater than ours. There is a strong feeling that in these present times the very wealthy, however, should not be willing to pile up higher surpluses while millions are in want.

Mr. Chairman, I have no thought other than that expressed in the Constitution, which grants to our citizens the right to enjoy the fruits of their own labor. However, there are citizens who possess great wealth who have, by the creation of trust funds, and investments in tax-exempt securities, not only failed to do their just share toward meeting the expenses of the Government but, on the contrary, have found legal ways to evade the intent of our legislative bodies and escaped taxation, thus placing additional burdens upon others who possess wealth, and who have invested their money in business so as to provide work for their fellow man. It is this class that has evaded taxation I would reach, either by amendment to the Constitution or by legislation if possible, so that in the end the burden of meeting the taxes would be more equitably distributed than at present.

I favor protecting the rights of the man who has money and who is being pinched to meet his tax assessments and who meets the assessments. It is this class of our citizens that I seek to benefit as well as the masses of the people in my effort to find a way to require those who have hoarded their money in such a manner as to make it practically impossible for the Government and the States to reach. If this is not done, then I predict that these swollen fortunes will continue to increase; and if this prediction be correct, then where and how will the Government, national State, and cities secure the revenue that is necessary to carry on? It is unfair, in my opinion, to require those who have their fortunes invested in business to carry all the burden while part of it should be met by others whose income can be classed as unearned income. Would we not be able to in part redistribute the wealth of this class if we can find a way to tax their holdings?

Many trust funds created by immensely wealthy people at the time of their death are practically perepetual. Some provide for their continuance until there is no issue, which will mean a hundred years or more in some cases.

Considering our method of raising revenue up to 20 or 25 years ago, naturally it does appear to some that the rates applied by the House bill as well as the bill reported by the Senate border on confiscation, and those who take this view complain bitterly. I had a telegram from one of our outstanding business men who classed it as sheer communism.

We resorted during the war to methods unheard of prior thereto in our effort to raise revenue. There was no complaint, because we were at war, fighting for our very existence. At the conclusion of the war our country found itself burdened with billions of debts which, of course, must be paid. European nations owed us billions, and we have found it necessary not only to reduce those debts but now find it impossible even to collect the interest. There was no objection to the President's declaration for a moratorium. The business man did not realize then that he would be called upon to meet expenditures that had previously been taken care of by applying the money we received annually from the foreign countries. He is now awake to that fact.

We are faced with another war—a war against a depression that threatens our existence. Never in our history have we in peace time been confronted with such a critical situation. It is this fact that requires the raising of additional money, that requires the passage of legislation that would not be given serious thought if conditions were normal. We are accused of being radicals, and what not. There are various schools of thought offering suggestions as to how we can best meet conditions that confront us.

Members of Congress are not radicals when they express themselves and demand that those who have ability to pay should be taxed.

With eight to ten millions of our citizens out of work, as many more working part time, and some thirty or forty millions of our population depending upon those people for food and shelter, methods must be resorted to that of course will be resented by many. They are unusual but conditions require the action.

When conditions were normal the business man did not complain, in fact he urged the Congress to enact legislation that called for expansion, the creation of bureaus and commissions, that resulted in mounting expenditures, but now he demands that overnight all the activities that he helped to create be destroyed, and his criticism is critical.

Getting back to the communication I received from the attorney, I further stated in my letter, referring to the attorney's statement that ways would be found to evade the taxes, that I was not disturbed by such a threat and that such a threat would in no way affect my decision. I added that it would be for the better if those assessed would willingly meet the assessment, for if they did not Congress would find a way to relieve them of their holdings. By that I meant that Congress would provide ways and means for the collection of the revenue if existing laws were not sufficient. The man who now deliberately and fraudulently defeats the tax laws, if discovered in the end, is required to pay heavy penalties, additional assessments, and interest that rises to amounts that are practically confiscatory, and, further than that, many are sent to prison for tax evasions. That law is now on the statute books, and it is true that many men have practically been relieved of all their holdings who have been found to be deliberately evading the taxes. To my personal knowledge nearly 1,500 such cases are now pending and under investigation by the Treasury Department. The attorney who wrote me is well aware of this fact. The Economy Committtee was advised if it would give the intelligence division more money for additional agents millions due the Government could be collected.

There is a demand from leading economists, from leaders in world affairs, representative groups, including the clergy, as well as the great newspapers of the country, for a change—a change from conditions which they claim have brought us to our knees. Can they all be wrong? Time alone will tell.

This is no period to excite the masses, but, on the contrary, we should all strive regardless of our own welfare to bring about a change for the better.

Concluding, Mr. Chairman, I submit that what we need in this country at this time is confidence. Fear and despair have been handed out to the general public, where those in command of our country and its institutions should be assuming the opposite attitude. The people have become fearful of the future, have hoarded their money when it should be at work. Idle money makes for bad times. Many statements have been made concerning money that is being hoarded. There is no doubt but that several billion dollars in this country is idle at this moment. In an effort to get some information along this line, something upon which one might be able to offer definite statistics, I wrote the Secretary of the Treasury for information relative to the amount of old—large—currency that was still outstanding and had never been offered for redemption. You rarely ever see any old money these days, still the Treasury Department advises me that $538,496,159 of old currency is still outstanding. It is not in circulation, because the minute it reaches a bank it would be sent to the Treasury for redemption.

On top of this there are $39,993,670 in Government securities which have ceased to draw interest still outstanding, never submitted to the department for redemption. The department letter in reply to mine follows:

TREASURY DEPARTMENT,
Washington, May 21, 1932.

MY DEAR CONGRESSMAN: For the Secretary, and in reply to your letter of May 18, 1932, the following information is furnished.

The amount of old-series (large-size) currency outstanding on April 30, 1932, was as follows:

United States notes	$41,775,856
Silver certificates	45,679,816
Gold certificates	151,346,829
Treasury notes of 1890	1,224,800
National bank notes	82,229,003
Federal reserve notes	213,409,765
Federal reserve bank notes	2,830,090
Total	538,496,159

The outstanding matured debt, on which interest has ceased, on April 30, 1932, was as follows:

Old debt, issued prior to Apr 1, 1917	$1,642,320
Second Liberty loan 4 and 4¼ bonds (interest ceased Nov. 15, 1927)	3,180,100
Third Liberty loan 4¼ bonds (interest ceased Sept. 15, 1928)	5,281,250
3¾ per cent Victory notes (interest ceased June 15, 1922)	19,200
4¾ per cent Victory notes (interest ceased Dec. 15, 1922, and May 20, 1923)	1,115,600
Treasury notes (various issues)	15,129,750
Treasury certificates of indebtedness (various issues)	9,581,600
Treasury bills (various issues)	3,253,000
Treasury savings certificates (various issues)	790,850
Total	39,993,670

Very truly yours,

A. A. BALLANTINE,
Under Secretary of the Treasury.

Hon. JOHN J. COCHRAN,
House of Representatives, United States.

Mr. FREAR. Mr. Chairman——

Mr. COLLINS. Mr. Chairman, if the gentleman from Wisconsin will permit, I move that all debate on this paragraph and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. FREAR. Mr. Chairman, years ago, for days at a time, I held up annually several river and harbor bills, and did it successfully, with the aid of Senators at the other end of the Capitol. We stopped some of these wasteful projects. When I spoke to those leading on my side of the aisle the other day, after I had been asked to do so, and inquired if they wanted me to talk upon this item, they said yes, and I asked when. They answered, when the $60,000,000 paragraph comes up. There are 400 projects involved here in one paragraph, and only a few minutes to discuss them.

I agree with what has been said about unemployment. I have introduced unemployment-aid bills, but by far the

greater part of this $60,000,000 river and harbor expenditure goes to contractors and dredgers. I have been over many projects in this bill, including several down in Texas, extending to Freeport, traveling with the father of the gentleman from Texas who has just spoken—a very able man, by the way, as was his father—and I have been over many waterway projects throughout this country. I live alongside the Mississippi River. I have one harbor in my State that is the second largest harbor in the United States. Its total cost to the Government is less than 5 per cent of the cost of the Ohio and other single rivers I could name. It had 45,000,000 tons of commerce in 1930, more than the Mississippi, the Missouri, and Ohio Rivers put together—yes; ten times more actual commerce is carried by the Superior-Duluth port, because most of the commerce on these rivers reported by engineers is sand and gravel, except on the Ohio River, where $150,000,000 of Government money has been spent and only comparatively little coal and steel are carried. In these days of stress and heavy tax burdens it is wasteful beyond measure to appropriate $60,000,000 for such rivers and harbors.

There is not now a ghost of a chance for Members to pass a reduction amendment. I am not talking with that belief, but to call attention to disciples of economy who frantically seek to shave a few dollars from questionable savings and then eagerly vote for this great pork barrel. Every man that is interested in any project is here. The entire Committee on Rivers and Harbors, composed of 21 Members, is here, I assume, or very nearly all, and they will vote for every provision in the bill, good, bad, and indifferent. So, too, with a hundred Members who would be ready to oppose many "projects" if singly presented but will not dare to oppose a bill that carries their own project.

I am just calling your attention to these things because you are entitled to know about them, and the country should know the pork barrel is again here. On page 120 of the hearings you will find that 150 projects have been recommended for abandonment by the engineers of the Army, whom you praise so highly, and the committee has not abandoned one of them.

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

Mr. FREAR. I wish I could do so, but I have only a few minutes. On these projects, recommended for abandonment by the Army engineers, you are appropriating money to-day that is being used by the Army engineers.

Mr. MANSFIELD. No.

Mr. FREAR. Yes. I have called your attention to it and I will read the data into my speech. It is in the hearings, and the gentleman from California [Mr. BARBOUR] asked the questions, and the cost is from $10 to $12 a ton for the Government to float a two-foot draft boat on this one creek.

Mr. MANSFIELD. We are appropriating now in lump sums.

Mr. FREAR. You are appropriating in lump sums, but the engineers use it on these projects recommended for abandonment that the committee will not abandon. I read from page 130 of the hearings:

General PILLSBURY. While some of these projects were recommended for abandonment, they have not been abandoned by Congress, and as long as there is navigation we feel this incumbent to maintain the channel.

Mr. BARBOUR. And there was a little over a thousand tons handled on that river last year (Chipola River, Fla.).

General PILLSBURY. The commerce amounted to 1,649 tons.

Mr. BARBOUR. That would mean at the rate of about $10 or $12 a ton on the river?

General PILLSBURY. Yes; about $10 or $12 a ton (resin carried 16 miles, p. 525, vol. 2, Engineers' Report, 1931).

You will find $6,600,000 is carried in this bill for the Missouri River that was also reported against by the Army Engineers. You can not find an Army engineer in the country that ever recommended the Missouri River for improvement. It is a land reclamation scheme that will cost the Government $80,000,000 on the Missouri, according to the reports, without any local contribution. It was put in by a distinguished Senator over on the other side of the Capitol, because I was before the Senate committee at that time. He held up the river and harbor bill until he got the Missouri River included. It was a tribute to his power, but does not carry any real commerce and is never likely to do so. That is going to cost the Government $89,000,000 for this commerceless river before completion, and is for reclamation rather than for any commerce now or hereafter.

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

Mr. FREAR. I have not the time, I regret, but will say there is an appropriation of $4,900,000 which goes to the Illinois River for the gentleman from Illinois now speaking, where there is no commerce at all and never likely to be after $11,000,000 is spent. You talk for it day after day, and your project is much like the useless Hennepin Canal. Four million nine hundred thousand dollars, as an adjunct to the Chicago drainage canal, and you object to cutting anything out of this bill. It is, in my judgment, one of the most wasteful items carried by this $60,000,000 paragraph.

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

Mr. FREAR. No; I regret I can not yield. My time is too limited. Four million nine hundred thousand dollars—why is the Illinois gentleman here defending the bill, I ask? American taxpayers are paying $11,000,000 for this Illinois River project. That is the trouble. With these projects in the bill you will all unite against any amendment to reduce the $60,000,000 pork barrel. If left alone, not one project in four, I submit, could get past the House, but put into a pork barrel, you can not get away from it, for all are included, good, bad, and indifferent.

Nearly $50,000,000 is going to be put by the Government into a 200-mile project on the Mississippi River, 200 miles between the mouth of the Ohio and the Illinois rivers. There is no commerce there to justify 1 per cent of that amount, for we are lining the bottom with silver dollars at $250,000 per mile on this 200-mile stretch for only a few tons of real commerce.

A Member living near this project said to me the other day, "Why, FREAR, you are right on these projects. You always were." I know the situation, and believe it will be impossible to change it, but I am telling the House what you are passing in this $60,000,000 item. It should be reduced 10 per cent according to the amendment. [Applause.]

[Here the gavel fell.]

Mr. CLAGUE. Mr. Chairman and gentlemen of the committee, the gentleman from Wisconsin makes the statement that a large amount of money is going to be spent on projects that have been abandoned by the engineers. That was not the testimony before the committee.

Mr. FREAR. Will the gentleman yield?

Mr. CLAGUE. Yes.

Mr. FREAR. I made no such statement. I said there was money being spent on abandoned projects. I did not say a "large amount."

Mr. CLAGUE. The Chief of Engineers said no money was going to be spent on abandoned projects.

Mr. FREAR. I will put it in the RECORD.

Mr. McDUFFIE. There is no money being spent on abandoned projects.

Mr. CLAGUE. I know of no money being spent on abandoned projects. I heard the testimony of the engineers before the committee on several occasions.

Now, the Budget estimate cut $15,000,000 from amount recommended by the engineers, therefore this appropriation has been cut to the bone. The President of the United States, two or three years ago, in a statement he gave out, said that these river channels should be completed for operation in about eight years. That was the intention of the Chief of Engineers. They have passed on these river projects and say that they should be completed.

When the Chief of Engineers came before the committee he said that with $60,000,000 it would be impossible to complete the same in eight years, and that to do that it would require an annual appropriation of $75,000,000 for eight years.

Now, as has been stated by the gentleman from St. Louis, we are going to appropriate before the session closes not millions but two or three billion dollars to put people back

to work. There is no question about that. I am in favor of taking care of the rivers that can be made navigable.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. CLAGUE. Yes.

Mr. HILL of Alabama. Is it not true that the money put into river and harbor work gives employment to more labor than any other money expended by the Government?

Mr. CLAGUE. That is absolutely true. There is less machinery used in river and harbor work than in any other kind of employment; the great amount of labor is performed by hand.

Mr. MANSFIELD. Will the gentleman yield?

Mr. CLAGUE. I will.

Mr. MANSFIELD. Is it not a fact that the gentleman from Minnesota was here at the passage of the river and harbor bill referred to, and that the committee did not report that but it was put in on the floor, and the gentleman from Wisconsin himself voted for it?

Mr. CLAGUE. That is a fact. Now, Mr. Chairman and members of the committee, $15,000,000 has been cut by the committee from the engineer's estimate. The amount carried in the bill is less than it should be. Vote down these amendments. [Applause.]

Mr. DIES. Mr. Chairman, ladies, and gentlemen, I rise in opposition to the amendment which seeks to reduce the appropriation for river and harbor improvement and maintenance. The Chief of Engineers urged that $75,000,000 be appropriated for river and harbor work during the next fiscal year. However, this bill reduces the amount to $60,000,000, which is $15,000,000 less than the Board of Engineers deem necessary for the efficient and adequate prosecution of this work. I recognize that there is an urgent need for drastic reduction of governmental expenditures and that the people of the Nation are demanding that we practice sound economy wherever possible. My record will show that I have supported practically every sound economy measure that has been submitted to this House for consideration.

I have also opposed many large appropriations that I deemed unnecessary and improper, but, Mr. Chairman, there is a vast distinction between sound economy and false economy, and I think that the reduction of appropriations for river and harbor work at a time when 10,000,000 of citizens are unemployed and when every effort of the Government should be devoted to the great task of finding employment for our people would be indefensible. It is true that I have in my district the Sabine-Neches waterway, which has become one of the most important waterways in the United States. It is true that the tonnage that is moved over this waterway has increased tremendously, and that this waterway has made it possible for great industries that furnish employment to thousands of our people to locate in Jefferson County. Naturally I am very anxious to support a program which means so much to the people of my district. But in addition to this, Mr. Chairman, there are other potent reasons which justify my support of river and harbor improvement. The farmers of my district, as well as those of the State of Texas, are vitally interested in the development of our waterway transportation.

Our very distinguished and able chairman of the Rivers and Harbors Committee, upon which I have the honor to serve, recently furnished me with some very interesting information in regard to the effect of waterway development upon the transportation costs of shipping cotton. I wish to acknowledge my indebtedness to our splendid chairman for this information and to take this opportunity to compliment him upon the splendid and able manner with which he has presided over this important committee. I feel that the State of Texas has been signally honored on account of his elevation to this important chairmanship, and the manner in which he has performed his duties in this respect has reflected credit upon the entire State. According to this information, the Houston channel was completed to 30-foot depth in 1926, and the Sabine-Neches ports in 1927. The Sabine-Neches ports received a material widening of channels and other improvements, which were completed in 1930. Houston received similar improvements, completed in 1931. Galveston received 2 feet additional depth, completed in 1929. Corpus Christi was completed to a 25-foot depth in 1926. It was authorized for 30 feet in the river and harbor bill of 1930 and completed to that depth some time last year.

The freight rates on cotton exports from Texas ports to British ports, as charged by the United States Shipping Board vessels, have been as follows: In the latter part of the year 1926 and the whole of the year 1927 the rate on Texas cotton was 60 cents per 100 pounds, or $3 per bale. In 1928, 1929, and 1930 it ranged around 53 cents to 55 cents per 100 pounds. In 1931 and 1932 the first-class Shipping Board rates went down to 45 cents to British ports, while contract rates on high-density cotton went down to 35 cents per 100.

The Mediterranean conference reduced the rates to Italian and Spanish ports for the past and present years from 45 cents to 35 cents per 100. The United Kingdom conference did the same thing on British shipments. The Bordeaux-Hamburg Range Conference reduced the rates from 45 cents to 30 cents per 100. The rates to the Far East a few years ago were on a 60-cent basis to Japan and 65 cents to Shanghai. At the present time these rates are 35 cents to Japan and 40 cents to Shanghai.

On Wednesday, August 26, 1931, the Houston Chronicle had a press report on cotton rates. The headlines were "Ship cotton rates again are reduced." This report showed that rates to certain ports, including Havre, Ghent, Rotterdam, Hamburg, and Bremen, had been reduced from 42 cents in the early part of the season, first, to 32 cents, and later to 30 cents per 100 pounds.

From this it will be seen that the ship rates on Texas cotton since 1927 have been reduced from an average of 60 cents to an average of 30 and a fraction cents per 100 pounds, or about $1.50 per bale, of which the Texas cotton farmer is entitled to receive the benefits.

Ship officers and experts have informed Congressman MANSFIELD that these rates would not have been possible but for the splendid condition in which our Texas ports have been placed in the past few years, which has greatly reduced the overhead cost in handling such freights. The excellent condition of these ports is now a great asset to the farmers of Texas, and without the improvements that have been made it would now cost $1.50 per bale more for export cotton to reach its markets.

This is extremely important because it is admitted that the price which cotton brings in foreign markets determines the price which the farmer receives for his cotton in the markets of the United States. Therefore, the less transportation costs the more the farmer should receive for his cotton.

I am inserting this information in this address to show that waterway and port development is not only important to everyone in Jefferson and Orange Counties, but also to the farmers of my district and the State of Texas.

Sufficient appropriation for river and harbor work is also important as a means of furnishing employment to many thousands of American citizens. The Engineering Department and those in a position to know estimate that 90 per cent of the appropriations for river and harbor work goes directly and indirectly to labor. This statement has been made several times this afternoon on the floor of this House, and it has never been challenged. I am opposed to any effort made in the name of economy to decrease appropriations for public works that will furnish employment to many of our citizens, and I hope this amendment will be defeated. [Applause.]

Mr. BYRNS. Mr. Chairman, the merits of this amendment have been discussed pro and con. I rise to call the attention of the committee to the effect of the amendment if adopted, and also to what I understand actuated the subcommittee and also the Committee on Appropriations in reporting the Budget estimates for rivers and harbors and flood control exactly as they were submitted. As has been stated by the Chief of Engineers and the War Department, the original sum asked for was $75,000,000, and that sum was reduced by the Budget to $60,000,000. The Chief of Engineers, General Brown, stated to the committee that he

could use all of the $75,000,000 upon existing projects; that that amount is needed in carrying on those projects. Mr. Chairman, there is no public work which gives as much employment to labor in proportion to the amount expended as work done in river and harbor improvement. The committee, believing that it could reduce the bill and reduce the estimates of military nonessentials for next year by over $24,000,000, felt that in the interest of labor and employment it ought to appropriate the full amount estimated for this public work. They tell me that down there in the Mississippi Delta colored labor and other labor is receiving as low an amount as 90 cents a day, a miserably small sum.

It is a ridiculously small wage for this work, but I want to tell you in this day it is keeping body and soul together. Yet we are asked here to cut $6,000,000 from this particular appropriation because certain Members of this House are anxious to economize on this in order to justify more than $2,000,000 which was voted the other day to pay reserve officers during the 15 days they are in camp. I do not say that my good friend from New York [Mr. TABER] is actuated by that purpose, because the gentleman is a genuine economist upon our committee and one of its ablest members, and I am sure he was actuated only by the reasons expressed by him.

Additions have been made to this bill. We will have a record vote on them after a while, and we will see just where we all stand. [Applause.]. This bill has been increased $6,000,000, and now it is proposed to save that money, which was added in order to provide for reserve officers' pay for 15 days in the summer months and to provide for training camps, by cutting out this appropriation which is in the interest of labor.

Mr. McGUGIN. Will the gentleman yield?

Mr. BYRNS. I can not yield now. I am sorry.

It has been stated that we will be called upon to vote millions and perhaps billions of dollars for employment of labor before the Congress adjourns. Something must be done. Some steps must be taken to provide for those who are walking the streets to-day seeking jobs which do not exist. Something must be done to enable the men, women, and children who are without positions to live during the coming winter months. Shall we sacrifice those who would receive employment under this appropriation merely to give somebody pay, to provide summer camps during the summer time, when it does not affect the efficiency of our Army or in any way interfere with the national defense? We will be called upon directly to vote upon these amendments, which were added to this bill at the instance of my good friend from California, Mr. BARBOUR. Nearly all of you gentlemen upon the Republican side, with some few exceptions, joined by some of the Democrats, voted to adopt those amendments. Your President asked you to keep this bill within the $24,000,000 reduction recommended by the committee. Will you keep it within the $24,000,000, the reduction authorized by the committee, by doing so at the sacrifice of these needy people who are working upon these rivers and harbors, or will you do it in the interest of those who do not need it? [Applause.]

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

Mr. MARTIN of Oregon. Mr. Chairman, I rise to oppose both amendments. I think no wiser appropriations are made by Congress than those to improve our rivers and harbors. I am only sorry that I am to be denied the privilege of voting for $75,000,000, the original estimates, instead of the $60,000,000 carried in this bill. I extend my remarks by inserting in the RECORD the speech of my distinguished colleague, the gentleman from Illinois [Mr. DIETERICH].

ADDRESS OF HON. WILLIAM H. DIETERICH, OF ILLINOIS, NOVEMBER 9, 1931, BEFORE THE UNITED STATES CIVIL LEGION

I am grateful for being accorded the privilege of addressing this gathering on this occasion.

Any citizen may take just pride in having been associated with this group of patriotic men and women who so unselfishly rendered service to this Nation when we were taking our part in a war the magnitude of which was unprecedented in all history.

The United States Civil Legion is composed of those citizens who gave their time, their talents, and their energies to the winning of that war.

It represents that group of the citizenship who constituted the great administrative forces of the Republic at a time when the man power and the resources of the Nation were being mobilized in the defense of the principles of democracy. It represents those citizens who protected our Army when our Army was protecting our Nation.

It represents those citizens who were defending the principles of representative government at home and in the civil forums of the nations of the world while the soldiers were defending those principles upon the field of battle.

It is made up of those citizens who established the standards of patriotism necessary to prepare the national mind and the national conscience for the greatest sacrifice that this country had ever been called upon to make.

President Wilson in one of his messages very truly said, "It is not an army that we must shape and train for war, it is a nation."

It was agreeable to the sentiment expressed in this statement that the Nation mobilized its talented and experienced citizenship and conducted an educational campaign teaching the lessons of loyalty, economy, courage, and patriotism.

They taught the lessons of patriotism from every rostrum in this land. They strangled disloyalty whenever and wherever it raised its treasonable voice. They taught wealth to forget extravagance and waste. They taught the idle and the indolent the lessons of industry. They taught the civilian to be frugal at home so that our soldiers and sailors would have those things necessary to sustain them in the struggle.

It is a rare treasure to be able to have a memory picture of that vast civilian army, composed of every trade and profession, of every political affiliation and religious persuasion, all working as a harmonious whole, exerting every energy to help carry the American flag, emblematic of liberty and justice to victory.

It is most gratifying when we recall how that army of organized civilians subordinated every personal or selfish interest and devoted themselves to the service of their country and carried forward the multiplicity of activities necessary to our triumph in that conflict.

When the matter of organizing our forces was engaging the attention of the Government the President gave utterance to the following timely advice: "The Nation needs all men, but it needs each man, not in the field which will most pleasure him, but in the endeavor that will best serve the common good. The whole Nation must be a team in which each man shall play the part for which he is best fitted."

Acting upon this advice we conceived and carried into effect the most just method of selecting those who were to serve in the various departments of both the civil and the military establishments that had ever been adopted by any nation of the earth, a method in which age, health, education, intelligence, and present employment determined the service to which the citizen was to be assigned, a method under which wealth was not in favor nor poverty at a disadvantage.

They invoiced every man of military age and, beginning with the age best adapted to military service, they placed each man in the branch of the service in which from physical fitness, mentality, experience, and training he was best suited.

In order to provide the necessary finances, including financial aid to those nations that fate had made our allies, the forging of the engines and the instrumentalities of war, enlarging our Navy, provisioning, clothing, equipping, and transporting our Army and training and equipping our air forces, they adopted the patriotic idea of the Government borrowing the money from our own people.

They directed the loan drives among the citizenship with the result that of the five requests made by the Federal Government in the short space of two years for loans aggregating $18,500,000,000 our people responded by offering to loan to their government $24,000,000,000.

It would take more time than would be reasonable for me to occupy to recount even in a general way the achievement of those civilians who so nobly measured up to those many important responsibilities.

There were organizations which were associated in this work and which rendered signal service which still carry on. Among those most active were the American Red Cross, the Salvation Army, the Knights of Columbus, the Jewish Welfare League, and the Young Men's Christian Association. They constitute permanent bodies that are still active in their various lines of endeavors and to the members of those organizations who are eligible for membership in the United States Civil Legion the matter of associating with us might not occur to them as being urgent.

The greater majority, however, of the various war-time organizations which constituted that civilian army which we are remobilizing ceased when the activities of the war were ended.

The war governors, the war-time Members of the National Congress, the war-time members of the various State legislatures, those in charge of the selective service administration, the department of publicity, the Liberty loan committees, the councils of defense, the reserve militia, the Coast Guards, and the numerous boards and commissions in charge of the different activities who labored together and shared the responsibilities of carrying forward this great work must necessarily still have a sentiment to keep fresh the memories of those accomplishments and an urgent desire to renew their war-time associations.

It would be a tragedy indeed if after their dismissal from the service the work they did should be thrust aside as of little moment and the opportunity should not be given for them to reassociate themselves.

The American service men most rightfully refused to let their mustering out of the service cause them to forget their comrades in arms and the memories of dangers past, and that their close relationship might continue and for their mutual help they organized their various ex-service men's organizations.

The United States Civil Legion, composed of those citizens who during the war time gave support to the soldier and upheld the Government, purposes to continue to uphold the Government and support the ex-service man in his postwar problems.

There are no citizens who better understand the circumstances, the conditions, and the surroundings of those who were selected for military service—there is no one in a better position to correctly estimate the sacrifice that the soldier made—than the members of this organization.

It should certainly be a source of consolation for the World War veteran to know that the citizens who understand his problems best still have a sincere interest in seeing that what he did shall not be forgotten and that justice shall be done by him and the widow and orphan of his comrades who are no more.

It is the moral duty of the members of the United States Civil Legion to see that the boys who were disabled in service receive proper care, that they are justly compensated for their injuries, that those who have since become afflicted are not permitted to suffer for the necessaries of life, and that adequate hospitalization is provided for these as well as all other disabled veterans.

The moral duty rests with this organization to see that those who were widowed by this war are provided with the comforts and necessaries of life.

The duty rests with us to see that those who were orphaned by this war are given proper care, that they receive proper training for some suitable vocation so as to enable them to become useful citizens, and that the star of opportunity and hope is kept shining above their pathway.

It is not, however, the war-time associations and the moral obligations to those who served beneath the flag that constitutes the only reason why this civilian army becomes aggressive in the work of reorganization, the need for reassociating this group of citizens is more urgent than the mere matter of exalting a service well done.

Never before in the history of the world has there been a peace-time period during which there existed the unrest and the anxiety and the concealed enevy of one nation for another that exist to-day.

Never in the history of this Nation has there been a peace-time period when there was more needed militant Americanism and patriotic leadership than the present time.

The United States Civil Legion has an important peace-time service to perform. It was organized for definite purposes, among which, in addition to those I have just mentioned, are to help bring about an adequate defense of the United States through support of our armed forces on land and sea and in the air; to furnish the necessary civilian leadership to popularize the peace-time program of our national-defense forces; and, finally, to become an organized soldiery of citizenship to work for the advancement of America and to protect the principles of justice, freedom, and democracy as conceived by the American founders.

Upon these purposes I ask your indulgence while I make some observations.

This Nation is not militaristic by tradition or disposition. We have never waged a war of conquest; we have only resorted to arms in defense of the liberties of our people when the righteousness of our cause justified the unsheathing of the sword.

During the early periods of our national existence when our citizenship was busy subduing the wildernesses and developing our natural resources, when our own people were consuming most of our manufactured products, and when our prosperity was not dependent upon our commerce with other nations not much significance was attached to the strength of our Navy or the efficiency of our Military Establishment.

Military training during the early periods of our national existence was not necessary to teach our citizens the use of firearms. The fowling piece was a household necessity and the boy became familiar with the use of the rifle long before he arrived at the military age.

We felt secure in our own protection, we rested content in our knowledge of the patriotic zeal of our people and their willingness to respond to their Nation's call.

We had demonstrated to our satisfaction time and again that the citizen soldier of America was superior to the fighting man of any other age or nation.

This was first demonstrated when the Colonial citizenship took up arms in the War of Independence.

It was demonstrated at New Orleans when a few regiments of Kentucky and Tennessee riflemen defeated a trained British army commanded by one of the ablest generals of his time, in which memorable battle they defeated the army that afterward crossed the seas and destroyed the army of Napoleon on the field of Waterloo.

It was demonstrated in the war with Mexico when we settled the rights of the once Republic of Texas with reference to the international boundary line.

It was demonstrated when the armies of the North and the South faced each other on a hundred battle fields.

It was demonstrated when that great volunteer army offered its services and forever put an end to the Castilian cruelty in the Antilles.

It was conclusively demonstrated to the world when the citizen soldier took his place in the battle lines of Europe and turned defeat into victory and won a war that had been lost.

The wildernesses have been turned into populous States; there is no longer a golden West to allure and give activity to the ever-increasing population. The natural resources of our country have not only been developed but some have already been exploited; many a change has taken place in our national life, and some of these changes are just cause for alarm; the new world has passed into the old.

A land of contentment and plenty has changed to a land where overproduction and unemployment are the problems of the day, where extravagance and want dwell side by side.

Internationalism has taken the place of Pan-Americanism and the money gleaned from the industries and resources of our Nation has been invested in the industrial securities of other lands. These investments have grown to such proportions that a depression in Europe not only reflects itself but rocks the very foundations of the business structures of this Nation.

These investments have grown to the extent that it will take true patriotism, honest and wise judgment, and a decade of time to disentangle us from the web in which these unwise and unpatriotic speculations have enmeshed us.

When the World War was over, the winning of which was made possible only by throwing the flower of American manhood and the unbounded resources of the American Nation into the scales when the balance was unmistakably in favor of the central powers, we neither asked nor received a rood nor a farthing in reimbursement of the many billions of dollars expended and the many lives that were lost while the other allied nations demanded and received the national obligations of the vanquished foe for full reparations.

In the meantime we had loaned to our Allies various amounts aggregating over $14,000,000,000 to enable them to defray their necessary expenses in the prosecution of the war, for which amounts they issued to us their national obligations.

These loans were provided from the money loaned to our Government by our citizenship and upon which our Government paid a fair rate of interest; these interest payments were made from the taxes levied upon our people and our industries.

The nations of Europe have busied themselves ever since the war closed not in paying but in negotiating reductions in their indebtedness to us through the game of diplomacy; and they have succeeded in having us, without any visible consideration, make such reduction on interest as has netted them a savings of several billions of dollars and increased the burden of our own people to that amount.

They now tell us that we will be enriched by giving some fifteen thousand millions of dollars of our people's money to the nations of Europe. That such action is necessary to produce a friendly understanding to promote prosperity and achieve permanent peace.

Let us ever remember that nations are not unlike individuals in their dispositions and dealings. Selfishness, greed, and avarice are the characteristics of some nations as well as of some men.

Let us ever bear in mind that the disposition to evade obligations when obligations become burdensome, the disposition to profit by the transaction, and the temptation to be unfair in order to profit are national weaknesses as well as the weakness of individuals.

Laying aside all this and accrediting every motive with purity of purpose, let us never forget that the sense of obligation will not necessarily be present in the governments and the citizenship of to-morrow to repay the favors and the sacrifices that we make to-day. A draft made by our children on the bank of European friendship may not be honored.

Along with the propaganda of the forgiveness of obligations under the appellation of "moratoriums," "holidays," "postponements," and other soothing terms, all springing from the mother-word "cancellation," which word the people have come to understand and for which reason its use is carefully avoided, comes the peace propaganda for the reduction of armament and the opposition to appropriations for the national defense.

Our longing for peace will not justify this Nation in neglecting to prepare for her necessary defense against possible invasion or conducting offensive warfare in case our liberties are challenged, our national honor prostituted, or our national obligations wilfully and deliberately ignored.

The nation which allows the sentiment of peace at any price to influence its course of dealing becomes a degraded coward, forfeits its respect, surrenders its obligations, and in the end allows the liberty of the citizen to be destroyed.

There are some things worse than war. We can sometimes pay too great a price for peace, but we can never pay too high a price for maintaining our national honor, our national principles, and our national traditions.

Our traditions and history in which every call to arms has been a call in defense of humanity, our generosity in victory, our national disposition to peace, our aid to suffering humanity extended to every clime and every creed, and our love of the principles of human liberty are so well known that no civilized nation need fear injustice at our hands.

We have no people to oppress, no possessions to hold in forced subjugation, no neighbor toward which we cherish a feeling of

hatred, no past wrongs inflicted against us as a nation or against our people concerning which we keep the fires of vengeance burning, no desire to hold dominion over any people, and no desire to profit except in the legitimate channels of peaceful enterprise.

So long as the militaristic nations of the world maintain naval bases along the coasts of the continents of America and maintain such navies as they consider necessary to protect them in their possessions and their commerce, the United States should maintain a navy of like adequacy in both defensive and offensive warfare, that adequacy not to be determined by a comparison of ships, guns, or tonnage with any other nation.

No authority on earth has the right to dictate the armament of a nation when such armament has never been employed except in the cause of justice and in defense of humanity.

No earthly power has the right to tell the nation to lower the range of her guns when those guns have never fired a shot except against injustice, oppression, and tyranny.

America standing as she has always stood upon the principles of justice and liberty for all owes it to her people to maintain a standing army equal to meet any emergency until her citizenship can be mobilized, and to provide sufficient and effective equipment to defend against any possible invasion until her manufacturing industries can be converted from their present production to the production of the arms and munitions of war.

Large standing armies do not necessarily spell preparedness, but a trained citizenship possessing a general knowledge of military duties does.

The institution that to-day more correctly represents our idea of military preparedness is the Reserve Officers' Training Corps established by various acts of Congress during and since the World War by which proper military training is given to those citizens qualified for that service enabling us in the event it should ever again become necessary to call our people to arms to have the necessary trained citizens to organize and discipline our armies.

This organization can do no more useful work than to lend its aid and encouragement to the establishment, the continuation and the enlargement of these activities.

Every decade of our history brings to military age over 5,000,000 of the young manhood of this country, and we can render a useful service to the cause of liberty by teaching that young manhood of America the necessity of taking a reasonable course of military training, by seeing that the training camps are adequately supplied with the latest approved equipment in arms and other instrumentalities useful in battle, and that proper instruction is given in military tactics and in the use of arms and the engines of war.

It was the pernicious propaganda that America was unwilling and unequipped for war more than any other factor that ultimately brought us into the world conflict.

Military preparedness is just as potent for the promotion of peace as it is for the winning of wars.

No more beautiful sentiment could animate any group of people than that purpose of this organization contained in the statement "to become an organized soldiery of citizenship to protect the principles of justice, freedom, and democracy as conceived by the American founders."

This means that in order to accomplish this, adherence to principle must be placed above partisanship.

Political parties were not contemplated by the framers of the Constitution, but it soon became apparent to the observing that such groups might be formed.

Washington did not approve of the formation of political groups or parties and forewarned us of the mischief that would result in case this course was adopted by our people. He knew their tendency to promote the interest of some particular section or some particular group without regard to the interest of the people as a whole through organizations of this kind.

He also foresaw that designing nations not friendly to our Government or its institutions could exert their influences through party channels. In his Farewell Address he sounded the prophetic warning that "It opens the door to foreign influence and corruption, which find a facilitated access to the Government itself through the channels of party passion. Thus the policy and the will of one country are subjected to the policy annd will of another."

We can not, however, undo the past, and to-day political parties constitute or should constitute the agencies by which the will of the people finds expression in the policies of government, and this is the avenue through which we must work to carry out the object I have just mentioned of protecting the principles of justice, freedom, and democracy as conceived by the American founders.

This group of men constituting the United States Civil Legion who were big enough to lay aside party and creed and join in working for a common cause in a national crisis during the period of war are certainly big enough to do the same in a national crisis during a period of peace.

They can do much toward its accomplishment by discouraging unjust criticism and unwarranted exaggeration as well as discouraging the more harmful practices of deliberately refusing or willfully falsifying facts gathered by officials in their official capacities pertaining to matters concerning which the people have the right to be informed in order to shape their action or cast an intelligent ballot.

They can accomplish much by insisting that integrity mark political action and political utterances for if we are to be governed by parties, then the parties are necessarily the pillars of the Government and the Government constitutes the superstructure and the superstructure can remain stable only as the pillars give strength to its support. If the pillars fall, it necessarily follows that the superstructure must also fall.

History tells us that the rise of anarchy, during the period after the ending of the Revolution and before the adoption of the Constitution, ceased as soon as the people began to understand the Constitution; that with that understanding grew a wholesome respect for that organic law and a patriotic willingness to submit to the Government outlined therein.

That Constitution was written in simple language; the people had no difficulty in acquainting themselves with its provisions, and it met with their entire approval. But that Constitution that the people thought they understood has been changed and departed from until the citizen no longer professes to know its meaning, and his confidence in the basic law of his country has been shaken, if not destroyed.

No citizen who has a reasonable knowledge of the English language can fail to understand what was intended by the last of the first 10 amendments to the Constitution, which provided that "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people." The citizen is somewhat mystified when in the face of this provision he sees the Federal Government exercise arbitrary power in the regulation and control of all matters, police and otherwise, pertaining to the States of the Union as well as their people.

Washington in his Farewell Address stressed the importance of following the Constitution as adopted by the convention and not permitting encroachment of one department of the Federal Government upon that of another and the keeping of those departments separate so that they can act as checks and safeguards to each other.

This advice of the Father of our Country has also been disregarded. Little by little has one department encroached upon the other and taken to itself the exercise of functions belonging to the other. Little by little the executive forced the legislative into passing such laws as would meet the executive idea and little by little have the legislative and executive coerced the judicial in placing its stamp of approval on the constitutionality of laws that were passed for partisan purposes and political expediency.

The judicial department of our Federal Government which was supposed to be the department to determine the rights of the citizen, whenever controverted questions arose, has gradually, following one pretext or another, been disrobed of many of its judicial functions. To-day we have the spectacle of unskilled political appointees judicially determining the rights of citizenship in the revenue and other departments of the Federal Government, with the only redress left to the citizens to appeal from one appointee to another, with the road that finally leads to a determination of his rights by the judicial department of his Government so difficult, technical, and expensive that it is more economical for the citizen to surrender his rights than to attempt to obtain a remedy.

All these things have had a tendency to create a disrespect by the citizen for his Government and all have been brought about by reason of the fact that the principles of justice, freedom, and democracy as conceived by the American founders have not been properly safeguarded.

So in order to bring about, in an orderly way, without disturbance, without bitterness, using reason as our only weapon of warfare, the accomplishment of the purposes of our order, the civil legion begins a militant crusade.

It tenders the services of its membership to the ex-service men to help achieve the objects for which they are striving. It offers its energies for military preparedness in every department of the military service.

It consecrates itself to the principles of justice, freedom, and democracy as conceived by the American founders.

And finally, it pledges the lives and fortunes of its membership to resist any attempt to change the form of the constitutional Government established by the fathers and substitute in the place thereof the uncertain and unstable and dangerous ideas of communism.

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

The CHAIRMAN. All time has expired.

In view of the fact that the debate on this amendment has been lengthy, the Clerk will, without objection, report the amendment offered by the gentleman from New York [Mr. TABER] and the substitute to the amendment offered by the gentleman from Alabama [Mr. McDUFFIE].

There was no objection.

The amendments were again reported by the Clerk.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Alabama to the amendment offered by the gentleman from New York.

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 54 and noes 112.

So the amendment was rejected.

The Clerk read as follows:

Flood control, Mississippi River and tributaries: For prosecuting work of flood control in accordance with the provisions of the flood control act, approved May 15, 1928 (U. S. C., Supp. V, title 33, sec. 702a), $31,773,775.

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

The Clerk read as follows:

Amendment offered by Mr. Goss: On page 73, in line 8, after the figure "$31,773,775," insert "*Provided*, That no part of this appropriation shall be available for payment of wages except such as are determined and paid in accordance with Public Act No. 798, Seventy-first Congress."

Mr. COLLINS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. COLLINS. I make the point of order, Mr. Chairman, that it is legislation on an appropriation bill.

The CHAIRMAN (Mr. LANHAM). In the opinion of the Chair, the amendment is a negative restriction upon the appropriation, and for that reason is a limitation and would be in order. Unless the gentleman from Mississippi desires to be heard further, the Chair overrules the point of order.

Mr. COLLINS. Mr. Chairman, may the amendment be again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment offered by Mr. Goss.

Mr. BANKHEAD. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. BANKHEAD. Is this not already existing law?

Mr. GOSS. No. I am sorry to say there is an exception made with regard to flood control. I understand the Committee on Rivers and Harbors has that matter under consideration now and we are hopeful that that committee may bring it out so that it will become law.

Mr. MANSFIELD. That is not being considered by the Committee on Rivers and Harbors.

Mr. GOSS. By the Committee on Flood Control. I thank the gentleman.

Mr. WILSON. There is no legislation of that kind pending before the Committee on Flood Control.

Mr. GOSS. I have been informed that there was.

Mr. KELLER. It is before the Committee on Labor.

Mr. GOSS. Mr. Chairman, I want to call attention to the fact that if this amendment is adopted, the old so-called Davis-Bacon wage bill, Public Act No. 798, will take effect on the contracts in the Mississippi flood-control area.

I have been informed that many of the workmen have been paid as low as 90 cents per day on this type of work.

The plea was made on the previous amount we just kept in the bill for rivers and harbors work and also for flood control, that it was needed to keep people employed. Now, I say in all fairness, if that is what is in the minds of those who have spoken in behalf of this legislation, Congress should see to it they are paid a fair wage, and a fair wage as determined by this public act. Why rivers and harbors work and flood control are immune from this particular public act I have not been able to find out, and I hope the Committee on Labor will report that bill some time this session, because there is no good reason why this particular work should be exempted from its provisions.

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

Mr. GOSS. I yield.

Mr. COLLINS. I have listened to the gentleman very carefully. What is his purpose? What does he seek to do?

Mr. GOSS. I am simply advocating in this amendment the application to rivers and harbors and flood-control work the Davis-Bacon wage bill, Public Act No. 798.

Mr. PARKS. What is it?

Mr. GOSS. I will read it to the gentleman if he wants to know. I am surprised the gentleman is not familiar with it.

Mr. PARKS. No; not at all, but I doubt if the gentleman is familiar with it because he can not tell me what it is.

Mr. GOSS. I will read it to you:

Be it enacted, etc., That every contract in excess of $5,000 in amount, to which the United States or the District of Columbia is a party, which requires or involves the employment of laborers or mechanics in the construction, alteration, and/or repair of any public buildings of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia, shall contain a provision to the effect that the rate of wage for all laborers and mechanics employed by the contractor or any subcontractor on the public buildings covered by the contract shall be not less than the prevailing rate of wages for work of a similar nature in the city, town, village, or other civil division of the State in which the public buildings are located, or in the District of Columbia if the public buildings are located there, and a further provision that in case any dispute arises as to what are the prevailing rates of wages for work of a similar nature applicable to the contract which can not be adjusted by the contracting officer, the matter shall be referred to the Secretary of Labor for determination and his decision thereon shall be conclusive on all parties to the contract: *Provided*, That in case of national emergency the President is authorized to suspend the provisions of this act.

SEC. 2. This act shall take effect 30 days after its passage but shall not affect any contract then existing or any contract that may thereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act.

Now, I submit the House, in all fairness, should adopt this amendment, because if we are going to provide money in the bill to relieve unemployment let us relieve unemployment with a living wage.

[Here the gavel fell.]

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

Mr. Chairman, I am in sympathy with the purpose the gentleman is trying to accomplish, but it can not be accomplished through attaching the Davis-Bacon bill to the appropriation bill.

The truth is the Labor Committee has for months had under consideration the very question the gentleman has been discussing.

The Davis-Bacon bill directs the Secretary of Labor to determine, wherever there is a dispute, what the prevailing wage scale is in the community where the work is being done. The Labor Committee has found through hearings that were that law applied to rivers and harbor work and to flood-control work it would be necessary to fix a scale of wages below even the low scale now being paid. Therefore, the committee has reported a bill, which is on the calendar, known as the Connery bill, which does attempt to fix a living scale of wages for this class of work. In addition, the Senate has passed the Metcalf bill, which takes in public works of all kinds and would do exactly what the gentleman from Connecticut seeks to do by his amendment.

Those who come from the territory where this work is being done know that the prevailing scale of wages in those communities is the farm-labor wages, which are below even the scale being paid now by some unfair contractors. I think we ought to have legislation to make them pay a decent rate of wages. I am just as much in favor of it as anybody can be, but if we apply the provisions of the Davis-Bacon bill to this work, the only thing the Secretary of Labor could do would be to fix the farm-labor wages as the wages to be paid for this work, and they would be even below the scale of wages now being paid by the contractors.

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

Mr. RAMSPECK. I yield.

Mr. WHITTINGTON. Is it not better policy to settle this by legislation rather than by an amendment on an appropriation bill?

Mr. RAMSPECK. I think so, unquestionably; and I think the Committee on Labor will probably report out the Metcalf bill or something similar which will take care of the situation.

Mr. Chairman, this amendment would apply to laborers engaged on flood-control work; and I want to emphasize again I am very fearful that instead of accomplishing the purpose the gentleman desires, with which I sympathize, it would result in making it absolutely necessary, under the law, to fix a lower scale of wages than is now being paid.

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

Mr. RAMSPECK. I yield.

Mr. KELLER. I suggest to the gentleman the Davis-Bacon law says the wages to be paid shall be wages for work of a similar nature—not farm labor, but for the same kind of labor that is being done.

Mr. RAMSPECK. But this is common labor, and the only prevailing wage scale in the areas where flood-control work is being carried on is for common labor on the farms.

I am very fearful that the amendment, if adopted, will have the opposite effect from that which the gentleman hopes to accomplish.

Mr. COLLINS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. McGUGIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McGUGIN. Will the Chairman permit me to ask a question before the motion is put?

The CHAIRMAN. Yes.

Mr. McGUGIN. I want to offer an amendment to reduce the appropriation. That is a very vital part of this section. Does the chairman of the subcommittee want to shut me off and deny me the opportunity to do that?

Mr. COLLINS. No; I do not wish to deny the gentleman the opportunity of offering an amendment.

Mr. Chairman, I move that all debate on this amendment close in five minutes.

Mr. SCHAFER. Mr. Chairman, I offer an amendment to strike out "5 minutes" and insert in lieu thereof "20 minutes."

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

The amendment to the motion was rejected.

The motion was agreed to.

Mr. BLANTON. Mr. Chairman, I want to show you exactly where the proposal of our friend from Connecticut [Mr. Goss] leads. There is being spent right now in Washington, the Nation's Capital, millions of dollars of public money on construction work. If you will get the Washington Post of this morning, you will find therein that the master builders of Washington have reported to the carpenters that they can not pay over $9 under present circumstances. When you remember what our friend from Tennessee said—that on rivers and harbors work many laborers are getting 90 cents a day—the carpenters of Washington, from public money, ought to be glad to get $9 a day, and yet when it was put up to a vote they turned it down almost unanimously, and they insisted on $11 a day. The master builders first offered $8 per day, which was turned down, and they came back yesterday with a proposal to compromise the matter, making it $9 a day. If you will look in this morning's Post you will find the following:

CARPENTERS REJECT $9 PER DIEM SCALE—THREATEN TO WITHDRAW MEN FROM JOB IF BUILDERS CUT WITHOUT CONSENT

The second wage referendum submitted in two weeks to the Carpenters' District Council last night resulted in rejection of the proposal of the Master Builders Association to cut wages.

The original proposal of the builders was to reduce the $11 per day wage scale to $8 per day. This proposal was rejected with a vote of 12 to 1, and construction operations paying less than the union scale were "locked out" by the carpenters. About 40 men were removed from work, according to L. H. Hardison, president of the council.

A compromise offer of a $9 per day scale was submitted by the builders. At the meeting last night at Masonic Auditorium 846 ballots were cast and only 225 carpenters were willing to accept the reduced scale. Hardison said the council was open to any other offers proposed by the contracting group, but that any attempt to cut the union wage without the consent of the carpenters would result in the removal of the men from the job.

So you see that the 846 carpenters here, who are reveling in desirable Government work and receiving high wages from public moneys, turned it down and said they would not accept $9, and they are demanding $11 a day, which is beyond the price that is paid for carpenters in every city of the United States except Washington. So my friend from Connecticut will see just where it leads.

Is he insisting that the carpenters of Washington should turn down a $9 per day proposal like that and insist on receiving $11 a day, when his carpenters up in Connecticut are not receiving any such sum?

Mr. GOSS. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GOSS. I do not know anything about the carpenters here in Washington, but it has been admitted that in Mississippi and in the gentleman's section, laborers receive 80 cents and 90 cents a day. That is far too low.

Mr. BLANTON. Not in my section, if you please. None of the money is spent in my section. There is no such public work done in my section, but there is work done in Connecticut and paid for by Connecticut people.

Mr. GOSS. Not at 90 cents a day, I will tell the gentleman.

Mr. BLANTON. No; but no carpenter in Connecticut now receives $11 a day, I will say to my friend, while 846 Washington carpenters receive $11 per day from Government money.

It is just such laws as my friend is proposing here that permit the carpenters of Washington to stand up and say they will not take $9 a day, but demand $11 a day, when 7,000,000 men elsewhere are starving to death and can not get a job for $1 a day.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SCHAFER. The reason why the Davis-Bacon Act was enacted was because your southern contractors bid in competition with northern contractors paying a living wage, and they based their bids on their 90 cent and $1 a day labor.

Mr. BLANTON. I want to say to my friend from Wisconsin and my friend from Connecticut that in the city of Dallas, which is one of the leading cities of my State, contractors are paying as high wages as will be found to be paid in any city of the United States except Washington. They always pay the highest wages in the world down there. In Galveston, Tex., the home of my good friend CLAY BRIGGS; in Houston, where I was born; in Fort Worth, the home of our friend, Mr. LANHAM; and in San Antonio, the city of my friend, Mr. KLEBERG, they pay as high wages as are paid anywhere in the country except in Washington. You talk about southern contractors. They are paying their men as high wages as you will find in any city in Wisconsin or in Connecticut. My friend from Wisconsin [Mr. SCHAFER] ought to get away from Milwaukee some time. He ought to get away from this 1-road track from here to Milwaukee. He ought to come down to Texas and see what progressive people are. He would find that there are more progressive cities in my district in western Texas than he has in the entire State of Wisconsin.

Mr. GOSS. If the gentleman is for a high wage scale, he ought to be for the amendment I have offered.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on the amendment offered by the gentleman from Connecticut [Mr. Goss].

The amendment was rejected.

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

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

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: Page 73, in line 8, strike out the sign and figures "$31,773,775" and insert in lieu thereof the sign and figures "$26,773,775."

Mr. McGUGIN. Mr. Chairman, this is a reduction of $5,000,000 in this appropriation. For more than a week I have been in the House listening to the debate pertaining to this bill. Everyone realizes we must have some economies

in the operation of government. Here we have the military bill, a bill pertaining to the Army, but where does the reduction come in? Does it come in on the pork-barrel part of the Army bill or does it come in on the national-defense part of the Army bill? The amendments up to date have been to endeavor to restore to this bill that part which is taken out of it pertaining to the national defense. The committee accepted the Budget Director's report on the pork-barrel part of this bill, but when it comes to the national-defense part of this bill there is where the committee makes the reduction. [Applause.]

Under the Constitution the President is the Commander in Chief of the Army, and I say to you in all fairness and in all candor it is a dangerous policy for you and me to undertake to sit here on the floor of the House and repudiate and ignore the advice of the Commander in Chief of the Army in the matter of national defense. Yet we do it, for what? In order to try to save our faces for our extravagance in this session of Congress and to try to excuse ourselves before the country for not reducing the expenses of government.

Mr. McDUFFIE. Will the gentleman permit an interruption?

Mr. McGUGIN. Not at this moment. I shall yield to the gentleman later.

Then, when we come to this bill, the report of the Budget Director is good enough on the pork-barrel items but is not good enough on national defense.

A great deal has been said here about what the President wants in connection with national defense. In his statement of March 26 he had this to say:

> We should not further reduce the strength of our national defense.

There is the President's statement, and it is not subject to any misunderstanding or any argument between two Members of the Congress. On March 26 he said we should not reduce our national defense; and now when I see this Congress and this committee refusing to reduce the pork-barrel part of this bill—the grab part of it—in which your constituents are interested, then is when I turn face about and here and now say that when the roll call comes to-day, I am going to vote for the Barbour amendments. [Applause.]

I am not going to give up the defense of my country when you are not willing to give up the pork barrel, if you please. [Applause.] You know it is pork. You know the rivers and harbors item is pork, and every man in the United States knows it is primarily pork. A good part of your flood relief is pork, and we know it is going to be the means for contractors to steal from the Government and rob slave labor.

Mr. McDUFFIE. Will the gentleman yield?

Mr. McGUGIN. Yes; I yield now to my good friend from Alabama.

Mr. McDUFFIE. I thank the gentleman. It was indicated here by two reputable gentlemen that the President said he expected this bill to leave this House with certain cuts in the appropriations.

Mr. McGUGIN. Yes.

Mr. McDUFFIE. Where are those cuts going to be made?

Mr. McGUGIN. In the pork barrel, if I can have my way about it. [Applause.] In flood control, as you call it here, and in rivers and harbors; and that is where the President wants it.

Mr. McDUFFIE. Has the President said so?

Mr. McGUGIN. That is his public statement of March 26.

Mr. McDUFFIE. But the President has not said so. If that is the President's position, we are very glad to know it.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I rise to oppose the amendment.

It is said by the gentleman from Kansas [Mr. McGUGIN], who has just taken his seat and who has proposed the amendment to reduce the appropriation for flood control on the Mississippi River $5,000,000, that appropriations for flood control are pork-barrel legislation. The gentleman evidently spoke hastily. Flood control is a part of the internal improvement of the country, and the leading statesmen of the Nation have always advocated national internal improvements. If promotion of navigation and the protection of lives and property are pork-barrel legislation, my reply is that such legislation is desirable and commendable.

The improvement of the Mississippi River and control of its floods is a national problem. The great flood of 1927, in the language of Herbert Hoover, was the greatest peacetime disaster the Nation has ever known. The flood control act of 1928 was passed as a result of the sacrifices and losses caused by the flood of 1927. The gentleman from New York [Mr. LAGUARDIA] has called attention to the fact that the President of the United States advocates river and harbor work in aid of unemployment. Whom will my friends on the Republican side follow, the President of the United States or the gentleman from Kansas? As the gentleman from New York pointed out, President Hoover was so exceedingly desirous of fostering river and harbor work that he sent a special message to Congress on March 14, 1932, requesting Congress to make appropriations for this work immediately available. I quote from the message:

> I therefore recommend that the Congress give consideration to immediate appropriation of the funds for the maintenance and improvement of existing river and harbor works in order that we may avoid the unemployment and dislocation which will arise from such delays. Such a course would imply no increase in the contemplated expenditures.

There was attached to the message of the President a report from the Director of the Budget. This report contained the views of the Secretary of War with respect to river and harbor work. I quote from the statement of the Secretary of War:

> It was considered in the public interest to press the work during the past winter season in the interest of the unemployment situation and to advance the work under present favorable conditions of prices.

In the matter of flood control it is quite evident that both the President and the Secretary of War are in absolute accord. Who is right, the President of the United States, who advocates river and harbor work in aid of unemployment, or the gentleman from Kansas [Mr. McGUGIN], who speaks derisively of flood control as pork-barrel legislation? In the matter of river and harbor work and flood-control improvement I prefer to follow the recommendations of the President of the United States rather than the half-baked and ill-considered views of the gentleman from Kansas. [Applause.]

Pork-barrel legislation involves the passage of legislation in many cases without consideration of the merits involved. Such is not the case with legislation for the flood control of the Mississippi River.

The flood control act of 1928 authorized the appropriation of $325,000,000 for flood-control works in the lower Mississippi River. No other project was under consideration. The case was considered upon the merits of flood control on the Mississippi River. There was no opportunity for pork-barrel legislation. The act was passed after the most careful studies and exhaustive hearings ever held by a committee of Congress. The gentleman from Kansas, in speaking of flood control on the Mississippi River as pork-barrel legislation, betrays an utter unfamiliarity with the subject. The flood control act passed both the Senate and the House by practically a unanimous vote. It was approved by President Calvin Coolidge, who always stood for economy.

In times past pork-barrel legislation has been applied to river and harbor legislation. The gentleman from Kansas, in referring to flood control along the lower Mississippi River as pork-barrel legislation, is evidently not familiar with the history, progress, and problem of flood control, as provided by the act of May 15, 1928. The adoption of his amendment to reduce the annual appropriation by $5,000,000 would not defeat flood control. It would merely postpone the appropriation and delay the completion of the project. It would take legislation to change the existing law, which provides for the control of the floods in the lower Mississippi

Valley. The gentleman's arguments for economy are just about as applicable as his arguments in opposition to flood control.

Pork-barrel legislation involves a multitude of projects, some of which can not stand on their own merits. Such is not the case with flood control along the lower Mississippi River. It constitutes the greatest single internal improvement project ever undertaken by the Government. It was considered and as an independent proposition was passed almost unanimously by Congress. The gentleman from Kansas [Mr. McGUGIN] evidently spoke without giving the subject his usual careful thought. On reflection, I feel sure that he will not again characterize flood control along the Mississippi River as pork-barrel legislation. The Middle West is interested in the improvement of the lower Mississippi River for navigation to reduce freight rates, and flood control is essential in all projects for navigation.

I maintain that reduction in the appropriation for Mississippi flood control would not only be false economy but would be a dangerous policy. I oppose the amendment for the following perfectly manifest reasons:

First. The Chief of Engineers, Maj. Gen. Lytle Brown, recommended $35,000,000 for Mississippi flood control for the next fiscal year. The Director of the Budget reduced the amount requested to $32,000,000. The Appropriations Committee followed the Budget, and the bill carries $32,000,000 for flood control. We are now asked as a matter of economy to reduce the annual appropriation. Such reduction would be false economy and would probably cost the Government more in the future than might be saved at present. There is no economy in fact, for a reduction in the appropriation is merely a postponement. It means delay in flood-control protection.

Second. The pending bill carries a reduction of 10 per cent from the previous annual appropriation. A further reduction by the House would be unjust. If the House singles out flood control and further reduces this item, the probability is that the policy that now obtains in the Senate, and which did obtain in the Interior appropriation bill, would result in a further horizontal reduction of 10 per cent. Flood control would thus be singled out. This internal improvement would be discriminated against. It would be unfair to reduce with a probable further reduction by the Senate.

Third. The adopted project provides for raising, strengthening, and enlarging the main-line levees. The flood danger is ever present. We have the experiences of 1929 in the Greenville, Miss., area in mind. There was the highest water in that area that ever went down the river except the great flood of 1927.

The plan provides not only for a continuously enlarged levee line but it is important that it be completed at the earliest practicable date. If there are openings or incomplete levees, delay may be dangerous. Floods come at intervals. It has been five years since the flood of 1927. There is the greater danger of the greater loss from an overflow. The best economy for both the Government and the people is the immediate completion of the levee line. Instead of delaying the work, instead of reducing the appropriation, now is the appropriate time to speed up the work. No levee line is stronger than its weakest link. There is always the possibility, if not the probability, under the law of averages, of a greater loss from an overflow than the entire costs of levee improvement.

Fourth. In December, 1930, upon the recommendation of President Hoover, Congress appropriated $3,000,000 for flood control and some $22,000,000 for rivers and harbors as an emergency measure in aid of unemployment. Labor is the chief beneficiary in flood-control improvement. Just recently, as I have stated, to emphasize the importance of the work the President sent a special message to Congress, asking that funds be made immediately available for river and harbor work in aid of unemployment. Not only does flood-control improvement provide for the protection of the lower Mississippi Valley but it contributes much to the solution of the unemployment situation that now obtains.

Fifth. Some of our friends who now favor a reduction in the appropriation for flood control advocated the emergency highway-construction legislation that passed the House on February 27, 1932. Their advocacy was based upon the plea that highway construction would aid unemployment. My friends are inconsistent in opposing flood control. Flood control not only provides employment, but it contributes to the protection of life and property and aids in improving the Mississippi River for navigation.

Sixth. I summarize by urging Congress not to reduce the appropriation, and I maintain that a reduction might result in a great loss. Much property may be destroyed, and many lives may be sacrificed. Unemployment would increase. The flood control of the lower Mississippi River, which is the greatest navigable river in the United States and the world, would be hindered. Delay would be dangerous. The result might be loss and destruction. There would certainly be no economy either to the people or to the Government. In the name of the people of the Lower Mississippi Valley, whose direct losses in the flood of 1927, according to President Hoover, amounted to $200,000,000, with indirect losses of $200,000,000 more, and recalling that 245 people lost their lives and that 700,000 people were driven from their homes in the flood of 1927, I protest against a reduction in the appropriation for flood control. There is no economy in withholding the expenditure of $1 where $100 of economic loss might result. Reduction in the appropriation is not only dangerous but incompatible with national economy. [Applause.]

Mr. COLLINS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 15 minutes.

Mr. SCHAFER. Mr. Chairman, I offer an amendment to the amendment. Strike out "15" and insert "20."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the motion of the gentleman from Mississippi.

Mr. COLLINS. Mr. Chairman, I will modify my amendment and make it 20 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Mississippi that all debate on this paragraph and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. REID of Illinois. Mr. Chairman and members of the committee, I was never so startled in my life as when the gentleman from Kansas [Mr. McGUGIN] talked about reducing this appropriation for flood control, and called it a pork-barrel proposition.

I can not conceive of anybody of his age and presumed intelligence who could not remember the scenes in this House in 1928, and had read in the newspapers about the terrible tragedy, could be induced to offer this kind of an amendment.

Mr. McGUGIN. Does the gentleman think that a reduction of $5,000,000 will ruin the appropriation?

Mr. REID of Illinois. Yes; I think it would. You might as well take the powder out of the pyrene extinguisher as to take this $5,000,000 out of the flood-control appropriation.

I will tell you why. We fought these floods for years and finally got the Government to take over the flood control on the lower Mississippi River. Before that time every local district had a flood-control proposition of their own. In one place you had a fine levee, and in the next you had a poor levee, and then in the next place perhaps no levee at all.

This work must proceed rapidly, the work ought to be done all at once if possible, because if the water breaks through in one levee it lets the water in behind, and your entire levee system and the whole line will be destroyed.

The people of the South have paid in $290,000,000. We have spent nearly $100,000,000, and are you going to permit, by taking this $5,000,000 out of this appropriation, a greater danger than we had in 1927?

There were 18,000 square miles flooded. I think $5,000,000 may be enough to complete some portion of the work that is necessary for the entire work.

Now, anybody that calls a proposition that will save the flooding of 18,000 square miles pork, and the saving of 700,000 peoples' homes pork—I can not understand how anybody can be misled in that way.

The gentleman from Kansas is like the preacher who stated his text, and then went on and forgot it. He offered this amendment, and then went on to talk about something else. Upon the theory that he might have religious scruples about that, I excuse him. Of course, I was not here to vote on these amendments in regard to reserve officers and all that, but I am for them.

Mr. Chairman, economy can be practiced in a right way and in a wrong way. The economy that we want to practice is economy in things not absolutely for the preservation of life and property. This amount of money is absolutely necessary at this time.

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

Mr. REID of Illinois. Yes.

Mr. BLANTON. What I can not understand is how the gentleman from New York [Mr. FISH] could plead so eloquently for his river and harbor matters up yonder, and go along with us and appropriate the money, and now fight the legitimate river and harbor appropriations.

Mr. REID of Illinois. I do not think the gentleman from New York did that. This is not pork in any way, and people ought not to be fooled by any such statement.

Mr. McCLINTIC of Oklahoma. Will the gentleman state whether or not we use a set amount every year for this purpose?

Mr. REID of Illinois. Yes. In 1931 we appropriated and used $37,000,000. The gentleman from Louisiana [Mr. WILSON] is going to tell you about it, and he will tell you the number of laborers employed. That is not sufficient to complete the work, and we pretty nearly had a flood this time.

Mr. McCLINTIC of Oklahoma. Will the gentleman state whether or not we are continuing on a certain line of work all of the time on these levees?

Mr. REID of Illinois. They are raising the levees continually.

Mr. WILSON. Mr. Chairman, the gentleman from Illinois [Mr. REID], the former chairman of the Committee on Flood Control, has answered all of the argument about the pork barrel. I think the vote on the amendment to reduce the appropriation for rivers and harbors will certainly satisfy those who are interested in navigation in so far as this particular part of the appropriation is concerned, because when we will have completed the upper Mississippi, the Missouri, the Ohio and tributaries, on which the Government will have spent over a billion dollars, all of the freight and tonnage to be carried by those rivers will be collected at Cairo, Ill., at the beginning of this flood-control project, to be carried safely along the main channel of the Mississippi River on to the Gulf and on to the markets of the world. One-third of this appropriation goes to improvement for navigation, affecting the most important navigation project in the entire United States. Practical economy would be to avoid unreasonable losses and prevent great disasters. This is emergency work for that purpose. The appropriation that we have in this bill for flood control is to carry on and continue the execution of an emergency project. Of the $32,000,000 carried in the bill for flood control, the Government pays out to labor that it hires $14,308,447. That amount carries an average of over 6,000 men in employment on this project from Cape Girardeau to the Gulf all the year around. Of the $37,000,000 for the fiscal year 1931, $22,970,679 went to labor, an annual average of 9,000 people being employed. In other words, of this appropriation for flood control, 54 per cent of the entire amount appropriated goes into wages, to maintain employment. The remainder of the appropriation, practically all except overhead, goes into the purchase of material and supplies.

So, if we are interested in continuing and increasing employment and paying wages to labor and for the purchase of supplies from American citizens, we could not vote any reduction in this appropriation. The flood control act of 1928 authorized $325,000,000. Including this appropriation, of that amount $137,000,000 has been provided. The Chief of Engineers testified before the Committee on Appropriations as well as before the Flood Control Committee that although the project on the main channel was outlined to be completed by 1938, with the progress they are making now, getting better contracts, executing the work at a less cost, completion would be obtained by 1935, saving three years on the main feature of the project. That is most important.

If you can avoid disaster which might come from a flood that may occur at any time, costing ten times this appropriation, and if you are hastening the completion of the project under the present organization, you will be saving money. I do not know anything that would be further from economy in a practical way than to reduce the appropriation for flood control on the Mississippi River. [Applause.]

Mr. SCHAFER. Mr. Chairman, I rise in opposition to the amendment. I shall vote against the amendment offered by the distinguished Republican from Kansas [Mr. McGUGIN] to reduce a very essential appropriation. We can all remember several years ago when people's lives and homes were being destroyed by reason of an act of God, the terrible floods in the Mississippi Valley, how everyone promised to do what they could to prevent a recurrence of the disaster.

In these days of unemployment in an endeavor to limit the appropriations for this essential work the gentleman from Kansas calls it "pork" perhaps because the money will be expended in some of the Mississippi River States and not in the State of Kansas. What kind of pork was the gentleman from Kansas supporting the other day when he passed between the tellers and voted for $1,500,000 to fight grasshoppers in the State of Kansas. [Applause.]

I believe that if the Representatives from the States of Kansas and Nebraska can vote in these times of financial distress $1,500,000 to fight grasshoppers in their States, they can consistently vote sufficient money to provide the necessary works to protect human lives in the Mississippi Valley if another great flood should come upon the people of the Mississippi Valley States. [Applause.] Let us not be facing this way to-day and the other way to-morrow, the way some of these Democratic economy peddlers do. Mr. BYRNS, the gentleman from Tennessee, and the rest of the alleged economy experts, to-day eloquently speak in favor of this bill as a means of furnishing employment to the unemployed. The other day they spoke as eloquently in the name of economy in favor of throwing thousands of additional people into the river of unemployment.

The gentleman from Texas [Mr. BLANTON] wondered about the inconsistency of the gentleman from New York [Mr. FISH]. When it comes to inconsistency the gentleman from Texas takes the prize. Three weeks ago the gentleman from Texas, in the very well of this House, said that Bishop Cannon was responsible for putting President Hoover in the White House, and only a few days later he said that WILL WOOD put Hoover in the White House.

The gentleman from Texas always talks about economy when he thinks it is well for his political purposes to do so. When the War Department appropriation bill was up he forgot that in time of peace we must maintain an adequate defense to protect the lives of our people and our country in time of war. In time of peace we should also provide sufficient appropriations for flood-control works which are necessary to protect the lives of our citizens from the enemies within, particularly the wild, raging rivers, when they overflow their banks and threaten the destruction of the lives and homes of our people. The Treasury did not topple in 1919 when the Democratic Party increased our national debt to over $29,600,000,000. The Republicans have reduced that debt to approximately $18,000,000,000. Let us issue bonds and carry on the necessary public works if these works are opposed because of the condition of the Treasury according to the position taken by the gentleman from Kansas. The building of public works will also assist in relieving the un-

employment which now exists. Many Democratic demagogues on and off the floor of the House condemn the President and the Republican Party for an increase in appropriations for their operation of the Federal Government notwithstanding the fact that the increase to a large extent is the result of spending many millions for rivers and harbors work and for public-building work in your own States. Tear off the camouflage of your economy hypocrisy and get down and face the facts. Do not follow the gentleman from Tennessee [Mr. BYRNS], one day facing one way and the next day facing the other. If you are really in favor of economy and in favor of helping that poor, badly battered Treasury and the taxpayers, vote for that beer bill next Monday and get $500,000,000 into the Treasury each year. [Applause.] There will then be more funds for pork, if you want to call it that, in your dry Southern States, and your people will not be taxed to raise those funds, and you will get the benefits, and you will not have to bleed and die in the name of economy as many of you have done this session.

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

Mr. WILLIAM E. HULL. Mr. Chairman, I would like to be notified when I have consumed two minutes.

Mr. Chairman, I am a 2-minute speaker, so it does not hurt to cut my time. I can say enough, in my judgment, in two minutes to defeat this amendment. In company with the gentleman from Illinois [Mr. REID] I went over all of this flood area in the South when it occurred. We flew from Vicksburg down to Simmesport and then across to New Orleans, and we examined every part of that flood area. If you had seen the sights which we saw there would not be anyone from Kansas or any other State who would raise a hand against appropriating money to stop the great floods of the South. When we flew over there we could not see a particle of ground in any place all the way from Vicksburg to Simmesport. All we could see was water. We could hardly find a church steeple. Those poor people had been submerged in that water or moved out or had flown out on account of it. Then Members get up here and call it "pork." I think that is beyond expression. The thing for us to do is to pass this bill as is [applause] and not take a dime away from it, because I am satisfied that some of you who will remain in Congress may find a day when there will be another flood just as bad as that one, and if it is neglected now, when there is an opportunity to build up against it, there will be no one to blame but yourselves.

I sympathize with these men from the South and I am opposed to any amendment to reduce this appropriation.

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

Mr. DRIVER. Mr. Chairman, much has been said about war during the discussion of the bill; and the proponent of the pending amendment has declared his purpose to support the retention of 2,000 officers of the Regular Army for the purpose of properly preparing for the contingency of future war.

Let me admonish you gentlemen that the people in the Mississippi Valley affected by this item are engaged in warfare every day of their lives. The gentleman from Kansas [Mr. MCGUGIN] may not be aware of conditions there, and the only possible excuse for the proposed reduction that could be given in fairness is to credit him with ignorance of such conditions. In 1927 in that valley 240 lives were lost and $300,000,000 of property damage was done.

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

Mr. DRIVER. I have only three minutes. If you insist, I will.

The gentleman from Illinois gave a statement of the conditions in the valley. If any part of the levee system is weak it means the flooding of the valley below the breach because a few yards of dirt were not thrown at the proper place. It is peculiarly emergency work.

In 1914 the Mississippi River Commission fixed the grade and section for levees on the river. As stated by the gentleman from Alabama, the work ceased during the war; nothing was done during that time except a little maintenance work by people locally. Therefore it was not until 1920 that work was resumed, and we were unable to build to the specified grade and section in the limited time before the great flood of 1927 was precipitated upon the valley. The only sections of the valley that were protected in lives and property were the sections that were so able to build to the engineers' fixed grade and section, and one-third was saved in this way.

We do not know three months in advance when this army is going to invade the valley or when our levees, our lives, our property will be destroyed for want of proper and consistent prosecution of the work.

This is an emergency, gentlemen, and there ought not to be one dollar stricken from the appropriation. [Applause.]

[Here the gavel fell.]

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

The question is on the amendment offered by the gentleman from Kansas [Mr. MCGUGIN].

In view of the lengthy debate, without objection the amendment will be again reported for the information of the committee.

The Clerk again reported the McGugin amendment.

The amendment was rejected.

The Clerk read as follows:

Hereafter all expenditures by or on behalf of the Inland Waterways Corporation shall be accounted for and audited as are expenditures by the executive departments and establishments generally, but in such connection the Comptroller General of the United States is hereby authorized to sanction the use of moneys provided for the operations of the corporation, and to allow credit accordingly for expenditures not otherwise allowable, if and when established to be reasonably necessary to a proper functioning of the legal activities of the corporation.

Mr. McDUFFIE. Mr. Chairman, I make a point of order against the paragraph.

The CHAIRMAN. The gentleman will state the point of order.

Mr. McDUFFIE. It is legislation on an appropriation bill.

Mr. COLLINS. Mr. Chairman, will the gentleman reserve the point of order?

Mr. McDUFFIE. Mr. Chairman, I reserve the point of order.

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

Mr. Chairman, may I take just a minute or two to call the attention of the House to a rather ridiculous situation—I will not call it ridiculous; it is just funny—we are faced with? Here we have the chairman of the great so-called Economy Committee of the House objecting to a measure that will save money for the Treasury. The language objected to by the gentleman from Alabama, the distinguished chairman of the so-called Economy Committee, was inserted in the bill at the request of the Comptroller General of the United States to save money.

It was called to the attention of the Committee on Appropriations that the director of the Inland Waterways Corporation—General Ashburn—a few months ago awarded a contract for Diesel engines to other than the lowest bidder. He told me himself he did not have to do business with the lowest bidder, but that he could select any bid he pleased, as he did in this case, where he has paid out of his treasury for Diesel engines to go into one of his river boats $26,000 more than he could have purchased engines of the same specifications from a low bidder who was thoroughly responsible; and, in fact, was the largest Diesel-motor builder in the United States.

By virtue of the law under which this corporation was incorporated Uncle Sam owns all of the outstanding stock, and it is one of the few agencies of the Federal Government where a purchasing agent does not have to do business with the lowest responsible bidder. That is true, I believe, of the Shipping Board and the Panama Railroad.

This language has been inserted in the bill in the interest of economy and sound business judgment at the request of the Comptroller General, and yet the chairman of the

Economy Committee objects to this procedure and says the language is subject to a point of order. It is subject to a point of order, but it should remain in the bill. The gentleman is going to strike it out of this bill.

It has been put in the bill to save money for the Treasury, but the chairman of the Economy Committee wants to strike it out on a point of order, and probably will because, no doubt, the point of order is good. However, this language ought to stay in the bill, because it simply provides that hereafter the Inland Waterways Corporation will be compelled to do business with the lowest responsible bidders when it advertises for materials and supplies. That is only fair. That applies to every other branch of the Government except this agency and one or two others.

How anyone can assume the attitude of the Economy chairman himself and still maintain that he favors general economy is hard to understand. Good business, fair competition, economy in government, all demand that this Inland Waterways Corporation accept the language of General McCarl and carry on in open, dignified, orderly procedure.

The CHAIRMAN. Does the gentleman from Alabama insist on his point of order?

Mr. McDUFFIE. Mr. Chairman, I insist on the point of order. I think the gentleman from Illinois is unduly alarmed. This corporation is functioning well. It was by this Congress placed in a separate status from the average Government agency. So far as its reports go, they show that this corporation has made a profit for the Government and that there has been no waste in the operation of the corporation. I am not urging the continuance of this corporation; but so long as it does continue, its present status should not be disturbed unless it be shown that a change would result in savings.

Now, if the gentleman knows anything about steamboats—I do not know whether he does or not—he knows that there are times when it might be absolutely necessary for the man who operates this corporation to turn down the lowest bid because the bidder did not meet the specifications for a particular engine for a particular type of boat. That is all that happened in the case mentioned by the gentleman from Illinois [Mr. BRITTEN].

There is nothing here to show that any economy will be effected under this provision; on the other hand, it might have the opposite effect.

Mr. Chairman, I make the point of order that this paragraph is legislation on an appropriation bill.

Mr. COLLINS. May I suggest to the gentleman from Alabama that this provision will not hinder them from doing the thing which the gentleman suggests.

Mr. McDUFFIE. Mr. Chairman, I make the point of order.

Mr. SABATH. Will the gentleman reserve his point of order?

Mr. McDUFFIE. I reserve it.

Mr. GOSS. Mr. Chairman, I make the point of order.

Mr. McDUFFIE. Then, Mr. Chairman, I make the point of order.

The CHAIRMAN (Mr. LANHAM). The gentleman from Alabama makes the point of order against the paragraph that it is legislation upon an appropriation bill. In the opinion of the Chair, it is very clearly such legislation upon an appropriation bill that does not come within any of the provisions of the Holman rule, and therefore the Chair sustains the point of order.

The Clerk read as follows:

The limitations on the expenditure of appropriations hereinbefore made in this act shall not apply to the appropriations for the Panama Canal.

Mr. BOLAND. Mr. Chairman, I move to strike out the last word. I wish at this time to speak out of order and in reference to a statement made by Senator WALSH in his minority views upon the Finance Committee's report to the Senate. He stated in reference to the coal amendment, which I presented and had passed through the House, that—

The proposed duty on coal and coke as carried in the present bill, in our judgment, is utterly preposterous.

He also stated——

Mr. JOHNSON of Washington. Mr. Chairman, the gentleman is quoting from a Member of another body, and I think we should have order in order to hear what it is.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BOLAND. He stated:

The proponents of this tariff have but one objective. They hope to displace 600,000 tons of imported anthracite coal now sold in New England with an equal amount of Pennsylvania anthracite.

I want to take exception to that statement. The proponents of this amendment are not so much interested in the replacement of 600,000 tons of foreign anthracite coal in New England, but they are very much interested in the anthracite industry of Pennsylvania being destroyed by the shipment of foreign coal into this country. We object to that statement.

In line with that I wish to present to Congress to-day petitions sent to me by Mr. Charles H. Dorrance, of Scranton, Pa., and signed by 55,000 residents of Pennsylvania in protest against the shipment of this foreign coal into this country, which is destroying our industry. [Applause.]

Mr. BLANTON. Mr. Chairman, I make a point of order. It was not understood that in presenting the petitions the gentleman from Pennsylvania was going to put these 55,000 signatures on those petitions in the RECORD, because that would accomplish no good purpose. I want it understood that these signatures do not go into the RECORD.

Mr. BOLAND. I do not want them to put the names in the RECORD.

Mr. BLANTON. I am with the gentleman on his proposition, but I am against those signatures going in the RECORD, as printing them would cost a large sum of money.

Mr. BOLAND. I do not want the signatures to go in the RECORD, but I am anxious to have the petition noted in the RECORD, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BOLAND. Mr. Chairman, the statements made to the Senate are misleading. They would like Congress to understand that the excise tax on foreign coal would be no benefit to the country. I can not see the consistency of this position in supporting measures to put men back to work and relieve this depression and at the same time antagonize a measure that means so much to the citizens of Pennsylvania, especially the men who work in the coal mines. If these shipments of foreign coal continue to increase coming into the United States it will be only a short time when one of our country's natural resources will be totally destroyed and hundreds of thousands of its citizens thrown out of employment. This foreign coal is being mined by indentured and cheap labor and is destroying the market of our own commodity. I sincerely hope that the Senate now debating upon these excise taxes will pass this amendment and thereby bring happiness and contentment to the people of Pennsylvania whom I have the honor in part to represent in Congress.

I feel sure if the Senator understood all the facts as they exist in the Pennsylvania coal regions and the unemployment and suffering resulting from the importation of foreign coal he would align himself in support of this meritorious measure.

I know these men and I know the menacing effect resulting from this foreign imported coal and as a Member of this Congress it is my duty to bring this important matter to the attention of my colleagues of the House of Representatives.

Mr. SABATH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if the conditions were not so serious, the statement made by my colleague from Illinois [Mr. BRITTEN] would appear amusing and ridiculous, especially in view of the fact that during the consideration of this bill and during the entire session the gentleman has opposed every effort that has been made by the gentleman from Alabama [Mr. McDUFFIE] and the Democratic side to reduce expenditures

so as to enable us to comply with the often-repeated manifestos of the President to balance the Budget.

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

Mr. SABATH. I can not yield now. I shall yield to the gentleman later on.

Mr. BRITTEN. I would like to correct the gentleman's statement.

Mr. SABATH. I can not yield now. I will give the gentleman all the enlightenment he may desire later on.

Mr. BRITTEN. I do not want any enlightenment.

Mr. SABATH. That is the great trouble with my colleague. Day after day from the White House the President, through the press and through some of his representatives on the floor, makes the country believe that he is for economy, and every time a vote is taken on the floor, when real economy is proposed by a Democratic committee, I have observed that with the exception of 16 Members and once with the exception of 23 Members, the balance of the Republican Members have voted to increase instead of to reduce the expenditures. [Applause.]

The gentleman from Wisconsin [Mr. SCHAFER] with that loud voice of his applauds. He accused the chairman of the Appropriations Committee of being inconsistent, and I am sure the House will agree with me that he does not need my defense or that of any other Member. If there is such a thing as being inconsistent, the gentleman from Wisconsin is the champion of inconsistency.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. SABATH. Yes.

Mr. PARSONS. Has the gentleman been able to find out which one of the gentlemen, the gentleman from Indiana [Mr. WOOD] or the gentleman from Maine [Mr. BEEDY], was right in regard to the consistency of the President?

Mr. SABATH. I believe that both of these gentlemen were right and wrong in view of the fact that the President seems to change his views nearly every day as the occasion or political expediency requires. Speaking to the militaristic group, to the Sons and Daughters of the Revolution, he assures them that he is for further expansion of our Army and for a greater number of officers, but in his messages to Congress and in his newspaper interviews for the consumption of the public, he is for retrenchment and economy; of course, the different assurances he has given to the gentleman from Indiana [Mr. WOOD] and the gentleman from Maine [Mr. BEEDY] have been stated by both of them and these inconsistent statements have been made on the same day. But I shall not go into that, because it is nothing unusual to hear contradictory statements emanating from the White House.

Mr. McDUFFIE. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. McDUFFIE. May I say to the gentleman that the gentleman from Illinois [Mr. BRITTEN], the very gentleman whom the gentleman is talking about this morning, took more savings out of the economy bill than any one man on this floor?

Mr. SABATH. I realize that; and that is the reason I insisted on securing the floor to bring attention to the fact that he himself, although he is a personal friend of mine, is not consistent. [Laughter and applause.] The only thing I regret is that he does not vote right. He preaches one thing and practices another, the same as a majority of the Members on that side.

A few minutes ago I desired to secure the floor while we were considering the flood-control provision, but unfortunately was unable to do so; and I am going to say now what I desired to say then. I have been one of the Members of the House who has, at least to some extent, aided in establishing the Flood Control Committee, and I have voted for all appropriations which I deemed necessary to preclude the disaster of a few years ago.

But of late, when I have studied the appropriations and the expenditures for the flood control and waterways, I have found that nearly 30 per cent of our appropriations go for overhead expenses and mostly to the military high dignitaries or engineers who are so bombastically defended by these generals on the floor of this House who, in their militaristic way, fight and oppose every proposition that tends for economy. I greatly deplore that these militaristic gentlemen, some of whom are now on the retired list and drawing their splendid allowance, do not realize and recognize that it is impossible for our country to continue to be as liberal as it has been with them and that it is absolutely necessary to reduce the extravagant allowances or expenditures somewhere. Of course I appreciate that some of them, and many of their able aides on the floor, as had been stated, have been born with a silver spoon in their mouths, and that they have no conception of the hardships to which the people of this country are subjected, especially at this time, to pay additional taxes to make possible the maintenance of our Government.

They do not realize the trials and tribulations of 90 per cent of our citizens to earn, or to reach the point to earn, sufficient compensation or wages to provide for their families. Many of these generals, who have been swarming through this Capitol in the last few days, entered West Point at the age of 18 or 19. And from the day of their entry they receive compensation and education at the expense of the Government and are provided for for life, as when they reach a certain age they are retired, as I understand it, at three-fourths of the salaries they receive on active duty; and this, in the majority of instances, amounts to three to five thousand dollars annually. Surely no one who has ever had the opportunity to go through Presidio at San Francisco, Fort Myer, or Fort Sheridan and attend some of the many festivities will say that the provisions the Government makes for their well-being are meager. Therefore I feel that they should be the first to come forward in times like these of their own free will and dispense with some of the luxuries which they are now enjoying, when, as I have stated previously, 90 per cent of the civilian population of America is in distress and in dire need of relief from overtaxation. We hear so much of the first line of defense, but thus far I have failed, and all of you have failed, to observe any move on their part in defending the organized attacks upon the depleted Treasury.

Mr. Chairman, ladies, and gentlemen, in the last few days I have been seriously considering whether it would not be proper to tax all Government employees, including those in military service, instead of reducing the salaries of our civilian employees earning more than $2,000 annually, as I had advocated. And if these military gentlemen are as patriotic as they claim to be, then they should not oppose the proposal; in fact, they should come forward and say, "We are ready to do our share and our part to help balance the Budget and relieve the overburdened taxpayers."

I am satisfied that many of them would gladly do so, if they could but understand the seriousness of our financial difficulties, and I would like to hear from some of these military gentlemen or their advocates what possible objection there could be to my proposal. Now, here is a suggestion entitled to serious consideration, and I wonder what their reactions will be. I am inclined to believe that the number of those who would enlist in this proposition would not be commensurate with the number of privates who enlisted to serve the country in her hour of need.

I am the last man in the world who would detract from the great achievements of some of our splendid and brave and courageous officers; but these are not the men who have devoted their energies and time in the corridors of our Capitol and who lobby for increased pay and advancement; these men look with disfavor upon such activities. I am certain that at a close scrutiny it would be disclosed that the less actual military service individuals have rendered the greater are their claims for greatness and deserts.

In all seriousness, I feel that the propaganda under the guise of "no impairment to the national defense," which on the one hand has been going on against any reductions and on the other hand for increases in this bill is an outrage and shame. It is high time that we take heed of the demand of the country and start voting right and start to bring

about the economy which you are preaching and trying to make the country believe you are in favor of. I think it is an outrageous proceeding, and I think it is a clear conspiracy that you are practicing on the American taxpayer and on the American people generally.

Perhaps this editorial from the Chicago Daily Tribune of May 16 may more poignantly and more diplomatically express my views on this subject:

If the various governments would take their heavy hands off the resources of the country, the people could get back in their stride again. They can not so long as they are exhausted in trying to meet the demands government makes upon them.

It is self-evident that money can not be diverted into nonessential and nonproductive processes of government and still be had for the work by which the people subsist. Industries can not live by paying taxes instead of dividends and by reducing pay rolls to satisfy government imposts. Cutting the costs of government is obnoxious to the authorities which must make the decision, but the Government is living upon dying resources. It does not produce subsistence. The people can not live upon it. They can not take their livelihood from it. It depends upon their success. So obvious a truism can not be supplanted by a fallacy for the cure of national ills. The thing which lives only by the work of others can not provide life. The parasite does not support its victim.

Mr. BRITTEN. Now, will my buddy yield for a question?

Mr. SABATH. I now yield to my colleague.

Mr. BRITTEN. The gentleman referred in very glowing terms to the distinguished chairman of the so-called Economy Committee. Let me call the gentleman's attention to the fact that the gentleman from Illinois [Mr. SABATH] and myself voted together in favor of that economy bill, but the gentleman from Alabama himself voted against it. How does the gentleman account for that?

Mr. SABATH. The gentleman from Alabama does not need any defense at my hands, I assure the gentleman. The country appreciates his noble and sincere and honest efforts in behalf of economy. [Applause.]

I fully appreciate that I shall again be attacked by these professional militaristic officers for my position in refusing to vote for the additional millions which they desire for the 2,000 officers and their perquisites and the maintenance of their automobiles; but between those who live in splendor and luxury, as they are living, and the millions who are unemployed and hungry, my heart goes out to the latter, and my conscience compels me to try at least to aid them. I should like to read, with your permission, a statement in this regard that appeared in the Baltimore Sun:

MILITARY MYSTERY

To see in true perspective the decision of the House of Representatives to reduce the number of Regular Army officers by 2,000, it is necessary to take account of the fact that of the 12,133 officers now on the active list of the Regular Establishment, only 5,031 are actually serving with troops in this country and in all our insular possessions.

It is doubtless true that of the 7,102 officers not actually with troops many are performing service reasonably essential to the national defense. The 466 officers on duty in connection with the National Guard seem, for example, to be doing work as important in its way as the work of those who are engaged in the training of troops. But even so, the presumption must be that with 7,102 officers not on duty with troops and with the troops presumably supplied with an adequate quota of officers, a reduction of considerable proportions in officer personnel could be effected without serious consequences.

After all, the country is in a great deal more danger from extravagance to-day than it is from a foreign invasion, our jingoes to the contrary notwithstanding. The need to put our own domestic finances in order is much more imperative than the need to maintain a tremendous and costly military machine for use against a conjectural foe who, if we conduct ourselves prudently, may never materialize. Why, when we have a very pressing need for economy and no present need for a large Military Establishment, there should be such a hullabaloo over the shifting of 2,000 officers to the retired list, where they will still draw three-quarters pay and be subject to the call of the War Department, is one of the mysteries of this baffling age.

I should like very much to have some of the military gentlemen answer this editorial.

True, I have voted for the pensions, for the increased pay of enlisted men and lower-grade officers, and for compensation and proper hospitalization; yes, I have voted for the bonus, rather the adjustment pay, and I will do everything in my power to see that the balance due to the veterans is paid in cash, regardless of the attitude of the officers. And I shall anxiously await the position these officers will take in helping the passage of the bonus bill to aid the 2,000,000 needy and deserving ex-service men. I feel that if they would exert only one-half of the influence to help the needy boys as they have utilized for themselves it would materially aid in securing favorable action for the bonus bill, which the President, however, is unfortunately opposed to. And I wish to say that I heartily indorse the plan provided for in the Patman bill, which does not call for any bond issue but only the issuance of Treasury notes. [Applause.]

Mr. COLLINS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. ELLZEY. Mr. Chairman, I urgently hope the chairman of this subcommittee will have a roll call on the various amendments that have been adopted during the consideration of this bill whereby $6,000,000 has been added to the appropriation for the military and nonmilitary activities of the War Department. I am making this request in the earnest hope that many Members of this body will reconsider and thereby save this Government $6,000,000.

Recently the President of the Nation issued a clarion call to the people of America, appealing to them to support him in a rigid program of economy. In response to that call the people of my State, far deep in the Southland, have written and urged me to give my earnest cooperation and support to the President in this program of economy. Your people, no doubt, have written you the same thing, and yet many gentlemen, particularly on the other side of the aisle, have added appropriation after appropriation to these bills. I should like for you to consider a few facts with me during these few minutes.

Several days ago you had an opportunity to consolidate the Army and the Navy, and it has been conservatively estimated by the committee that you would have saved the Government approximately $50,000,000 a year. This you failed to do.

Then, at a later date, there was a movement in this body, a strong and determined effort, to prevent that part of the bill passing whereby 2,000 Army officers were to be relieved from active duty. This will save the Government, I am informed by the chairman of the subcommittee, approximately $20,000,000 a year.

Since then the gentleman from California [Mr. BARBOUR] has added amendment after amendment to this bill which will cost the Government $6,000,000.

Now, gentlemen, the reason for these added appropriations, you contend, is that the national defense would be impaired. Yes; you have given undue stress to the national defense. Let us consider a few facts. During 1917, when war was declared, the Nation sent out a call for men. At that time our country had a weak national defense. To-day I am advised that we have ten times as strong a national defense as we had in 1917, and besides we have the American spirit of patriotism and love of service. The youths of America went to the battlefields of France and there made a record that is now history. Against them came the famous Prussian Guard, representing a nation with a strong national defense. You know the rest of the story. Then, after the was was over, approximately 5,000,000 American boys, well trained in the fundamentals of war tactics, were scattered through the United States from Maine to California and from the State of Washington to the Gulf of Mexico. Yes; all over this country can be found these World War veterans who would within 24 hours respond to the call of their country if the Nation should need them.

As I have listened to these pleas in behalf of the national defense it would seem that many of you gentlemen fear that another war is not far distant. There is not a man here who does not know full well that no nation on this earth can finance another war at this particular time. I say that such propaganda is mere camouflage. True national defense lies in the patriotism of her sons; it is found in the respect that the American people have for this Government—that is true national defense.

We are now passing through a great crisis—one that challenges the best thought and action of the Nation's statesmen. Your people and my people are discouraged. Many are in want and distress. They are looking to us for help. These patriotic citizens expect you and me to reduce all Government expenditures to the minimum. Yes; they also expect us to reduce appropriations for the national defense as much as possible. When you and I courageously perform this duty and once more regain the confidence of the American people—in our Government—there will be no need to fear the strength of the national defense. Let me appeal to you to perform your plain duty. Reduce the national expenses as far as possible.

I say to you, the American people are restless, impatient, and they have a just reason for same. Yes; they have become threadbare. It is high time that we come to their rescue. Like Cicero in the days of long ago, the American people would be well justified in saying to us:

O, Cataline, how long will you hurl your unbridled audacity upon us? How long will your patience abuse us?

Mr. HORR. Mr. Chairman, I move to strike out the enacting clause. It is very easy for you who have never had an opportunity for service to talk about raising a million men overnight. I want to say to you that if you will go back a few years in history and recall when an army was sent into France the Government had to resort in the end to conscription in order to fill the ranks. May I further call your attention to the fact that you sent over men unprepared, who went over the top unable to fire a musket.

I believe I know something about national defense.

The gentleman talks about love of country and the little likelihood of another war. Does he realize to-day that there is in the Orient a flame that any moment may break out, that will mean a conflagration? It may not reach you, but my part of the country, Seattle, will be the first place to be bombed in case there is warfare in the Orient.

Mr. MARTIN of Oregon. I am in the same boat that the gentleman is.

Mr. HORR. At that time there will be no France, no Belgium, no Italy to hold the hordes back until our people get ready and are prepared.

Mr. ELLZEY. I want the gentleman to distinctly understand that I rendered volunteer service in France, but I believe it is as much my patriotic duty to save every dime for my country in this great crisis as it was to volunteer in 1917.

Mr. HORR. Mr. Chairman, if the gentleman served in France, he must have forgotten conditions as they existed then if he undertakes to tell us that men can be thrown into conflict without preparation. I do not doubt the gentleman's patriotism, but I do question his ideas of economy. Economy is not economy if it is destructive. Many a man to-day is receiving compensation from the Government because of the fact that he was unable to take care of himself in time of dire disaster. Then again you talk about your economy on your side. I appreciate the gentleman's idea of saving money for the country, but where was he yesterday when on his side of the House his leaders rose and with all the complacency in the world voted $4,000,000 out of the Treasury. How did the gentleman vote yesterday on that bill? This kind of economy makes me just a little bit out of patience. We talk of saving and you bring in an economy measure that means a $40,000,000 saving. The next day you who are in the majority bring to us another measure squandering over $100,000,000. If that is economy, I would like to know it.

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

Mr. HORR. Yes; sure. I will yield to anybody at any time.

Mr. WHITE. And is not it true that this army that was sent over, for 15 months of that time was not equipped.

Mr. HORR. Absolutely. Does anybody else want to ask a question?

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

Mr. HORR. Yes.

Mr. BLANTON. How long did President Hoover keep the gentleman up talking to him the other night when he kept him from attending a convention in the State of Washington?

Mr. HORR. I think it was about the same length of time that the gentleman spent here when he was arguing about saving that old fort down on the Rio Grande. [Laughter.]

Mr. PARKS. On what page of the RECORD will I find the speech that the gentleman made against this $4,000,000 yesterday?

Mr. HORR. Oh, I am not for that kind of a measure. I do not speak against every bill you present that I oppose or I would be speaking all the time. I tell you that you are going to appropriate for unemployment relief, and you ought to quit kidding yourselves into this hysteria of economy.

Mr. PARKS. What side is the gentleman on?

Mr. HORR. I am on the side of taking care of the Government without cutting out the core of its existence.

Mr. PARKS. In other words, you want this appropriation to stand?

Mr. HORR. I want the appropriation to stand; and, if it is for efficiency's sake, to advance more to carry on the affairs of the Government and not by some gesture attempt to fool the public and throttle it.

Mr. PARKS. And the gentleman wants to get it by killing the bill in offering to strike out the enacting clause!

Mr. HORR. The gentleman knows I am saving the Army.

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

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

Mr. COLLINS. Mr. Chairman, I move that all debate upon this amendment and all amendments thereto close in five minutes.

The CHAIRMAN. Under the rules, if a point of order is made, there can be only five minutes more debate on this motion.

Mr. COLLINS. I withdraw my motion.

Mr. STEVENSON. Mr. Chairman, before the gentleman from Texas begins, will he yield to me?

Mr. BLANTON. If it is not taken out of my time.

Mr. STEVENSON. I am not going to say more than half a dozen words. I direct the gentleman's attention to the fact that the statement was made that all of the soldiers had to be called in by conscription. [Cries of "Oh, no!"] I want to remind the gentleman that we called them without a chance to get in in any other way.

Mr. BLANTON. Mr. Chairman, I am amazed at the gentleman from Washington [Mr. HORR], a military man, who wants to destroy the entire Army appropriation bill. If his motion to strike out its enacting clause carries, there will not be one dollar for any military purpose whatever appropriated. If he strikes out the enacting clause of this bill, which he by his motion seeks to do, our Army will go out of existence, and what will become of his people out in Seattle, whom he says would be the first to be bombed?

Mr. HORR rose.

Mr. BLANTON. Oh, I will yield in a minute. When he says there will be no France, no Belgium, and no Italy to hold the hordes back from Seattle, and they will need a big United States Army, just why, then, does he want to kill the Army appropriation bill? I want the gentleman not to attend any function at the White House the night before those wild hordes invade and bomb Seattle, because the President might keep him up talking to him until 12 o'clock, and he would not be able to fly to Seattle in time to save it. I happened to read a little article in the Washington Daily News for May 10, 1932, being an interview the United Press got from the gentleman in Seattle and wired to the News, which I can reproduce word for word almost. It stated that Mr. RALPH HORR was on his way to attend a Republican State convention in Washington.

Mr. GOSS. Mr. Chairman, a point of order.

Mr. HORR. Oh, do not interrupt the gentleman from Texas.

Mr. BLANTON. And that he had to take an airplane, but he struck a storm and he had to come down, and he said that the reason he did not get to that State convention in Washington was because President Hoover had sent him an invitation to dinner, and he said an invitation from the White House was a command to a Congressman and he could not refuse, and that the President talked to him until late in the night. Here is the article, heading and all:

DRY PLANK ADOPTION BLAMED ON HOOVER'S DINNER BY REPRESENTATIVE HORR

SEATTLE, WASH.—RALPH HORR (Republican, Washington) to-day complained that President Hoover prevented him from reaching the State Republican convention in time to work for adoption of resubmission prohibition plank.

"After I had announced I was flying west for the convention," the wet Congressman said, "President Hoover invited me to dinner at the White House. It was virtually a command.

"Then instead of retiring at 10 p. m., as he usually does, the President sat talking until far into the night. I couldn't get a plane until 3 a. m. On top of that we flew into a storm, and by the time I reached Salt Lake City the convention had adopted a dry plank."

HORR suggested the invitation was inspired by Senator WESLEY L. JONES, of Washington, a dry, and that "they knew about the storm, too."

For fear that the United Press and the Washington News might not have gotten his exact position correctly, I want to be absolutely fair with my military friend from Seattle [Mr. HORR], hence I will now show you what his own hometown newspaper, the Post-Intelligencer, of Seattle, Wash., said in its issue of Monday, May 9, 1932, to wit:

HORR BLAMES TRIP DELAY ON HOOVER, JONES—PRESIDENT'S DINNER INVITATION FORCED HIM TO MISS STATE CONVENTION, HE DECLARES—WASHINGTON SENATOR ENGINEERED AFFAIR SO OPPONENT COULD NOT SPEAK, IS INTIMATION

By Lester M. Hunt

When President Hoover invited him to dinner at the White House Thursday night the President didn't want to feed him—he wanted to fool him, Congressman RALPH HORR asserted upon his arrival in Seattle yesterday.

The Congressman attributed his presidential summons to Senator WESLEY L. JONES, long champion of the dry cause, and President Hoover.

HOW IT HAPPENED

It served to prevent HORR from reaching Seattle in time to "deliver a message" to the State Republican convention, which went dry with HORR 800 miles away in Salt Lake City.

HORR was also expected to pay his respects to JONES, as he did at the Bellingham convention two years ago. JONES's supporters here wanted him to stay in Washington, D. C.

Here's how HORR says it happened:

"Last Monday morning I announced that I would fly west Thursday morning to attend the State convention in Seattle.

"The next morning I received an invitation to have dinner at the White House Thursday night. It looked funny to me. Why should Hoover ask me to dinner? I voted against most of the things he wanted in Congress. But I couldn't refuse. It was virtually a command."

LEAVES AT 3 A. M.

So HORR arranged to leave by special plane immediately after the dinner, and still had time to reach Seattle before the convention adjourned.

The President usually goes to bed by 10 o'clock, but not that night, HORR said. He seemed delighted with the gentleman from the West. And they chatted and chatted.

HORR finally took off at 3 o'clock Friday morning and flew into a storm "that they probably knew was coming." He scratched his face in a forced landing in Pennsylvania, was forced down in Nebraska, and finally reached Seattle the day after the battle.

HORR described the "dry swing" at the State convention Saturday as "a joke."

"I am running for office this fall and I am running wet," he declared.

He plans to return to Washington Wednesday.

Mr. BLANTON. Surely, Mr. Chairman, his own hometown paper has not misquoted him.

When he accepted the President's "command" to go to the White House to a dinner, he ought to have known intuitively that the President "did not want to feed him," but "merely wanted to fool him." And some wet Republican should have told him not to imagine that the President would go to sleep at 10 o'clock but that, entertained by such delightful company, the President would keep him up until 3 o'clock in the morning talking to him. When before had the President enjoyed such a wonderful opportunity to talk? Being such an expert militarist, our friend should have known that getting off late from Washington, at 3 a. m., his Government plane would be sure to strike a storm and have to come down, as the President was commander in chief over both the Government plane and the Government pilot, and in the meantime the Washington State Convention of the great Republican Party would meet and would go dry, but if he had been there it would have gone wet. [Laughter and applause.]

Mr. HORR. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HORR. May I state for the edification of the gentleman from Texas that I have never, in all my travels in the air, encountered such blasts as I have just encountered now. [Laughter and applause.]

Mr. BLANTON. When the gentleman strikes the political blasts that our friends John Miller and Senator WESLEY JONES are going to give him there this fall, he will think that my blasts look like 30 cents.

Mr. HORR. Just tell his majority.

Mr. BLANTON. But I am sorry the gentleman did not get there. I am sorry the President fooled him. I am sorry that he let that great Republican State convention meet without him. I am sure he could have changed its action. I am sure they would not have voted dry if the wet gentleman had been there. I am sure he could have changed its whole program. I am sure he could have changed the thoughts and opinions of all those great stalwart Republicans in the great State of Washington; but it did go dry, as the gentleman was sent off up into the air and did not get there in time to stop it.

Mr. BRITTEN. Will the gentleman yield right there?

Mr. HORR. Will the gentleman yield?

Mr. BLANTON. In a few minutes I will, gladly. My friend is just as inconsistent now, when he speaks against this War Department bill, when he speaks against this Army appropriation bill, where, if he should get passed his motion to strike out its enacting clause, he will be striking at the very life of the United States Army and the Army would be wholly without money, and it could not turn back the horde of foreign invaders with their bombs if he strikes out the enacting clause. He is just as inconsistent when he still talks wet in spite of the dry action by the dry Republican State convention of the State of Washington.

Mr. BRITTEN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BRITTEN. The gentleman may rest very easy that the vote in the State of Washington next November is not going to be dry.

Mr. BLANTON. Well, it will go Democratic then, because the Republican State convention in that great State has already gone dry, and I predict that the State of Washington will vote dry next November.

Mr. BRITTEN. If it goes Democratic it will be wet. That is where all the wets are coming from.

Mr. BLANTON. There are more wet Republicans in this House than wet Democrats. The Republican State convention which met in Seattle, Wash., on May 7, 1932, voted against repeal of the eighteenth amendment and stood for strict enforcement of all laws. Here is the Associated Press report of its action which appeared in the Post on May 8:

G. O. P. IN WASHINGTON DOWNS REPEAL EFFORTS

SEATTLE, WASH., May 7.—Defeating attempts to insert a prohibition repeal plank in the State platform, the Republican State convention here to-day adopted a party platform that calls for "strict enforcement of all laws."

The prohibition amendment was not mentioned. A request of John J. O'Brien, of Seattle, that a clause calling for submission of the prohibition question to State conventions be added to the program was voted down, 474 to 446.

If the gentleman from Washington [Mr. HORR] had not gotten lost up in the air after talking with the President at a "command" dinner in the White House until 3 o'clock in the morning, we "drys" would have lost the great State of Washington.

But I want to say to my friend that I do object to the way his old-time friendly newspaper, the Evening News, of Bellingham, Wash., referred to his escapade in the air. In

its issue of May 10, 1932, in a double-column editorial, it refers to him under the heading "The Egregious HORR." And it says that "Congressman RALPH HORR, of Seattle, invited to be guest at dinner at the White House by President Hoover, ascribes to the President the use of a virtual 'command' to dine as a cheap political trick arranged between the President and United States Senator WESLEY L. JONES to detain HORR from attending the Washington State Republican Convention in time to deliver a tirade against prohibition." It was correct in using the term "tirade," because that is what he would have delivered. And the editorial continues:

A more flagrant or egregious breach of kindly hospitality in high places than that of Mr. HORR has not been recorded. Stanch Republicans reading of HORR's claim were of one mind that it should be called to President Hoover's attention at once.

I do not like for a Republican newspaper even in the old home town bailiwick of my friend from Seattle to make such unkind references to him. But I object most of all to the balance of this 2-column editorial, which says:

Many things are done at Washington in Congress and in politics that might better not be done, yet are passed and accepted, but HORR's action is one that is not done at all by gentlemen of any intelligence. It is explainable as due either to crass ignorance or a cheapness of mental and social attitude positively amazing in one who has been elected to Congress. It is also amazing that the King County voters, who were chiefly responsible for sending HORR to Congress, could have been so misled in their candidate, being otherwise a reasonably enlightened and responsible electorate.

And now HORR has the nerve to announce that he contemplates running for the United States Senate against Mr. JONES.

He is an opportunist, pure and simple, and believes, with a certain species of cleverness, that he should grasp his political tide while it seems on the flood. In this forthcoming contest for the Senate the voters who once supported him will have given them a splendid chance to correct their former error and retire him to private life, where he should thereafter be kept retired, since he is certainly no adornment for them or the State of Washington, or proof of their sagacity in selecting him to go there.

His attitude in support of prohibition repeal is not in consideration here, either for or against. But his reception of the President's hospitality, just one instance of several demonstrating his congressional unfitness, is the most glaring to date. His constituents may expect it to be followed by other breaches, as it seems that he is the sort of unstable and unfitted public official in whom his constituency can find safety only through permanent retirement.

Mr. BLANTON. That paper out there ought to be fair. It ought to have been fair enough to the gentleman to have stated that if the President had not talked to him until 3 o'clock a. m., our friend might have flown to Seattle in a Government plane in time to have changed the action of the State convention. He did not change it. The next time I hope he will not talk to the President so long. What were you talking about that night, Ralph? [Laughter and applause.] But being always just, I must be fair to the President, who, if nothing else, is most kind and courteous to all new, inexperienced, young members of his own party. The President has a custom of adding three novices to his list when inviting the old-timers to dine. He takes the youngsters down the line alphabetically. It so happened that on that night he had reached the "Ho's" in the novices. So it happened that he invited ROBERT L. HOGG, PEHR G. HOLMES, and RALPH A. HORR. The President really meant to feed them. He did not intend to talk to them. Yet our friend unkindly charges that he was called there to keep him away from Seattle.

Mr. LAGUARDIA. Is the gentleman insinuating that the President called him away purposely?

Mr. BLANTON. Certainly. That is what the gentleman himself stated, as I have used the exact report of his interview in my remarks. But it will be worth the money to our friend. He will never let them get him up into the air again at 3 a. m. in a Government plane controlled by the President, whose plans he voted against.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on the motion of the gentleman from Washington to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 0 and noes 75.

So the motion was rejected.

The Clerk read as follows:

For every expenditure requisite for and incident to the maintenance and operation, sanitation, and civil government of the Panama Canal and Canal Zone, including the following: Compensation of all officials and employees; foreign and domestic newspapers and periodicals; law books not exceeding $1,000; textbooks and books of reference; printing and binding, including printing of annual report; rent and personal services in the District of Columbia; purchase or exchange of typewriting, adding, and other machines; purchase or exchange, maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles; claims for damages to vessels passing through the locks of the Panama Canal, as authorized by the Panama Canal act; claims for losses of or damages to property arising from the conduct of authorized business operations; claims for damages to property arising from the maintenance and operation, sanitation, and civil government of the Panama Canal; acquisition of land and land under water, as authorized in the Panama Canal act; expenses incurred in assembling, assorting, storing, repairing, and selling material, machinery, and equipment heretofore or hereafter purchased or acquired for the construction of the Panama Canal which are unserviceable or no longer needed, to be reimbursed from the proceeds of such sales; expenses incident to conducting hearings and examining estimates for appropriations on the Isthmus; expenses incident to any emergency arising because of calamity by flood, fire, pestilence, or like character not foreseen or otherwise provided for herein; traveling expenses, when prescribed by the Governor of the Panama Canal to persons engaged in field work or traveling on official business; and for such other expenses not in the United States as the Governor of the Panama Canal may deem necessary best to promote the maintenance and operation, sanitation, and civil government of the Panama Canal, all to be expended under the direction of the Governor of the Panama Canal and accounted for as follows:

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

Mr. Chairman, it is now quite apparent that as we draw to the end of this bill there will be no material reductions in the appropriations provided by this bill. If there were to be any reductions in any part of the bill as printed, of course, they would come in some of these later appropriations. Obviously, they would come from rivers and harbors and the flood-control appropriations. The House has turned down any reductions in those two appropriations. Therefore, I give up in despair of having any economy read into this bill.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. COCHRAN of Missouri. Does the gentleman realize there will be a roll-call vote shortly?

Mr. McGUGIN. I shall be glad to have a roll call. I can think of nothing that would please me more, especially in line with the statement made by my friend from Tennessee, Mr. BYRNS, than that there would be a roll call on the rivers and harbors appropriation, and I would ask for no greater favor than to have the opportunity to have it written into the RECORD that I voted for a reduction in the rivers and harbors appropriation.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. MARTIN of Oregon. Have we not been compelled to meet this threat from the chairman all the way through these appropriation bills?

Mr. McGUGIN. Yes.

Mr. SIROVICH. Will the gentleman yield?

Mr. McGUGIN. No. I do not yield to the gentleman or anybody else.

Mr. SIROVICH. Does the gentleman live far away from rivers and harbors?

Mr. McGUGIN. The committee has asked us to take a reduction in the national defense. The gentleman from Mississippi [Mr. COLLINS] has spoken to the effect that we do not need so much preparation. The gentleman said something about the fact that some 4,000,000 men were, not so long ago, 13 years ago, discharged from the Army after their experience in the World War. They are 13 years older to-day than they were then. They did a good job saving this Nation once in its hour of peril.

Certainly as the years go by we can not call upon that generation to do the job again.

This country has been unprepared for every war we have fought. We have not fought a war without losing thousands of men who were not prepared for war. Some 10 or 15 years before the World War started, a great Democrat started the cry, "In the event of war a million men will spring to arms overnight." Oh, that was popular then in the days of peace, but that kind of psychology kept this country from being prepared, and when 4,000,000 men went into the Army, thousands were killed or injured because they were not prepared and because they had not had a fair chance to be prepared.

Pardon the reference as far as my own military experience is concerned. I do not claim to be either a hero or a martyr. I spent most of my time at Brest. I saw thousands and thousands of men pass through that camp. I came in contact with many who had been in the Army less than a month. I saw men leaving Brest to go to the front as replacements who had never shouldered a gun. Many of these men were killed because they did not know how to take care of themselves, and their blood is upon the hands of America, because they were sent into war without being given a chance for their lives.

All we have left in our national defense act is reserve officers, the citizens' military training camps, and the National Guard. If we are to depend upon a civilian army, we should give it a fair chance.

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

Mr. McGUGIN. I can not yield.

As to the reserve officers who go to camp this summer you do not wish to pay them a fair salary. I know the Government of the United States is hard up, but it is not so hard up that it can not pay its honest debts. Why do you want these men to go to camp and not be paid their fair salary? You say you will give them a dollar a day and their living, but as officers they have to buy their own uniforms. Others working for the Government are not working for nothing, just because the Government is hard up. I have observed that this political Congress will not vote for a fair reduction of 11 per cent of that part of salaries over $1,000 of others on the pay roll. That kind of just economy would have saved tens of millions of dollars. Yet to-day we are asked to compel patriotic reserve officers to sacrifice their just salaries and thereby save a million or two. The reason for this disgusting conduct on the part of Congress is that there are not many voters among the reserve officers while there are hundreds of thousands of voters on the general pay roll.

[Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, I move that all debate on the paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

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

Mr. Chairman, in reply to my good friend from Kansas, and for the enlightenment of the House, I read the following:

Army officers and reserve officers have been filling the halls and galleries of the House of Representatives during the past 10 days. And every mail has brought hundreds of letters for Members of Congress, urging them not to abolish the Reserve Officers' Training Corps and the citizens' military training camps. The letters were first sent to all Reserve Officers' Training Corps college boys to pass on to parents and friends, to forward back to Representatives.

As a result a considerable body of House Members decided that Reserve Officers' Training Corps camps and the citizens' military training camps must not be abolished, even in this year of severe financial difficulty.

To-day they will decide whether the money for these vacation camps for sons of well-to-do families shall be saved at the expense of the poorest and neediest people in the country. They will vote on postponing $10,000,000 worth of river and harbor work, and $8,000,000 worth of flood-control work which the House Appropriations Committee left in the War Department bill because it will provide work for thousands of men desperately in need of that work.

Of all economies proposed to a reluctant Congress the proposal to suspend for a year the summer camps heretofore provided by the Government for college boys and a carefully selected group of other young men was the most reasonable.

The Reserve Officers' Training Corps boys are junior and senior college students. If they are seniors, they have already had one summer camp. If they are juniors, they will have an opportunity to go to camp next year. Their status as reserve officers will not be altered in the least if they do not go to camp this year.

But a majority of the House membership voted Tuesday to provide this 42-day outing for some 7,200 college boys, together with 70 cents a day pay and subsistence. They voted to provide a 30-day outing for 37,500 other boys, the great majority of whom go to camp for a year, or perhaps two, and make no effort to complete the course which will make them reserve officers. They voted, also, to pay members of the Organized Reserves at the rate officers of the Regular Army are paid, instead of letting them go to camp this year with nothing but $1 a day from the Government.

They overturned the Appropriations Committee on these matters in spite of the fact that all civilian departments of Government have been cut even more drastically than the committees recommended, and in spite of the fact that corresponding training courses in the Navy have been suspended.

So far, President Hoover, who could control the activities of the military gentlemen that forced this remarkable about face, has not rebuked them. It is time he did so and did it publicly. He should do it before the final vote is taken by the House on this question.

Mr. Chairman, that is an editorial printed in the Washington Daily News of to-day, May 19, 1932. I think it clearly presents to this House the questions upon which we will be called upon to vote in a few minutes.

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

Mr. BYRNS. I yield.

Mr. ARENTZ. I wish to say that my stand on this matter goes back to a year or a year and a half ago when the gentlewoman from Montana, the first Congresswoman, Miss Rankin, came to your office and to my office, and to the office of every Congressman asking for the elimination of the Reserve Officers' Training Corps, the citizens' military training camps, and every cadet activity in every high school in the United States. This was pacificism of the first water, and is what caused me to believe we should provide for these activities.

Mr. BYRNS. Miss Rankin did the gentleman an honor she did not confer upon me. This does not eliminate these camps. It only cuts them out for one year. There is no question involved in this. No one has ever considered me to be a pacifist.

Mr. ARENTZ. The gentleman would not want to blame me for having heard the generals or criticize me for having heard them.

Mr. BYRNS. I am not criticizing anyone. I have read the editorial. I do not seek to make any personal application. Let each gentleman apply it to his own position upon the question. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For maintenance and operation of the Panama Canal: Salary of the governor, $10,000; purchase, inspection, delivery, handling, and storing of materials, supplies, and equipment for issue to all departments of the Panama Canal, the Panama Railroad, other branches of the United States Government, and for authorized sales; payment in lump sums of not exceeding the amounts authorized by the injury compensation act approved September 7, 1916 (U. S. C., title 5, sec. 793), to alien cripples who are now a charge upon the Panama Canal by reason of injuries sustained while employed in the construction of the Panama Canal; for continuing the construction for the Madden Dam across the Chagres River at Alhajuela for the storage of water for use in the maintenance and operation of the Panama Canal, together with a hydroelectric plant, roadways, and such other work as in the judgment of the Governor of the Panama Canal may be necessary, to cost in the aggregate not to exceed $15,500,000; in all, $9,091,011, together with all moneys arising from the conduct of business operations authorized by the Panama Canal act.

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

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

The Clerk read as follows:

Committee amendment offered by Mr. COLLINS: On page 76, line 17, after the word "act," insert: "and such sums, aggregating not to exceed $3,500,000, as may be deposited in the Treasury of the United States as dividends by the Panama Railroad Co. in excess of 10 per cent of the capital stock of such company."

Mr. STAFFORD. Will the gentleman explain what this means?

Mr. TABER. Will the gentleman yield to me?

Mr. COLLINS. I yield to the gentleman from New York.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order until the explanation is made.

Mr. TABER. I think if the gentleman wants to make a point of order, it ought to be made.

The CHAIRMAN. The Chair is of the opinion the point of order comes too late.

Mr. STAFFORD. Mr. Chairman, there has been no debate.

Mr. GOSS. Mr. Chairman, I was on my feet endeavoring to reserve a point of order when the gentleman from Wisconsin reserved his point of order.

Mr. STAFFORD. Mr. Chairman, there has been no discussion of the amendment.

The CHAIRMAN. The Chair did not hear any point of order made or reserved.

Mr. LAGUARDIA. Mr. Chairman, I respectfully submit that the gentleman from Wisconsin turned to the gentleman from Mississippi and said to the gentleman, "Explain what this means." That is debate.

Mr. STAFFORD. I do not deny making that statement.

Mr. GOSS. Mr. Chairman, I was on my feet endeavoring to reserve a point of order at the time.

Mr. STAFFORD. Mr. Chairman, there has been no discussion, and the uniform ruling has been that if there has been no discussion a point of order is in order.

The CHAIRMAN. The gentleman from Mississippi yielded to the gentleman from New York. In the opinion of the Chair the point of order comes too late.

Mr. COLLINS. Mr. Chairman, I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I think the committee is entitled to an explanation of this situation. Mr. Chairman, the committee has recommended a cut of $3,500,000 in the appropriation for the completion of the Madden Dam at the Panama Canal. The total amount that is to be spent upon this project has been authorized and contracted for, and there will be required to meet the contract payments in the fiscal year 1933 approximately $4,500,000. Out of that amount there is carried in this bill as it came from the committee $1,000,000. The committee figured that the balance of $3,500,000 could be provided out of the funds of the Panama Railroad. The Panama Railroad unquestionably has some surplus funds that can be used for General Treasury purposes, but it has no legal authority to spend money to build the Madden Dam. The only way those funds could be used would be by the Panama Railroad declaring a dividend, paying it into the Treasury, and its being used in that way.

Now, the gentleman from Mississippi has offered an amendment which permits dividends that are declared by the Panama Railroad in excess of the regular 10 per cent dividends upon the stock, which is paid into the Treasury and is included in the Treasury estimates of receipts, to be used for the purpose of paying for this contract authorization. Frankly, I have doubts as to whether or not the railroad corporation will be able to declare $3,500,000 in addition to the regular 10 per cent, or $700,000. At the same time they are in a position where they can declare a very substantial proportion of it.

Perhaps a thorough investigation of the situation will reveal that the whole amount can be declared. I have made this statement rather than some member of the committee, because I have the misfortune of being a director of the Panama Railroad and, perhaps, know a little more about the details.

Mr. LAGUARDIA. This would not be taken from the fund for ship replacement?

Mr. TABER. No; it would be taken from some other replacement fund which we have no idea of using. For instance, there was a barge-replacement fund, and the barges have been abandoned, and other replacement funds on activities which have been abandoned, like the renewal of the coal trestle at Colon. We would not affect the steamship-rebuilding fund in this way. Frankly, I question whether we can go as far as the $3,500,000 which is suggested here; but if we can not, it will simply have to be taken care of in a deficiency.

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

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. No appropriation under the Department of War available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act as amended for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other civil position under the War Department: *Provided*, That from the date of this act to and including June 30, 1933, payment for personal services made in accordance herewith shall constitute payment in full for such services. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment striking out the section.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Beginning on page 78, line 11, strike out all of section 2.

Mr. LAGUARDIA. Mr. Chairman, may I state to the chairman of the subcommittee that we had a vote on this section on the Post Office and Treasury appropriation, and thereafter when the matter came up in the next appropriation bill the gentleman from Tennessee [Mr. BYRNS] announced to the House that if this section were finally stricken from any bill he would consent to striking it from the other bills. The Department of the Interior bill has stricken from it this particular section; and when the Navy appropriation bill came before the House, I made a motion to strike out, and it was consented to. I think, in keeping with this action, the section should also go out.

Mr. COLLINS. I shall respect any agreement that the chairman of this committee has made.

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

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. No part of any money appropriated by this act shall be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of medical officers on out-patient medical service and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department. This section shall not apply to any motor vehicle for official use of the Secretary of War, and no other persons connected with the War Department or the Military Establishment, except medical officers on out-patient medical service, shall have a Government-owned motor vehicle assigned for their exclusive use.

Mr. COLLINS. Mr. Chairman, I ask unanimous consent that the number of this section may be corrected.

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

There was no objection.

Mr. COLLINS. Mr. Chairman, in a few minutes this bill, as amended, will be reported to the House. The Committee of the Whole has added to this bill on account of the so-called civil components a total of $5,794,165. That is the record that has been made for economy. The economy bill left this House practically stripped, and upon its heels we find this measure reduced by 20 per cent below the total

amount by which the Appropriations Committee proposed to reduce the Budget estimate as a part of the general retrenchment program.

It is my purpose, when we get into the House, to ask for a record vote on each of the amendments contributing to that increase. I can not believe that the Members of this House, with unemployment nation-wide, with business paralyzed, with Federal revenues so low as to make necessary virtually a war-time tax measure, will, by their vote, impose this additional burden upon the people.

What are these propositions?

First. You will be asked to vote upon whether or not we shall expend $2,109,768 to give active-duty training, with pay, to 19,000 men attached to the Officers' Reserve Corps; men, gentlemen, I dare say practically without exception, who are engaged in some gainful pursuit; men who for the most part are connected with business houses and industrial plants that have been besieging this Congress to economize—to balance the Budget; and yet the proponents of this amendment would have you believe that these men must be assured of compensation before they will engage in active-duty training. It is an insult to the patriotism of such men.

I wonder just how many of the 19,000 actually have expressed personal opposition to the action proposed by the committee; and I wonder also, gentlemen, just how many of the 19,000 actually know just exactly what the committee's proposal is. Much misinformation is abroad. I was told yesterday by a Member that he had received a wire from a college president, if you please, urging him to oppose the proposal to abolish the Reserve Officers' Training Corps. That college president did not assume any such thing. I maintain that he has been deliberately misinformed, and these telegrams that are coming in here, which seem to frighten so many of you, are inspired by that sort of propaganda. And let me remind you that the great mass of people who are asking for relief, who are asking for employment—yes; who even are begging for food—can not send you telegrams; they have no paid representatives here in Washington who are also working for their own selfish interests; they are looking to you and to me. We are not the Reserve Officers' Association of the United States. We are the association of the rank and file of the people of these United States, and I suspect that that will be rather forcibly impressed upon us before we are convened again in regular session.

The second proposition you will be asked to vote upon is whether or not you will add $1,080,773 to this bill for sending approximately 7,200 college boys to camp for 42 days during the next fiscal year. College boys, gentlemen. Think of it! And not only to send them to these camps, pay their transportation, but to subsist them, provide them with medical care, and what else? Pay them cash at the rate of 70 cents per day, or approximately $30, for the privilege of going. The proposition is preposterous in times like these.

The committee's provision does not in any way, shape, or form disturb their school training. We provide the money for uniforms, we provide the money for instructors and equipment, and we provide the money for actually paying these students 30 cents a day for the last two years of their college courses. The boys who graduate in June have been to one camp. The boys who finish their third year in June will have an opportunity to go to camp at the close of their senior year, and from this very date until that time they will continue to draw from the Government 30 cents a day. And gentlemen tell us that it will cripple our national defense if these young men, who have had either three or four years of instruction in military tactics, do not go to camp next year. If you do not vote this amendment down, I will tell you what you will impair. You will impair the faith of the American people in the good judgment of this Congress to deal with the present emergency.

Lastly, you will be asked to vote upon whether or not you will add $2,603,624 to this bill for the conduct of the citizens' military training camps. I have given you the opinion of the former Chief of Staff, General Summerall, as to this activity. I have told you that the present adjutant general of the Army, General Bridges, has said that it might be dispensed with for one or two years without doing any harm. I have not told you before that an officer of the General Staff submitted to a member of this committee a list of suggested reductions in this bill aggregating $10,000,000, which included the suspension of this activity.

Now, it is just a question of whether or not we will save $2,603,624 on this activity alone, or, contrary to the judgment of these military men, spend that amount to send 37,500 boys, mostly in their teens, to camp for 30 days, not primarily to train them as soldiers, but to improve them physically and to instruct them in citizenship. Better would we expend that amount in helping the physical condition of those who are hungry, and in raising the confidence of those whose faith in their Government has been shaken through long deprivation. You will find but precious few of the sons of these unfortunates in the citizens' military training camps.

Mr. Chairman, unrest stalks abroad. Some would have you believe that these civil items are essential to the national defense. Do they mean from within? Certainly they can not mean from without. National defense, my friends, does not entirely mean a man who has been taught to obey orders or tote a gun.

A healthy, happy citizenry is the very foundation of national defense. You will not promote it by sustaining these amendments.

Mr. Chairman, the bill in its present state provides for the retirement of 2,000 officers of the Regular Army, as proposed by the committee. Whether or not an effort will be made in the House to keep the commissioned strength of the Regular Army at its present number, I am not advised, but I shall take advantage of this opportunity to read a letter that came to me this morning from an active commissioned officer of the Regular Army. It is deserving of the attention and consideration of every man here. It reads as follows:

I am a Regular Army captain and also, I believe, a loyal and patriotic citizen. What is more, I am a taxpayer.

I like the Army; I believe in it, and yet I am not blinded to the fact that 2,000 officers can be removed from it without decreasing our national defense one iota. In fact, it is evident to me that, if it were possible to remove 4,000 of the most ineffective officers, the present work of handling Regular troops and instructing the civilian components could be handled just as effectively and, of course, more efficiently by the remaining 8,000.

I am prompted to write by the barrage of such talk as "hamstringing national defense," "wrecking the Army" and the like. We who are engaged in the workaday jobs of the Army know what nonsense this is. Whether the high Army officials and others who shape our policies know this, is problematical. When they inspect us everything is rehearsed ahead of time; they see only what they are supposed to see and are told what they want to be told; they deal with the Army in theory more than in fact.

Would it be hamstringing the national defense because 8,000 officers would be required to do efficiently what 12,000 officers are now puttering around with? No; because these 8,000 will be and will have to be more efficient. The 4,000 would not be exiled or suddenly exterminated. They would still be available for emergency; in return for retired pay they could be required to keep fit and to be periodically mobilized and trained a couple of weeks per year if desired, like reserve officers. Many business organizations have cut out overhead personnel and deadwood and increased production.

Will it wreck the Army if 100 "gilded aides" (private secretaries) have to be put to military work; if 100 post-exchange officers (small-town storekeepers) on posts now adequately served by civilian stores and markets are put back into military productivity; if several hundred property officers now counting socks and ash cans (the work of an $1,800 bonded stock clerk) go back to the work of military training; if 100 broken-down colonels puttering around corps-area headquarters while juniors do their work are put on the retired list, where they should have gone years ago; if several hundred officers sitting around offices in Federal buildings of every large city, sending out mimeographed pep bulletins and getting up smokers for reserve officers are put to constructive military work?

Is it going to wreck the Reserve Officers' Training Corps if Purdue University, now having 14 Regular Army officers of Field Artillery, is cut down to 4 Field Artillery officers? Has not every officer in the Army heard the customary remark about the Reserve Officers' Training Corps detail at this college or that school, "The 4-year rest up at Blank University"?

The fact that pacifists are in favor of this reduction means nothing; the reduction will strengthen rather than weaken our defense. There is nothing so weakening to defense as having a large number of officers puttering around, holding meaningless jobs,

and making useless motions. The reduction will mean that our top-heavy list of senior officers who, because of their rank, now consider themselves "done with detail," will have to forget their slogan and get back to arduous military duties again.

No more will we see a colonel commanding a second lieutenant and 20 men on a caretaking job, or twenty-odd officers on a post with but 150 men, or 25 officers of field grade on a post of 2,500 men, or two companies fully officered but with so few men that they are combined as one for drill each day, while on alternate days one batch of officers twiddle their thumbs.

I believe you are right about the value of the National Guard. I have been on duty with units of it in Massachusetts and Illinois. I firmly believe that the average National Guard officer, in these States at least, is further along in the technical knowledge of his branch of the service than is the Regular Army officer. We spend so much time checking property, sitting on boards and courts, running post exchanges and movie shows, policing up the post, acting as office manager and private secretary, acting as adjutant or executive for some "done-with-detail" superior, that we are lucky if we are able to spend on technical advancement the one night per week usually spent by the guard officer.

I believe this bill is going to have a rejuvenating effect on the Army, but as long as the reduction is going to be on the basis of selection according to efficiency, why not go all the way and insure future efficiency by making subsequent promotions a matter of selection? The majority of Army officers, due to war entry, are a homogeneous mass as far as length of service is concerned. Majors and first lieutenants differ in length of service only by a few months in many cases; consequently length of service has ceased to have value as a gage of ability. No doubt favoritism would creep in, but nine out of ten aggressive and capable officers would take their chances on favoritism for the opportunity of rising by merit. I should have said the younger officers would prefer this; the older ones whose efficiency is no longer increasing at the same rate naturally would not want the risk of being passed over. Regardless of the dangers of selection, the good officer would on the average tend to rise to the top.

I am conscious of the courage and good sense of the backers of this bill, in spite of the cries of "pacifist" and "politics." May all Government departments be snapped out of their lethargy by the same drastic methods.

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

Mr. Chairman, I do this for the purpose of asking the gentleman from Mississippi a question.

I recall when the Department of Agriculture appropriation bill was up the gentleman from Mississippi offered a motion which limited the amount that might be paid for any passenger-carrying vehicle to $750, and said he would offer the amendment in respect of all the other appropriation bills. It does not seem to be in this particular bill, and I would like to have the gentleman explain that.

Mr. COLLINS. That is because we do not carry any money for passenger-carrying vehicles here.

Mr. JONES. There is no conflict between those bills and the bill under consideration, and the gentleman has not abandoned his position of economy in that respect?

Mr. COLLINS. No, indeed. The bill would have carried a similar provision had the bill made provision for passenger-carrying motor vehicles.

Mr. JONES. And the gentleman still intends to have that apply to all bills in which there is provision made for new cars?

Mr. COLLINS. Yes.

Mr. GOSS. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Connecticut.

Mr. GOSS. I would like to ask the chairman of the subcommittee if the section just read is carried in all the other bills as it is in this bill? I understood it had gone out of one of the appropriation bills.

Mr. COLLINS. The other bills carry the $750 limitation except the Navy bill, and I understand there were no purchase items for passenger-carrying automobiles in the Navy appropriation bill.

Mr. GOSS. What about the use of such automobiles? We are restricting the use of them in this provision.

Mr. COLLINS. The provision that the gentleman from Texas [Mr. JONES] is referring to is a provision that affects the purchase of new cars.

Mr. GOSS. But I am referring to section 3, which has just been numbered 2, starting at line 15, page 79, and going over to line 6, on page 80; and if my recollection serves me correctly, this provision was omitted from the Navy bill.

Mr. COLLINS. It is the same provision, I will say to the gentleman.

Mr. GOSS. The gentleman assures us it was carried in the other bill?

Mr. COLLINS. It was carried in the Navy bill.

Mr. JONES. And there is no distinction made so far as the purchase of any cars is concerned?

Mr. COLLINS. No.

Mr. JONES. I am interested in practicing economy in government in every possible way. I have in my hand a wire signed by a number of the citizens of my home town, and which I have asked to have read to the House. I have called its substance to your attention heretofore. In this message these citizens plead that the Budget be balanced by reducing expenses instead of further increasing the terrific burden of taxation, that the Members reduce their own salaries and abolish any and all unnecessary expenses, that they refuse to listen to small minority groups, and that they vote in the interest of the people of the whole country. This is the sentiment expressed throughout the land.

I have voted for the economy program right down the line. I have not only voted for the reductions offered, but have offered a number of additional amendments making further reductions. Some of these votes were not easy to cast, but I feel that during these times this is the wise course.

Much of the criticism of Congress is justified. I think, however, it is but fair to add that the Congress has reduced every appropriation bill not only much below last year's appropriation, but also below the requests made by the President through the Bureau of the Budget. They reduced the agriculture appropriation bill $10,000,000 below the President's request; the Commerce bill $5,500,000 below his request; the Treasury and Post Office bills $22,700,000 below his request; the Navy bill $15,000,000; the War Department bill $24,000,000, and the Interior bill $6,000,000 below his request, and other bills in similar proportions, a total of $161,000,000 below what the President asked for in his Budget, and $563,000,000 below last year's appropriations for the same purposes.

I think Congress made a mistake in taking so many items out of the economy bill, but I believe this will be corrected. This was a special bill for additional reductions; that is, in addition to those mentioned above. I not only voted for these reductions but sought to include further ones. One thing that made this difficult was the fact that the members of the President's Cabinet so often protested against the reductions proposed in their respective departments.

The economy bill as it passed the House provides for an 11 per cent reduction in the salaries of the Members of Congress. I voted for the amendment which would have made this reduction 25 per cent on salaries of over $8,000, including Members of Congress. I felt and now feel that during these serious times everyone should be willing to make a sacrifice.

I thought it proper to call these facts to the attention of those who might be interested, because the action of the House on the economy bill has in some instances caused the public to lose sight of the actual reductions that have been made. The records will show these facts as indisputable.

I am glad to see the public interest that is being manifested in reducing the expenses of government. It is highly important that the centralization in government should be halted, that the manifold activities of government should be curtailed. I do not care who gets the credit, just so we get economy.

WILLIAM WOLFF SMITH

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent to proceed for one minute out of order for the purpose of making an announcement.

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

There was no objection.

Mr. McSWAIN. Mr. Chairman, I have just received a letter from the Administrator of the Veterans' Bureau to the effect that he has accepted the resignation of William Wolff

Smith as special counsel for the Veterans' Bureau, effective immediately after the expiration of his annual leave. [Applause.]

ARMY APPROPRIATION BILL

The Clerk completed the reading of the bill.

Mr. COLLINS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. COLLINS. 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?

Mr. COLLINS. Mr. Speaker, I demand a separate vote on the Barbour amendment, page 54, line 5, relating to the Organized Reserves, and a separate vote on another Barbour amendment on page 54, relating to the Organized Reserves; also the amendment with reference to the Reserve Officers' Training Corps amendment on page 58 and the citizens' military training camps amendment offered by the gentleman from California [Mr. BARBOUR], on page 61, line 2, four amendments in all.

The SPEAKER. Is there a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment.

The Clerk read as follows:

Amendment by Mr. BARBOUR: On page 54, in line 5, strike out "$4,244,580" and insert in lieu thereof "$6,354,348"; and on page 52, line 11, strike out the comma at the end of the line; and in line 12 strike out the words "except as hereinafter provided"; and on page 54 strike out the paragraph commencing in line 23 and ending in line 11 on page 55.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. BARBOUR) there were 107 ayes and 101 noes.

Mr. COLLINS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 168, not voting 46, as follows:

[Roll No. 76]

YEAS—218

Adkins	Campbell, Pa.	Dickstein	Hall, N. Dak.
Aldrich	Carley	Dieterich	Hancock, N. Y.
Allen	Carter, Calif.	Douglas, Ariz.	Hancock, N. C.
Andresen	Carter, Wyo.	Douglass, Mass.	Hardy
Andrew, Mass.	Cavicchia	Doutrich	Hart
Andrews, N. Y.	Celler	Dowell	Hartley
Arentz	Chavez	Drewry	Hawley
Bacharach	Chindblom	Eaton, Colo.	Hess
Bachmann	Chiperfield	Eaton, N. J.	Hogg, W. Va.
Bacon	Clancy	Englebright	Holmes
Baldrige	Clarke, N. Y.	Erk	Hooper
Barbour	Cochran, Pa.	Evans, Calif.	Hopkins
Beam	Cole, Iowa	Fernandez	Hornor
Beedy	Cole, Md.	Fiesinger	Horr
Black	Colton	Finley	Hull, William E.
Bland	Connolly	Fish	James
Bloom	Cooke	Fitzpatrick	Jeffers
Boileau	Cooper, Tenn.	Foss	Johnson, Ill.
Boland	Corning	Frear	Johnson, S. Dak.
Bolton	Coyle	Free	Johnson, Wash.
Bowman	Crail	Gasque	Kading
Briggs	Culkin	Gavagan	Kahn
Britten	Cullen	Goss	Keller
Brumm	Curry	Granfield	Kelly, Ill.
Brunner	Dallinger	Green	Kelly, Pa.
Buckbee	Darrow	Griffin	Kemp
Burdick	Davenport	Griswold	Kendall
Burtness	Delaney	Hadley	Kennedy
Butler	DeRouen	Hall, Ill.	Ketcham
Kinzer	Millard	Rich	Swick
Kleberg	Montague	Rogers, Mass.	Swing
Knutson	Montet	Rogers, N. H.	Temple
Kopp	Mouser	Rudd	Thomason
Kurtz	Niedringhaus	Sanders, Tex.	Thurston
Leavitt	Nolan	Sandlin	Tierney
Lehlbach	Norton, N. J.	Schafer	Timberlake
Lichtenwalner	O'Connor	Schuetz	Tinkham
Lindsay	Oliver, N. Y.	Seger	Treadway
Lonergan	Overton	Seiberling	Turpin
Loofbourow	Parker, Ga.	Shott	Wason
Luce	Parker, N. Y.	Shreve	Watson
McCormack	Parsons	Simmons	Weaver
McFadden	Peavey	Sirovich	Weeks
McGugin	Perkins	Snell	Welch, Calif.
McLaughlin	Person	Somers, N. Y.	White
McLeod	Pettengill	Stalker	Wigglesworth
McMillan	Pittenger	Stevenson	Wilson
McSwain	Prall	Stewart	Wingo
Maas	Pratt, Harcourt J.	Stokes	Withrow
Magrady	Pratt, Ruth	Strong, Pa.	Wolcott
Maloney	Purnell	Stull	Wolverton
Mapes	Ransley	Sullivan, N. Y.	Wyant
Martin, Mass.	Reed, N. Y.	Sutphin	Yates
Martin, Oreg.	Reid, Ill.	Swanson	
May	Reilly	Sweeney	

NAYS—168

Allgood	Evans, Mont.	LaGuardia	Rankin
Almon	Fishburne	Lambertson	Rayburn
Amlie	Flannagan	Lambeth	Robinson
Arnold	French	Lanham	Romjue
Ayres	Fulbright	Lankford, Ga.	Sabath
Bankhead	Fuller	Larrabee	Sanders, N. Y.
Barton	Gambrill	Larsen	Schneider
Blanton	Garber	Lewis	Selvig
Boehne	Gilbert	Linthicum	Sinclair
Brand, Ga.	Gilchrist	Lovette	Smith, Va.
Brand, Ohio	Gillen	Lozier	Smith, W. Va.
Buchanan	Glover	Ludlow	Snow
Bulwinkle	Goldsborough	McClintic, Okla.	Sparks
Burch	Greenwood	McClintock, Ohio	Spence
Busby	Gregory	McDuffie	Stafford
Byrns	Guyer	McKeown	Steagall
Campbell, Iowa	Haines	McReynolds	Strong, Kans.
Canfield	Hall, Miss.	Major	Summers, Wash.
Cannon	Hare	Manlove	Sumners, Tex.
Carden	Harlan	Mansfield	Swank
Cartwright	Hastings	Mead	Taber
Christgau	Haugen	Miller	Tarver
Christopherson	Hill, Ala.	Milligan	Taylor, Colo.
Clague	Hill, Wash.	Mobley	Taylor, Tenn.
Clark, N. C.	Hoch	Moore, Ky.	Thatcher
Cochran, Mo.	Holaday	Moore, Ohio	Underhill
Collins	Hope	Morehead	Underwood
Condon	Houston, Del.	Nelson, Me.	Vinson, Ga.
Cooper, Ohio	Howard	Nelson, Mo.	Vinson, Ky.
Cox	Huddleston	Nelson, Wis.	Warren
Crisp	Hull, Morton D.	Norton, Nebr.	Welsh, Pa.
Cross	Jacobsen	Oliver, Ala.	West
Crosser	Jenkins	Palmisano	Whitley
Crowe	Johnson, Mo.	Parks	Whittington
Crump	Johnson, Okla.	Partridge	Williams, Mo.
Davis	Johnson, Tex.	Patman	Williams, Tex.
Dickinson	Jones	Patterson	Wolfenden
Dies	Karch	Polk	Wood, Ga.
Disney	Kerr	Pou	Wood, Ind.
Doughton	Kniffin	Rainey	Woodruff
Doxey	Kunz	Ramseyer	Woodrum
Ellzey	Kvale	Ramspeck	Wright

NOT VOTING—46

Abernethy	Crowther	Gifford	Owen
Auf der Heide	De Priest	Golder	Ragon
Beck	Dominick	Goodwin	Shallenberger
Bohn	Drane	Hogg, Ind.	Shannon
Boylan	Driver	Hollister	Smith, Idaho
Browning	Dyer	Igoe	Sullivan, Pa.
Cable	Eslick	Lamneck	Tilson
Cary	Estep	Lankford, Va.	Tucker
Chapman	Freeman	Lea	Williamson
Chase	Fulmer	Michener	Yon
Collier	Garrett	Mitchell	
Connery	Gibson	Murphy	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boylan (for) with Mr. Eslick (against).
Mr. Tilson (for) with Mr. Browning (against).
Mr. Auf der Heide (for) with Mr. Lamneck (against).

General pairs:

Mr. Tucker with Mr. Gifford.
Mr. Collier with Mr. Crowther.
Mr. Drane with Mr. Bohn.
Mr. Connery with Mr. Hogg of Indiana.
Mr. Abernethy with Mr. Beck.
Mr. Chapman with Mr. Estep.
Mr. Shannon with Mr. Cable.
Mr. Yon with Mr. Michener.
Mr. Cary with Mr. Golder.
Mr. Dominick with Mr. Murphy.
Mr. Ragon with Mr. Williamson.

Mr. Driver with Mr. Lankford of Virginia.
Mr. Fulmer with Mr. Smith of Idaho.
Mr. Mitchell with Mr. Sullivan of Pennsylvania.
Mr. Garrett with Mr. Freeman.
Mr. Igoe with Mr. De Priest.
Mr. Goodwin with Mr. Hollister.

Mr. COOPER of Tennessee. Mr. Speaker, my colleague from Tennessee, Mr. ESLICK, is unavoidably absent on account of illness. If he were present and permitted to vote, he would vote "nay."

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. CONNERY, is unavoidably absent on account of illness in his family. If present, he would vote "yea."

Mr. MICHENER. Mr. Speaker, I was in the adjoining room and did not hear my name called. If I had permission to vote, I should vote "nay."

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment by Mr. BARBOUR: Page 54, line 23, strike out the paragraph commencing on line 23 and ending in line 11, page 55.

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

The question was taken; and on a division (demanded by Mr. BARBOUR) there were—ayes 137, noes 141.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment by Mr. BARBOUR: Page 58, line 20, strike out "$2,998,711" and insert in lieu thereof "$4,079,484," and on page 58, line 21, after the comma, strike out all matter dewn to and including the comma at the end of line 2, page 59.

Mr. COLLINS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 236, nays 151, not voting 45, as follows:

[Roll No. 77]

YEAS—236

Adkins	Coyle	Hart	Magrady
Aldrich	Crail	Hartley	Major
Allen	Crowe	Hawley	Maloney
Andrew, Mass.	Crump	Hess	Manlove
Arentz	Culkin	Holmes	Mapes
Arnold	Cullen	Hooper	Martin, Mass.
Bacharach	Curry	Hopkins	Martin, Oreg.
Bachmann	Dallinger	Hornor	May
Bacon	Darrow	Horr	Mead
Baldrige	Davenport	Houston, Del.	Michener
Barbour	Delaney	Hull, William E.	Millard
Beam	DeRouen	James	Montague
Beedy	Dickstein	Jeffers	Montet
Black	Dieterich	Johnson, Ill.	Mouser
Bland	Douglas, Ariz.	Johnson, S. Dak.	Nelson, Me.
Bloom	Douglass, Mass.	Johnson, Wash.	Niedringhaus
Boileau	Doutrich	Kading	Norton, N. J.
Boland	Doxey	Kahn	O'Connor
Bolton	Drewry	Keller	Oliver, N. Y.
Briggs	Driver	Kelly, Ill.	Overton
Britten	Eaton, Colo.	Kelly, Pa.	Parker, Ga.
Brumm	Eaton, N. J.	Kemp	Parker, N. Y.
Brunner	Englebright	Kendal	Parsons
Buckbee	Erk	Kennedy	Partridge
Burdick	Evans, Calif.	Ketcham	Peavey
Butler	Fernandez	Kinzer	Perkins
Campbell, Iowa	Fiesinger	Kleberg	Person
Campbell, Pa.	Finley	Kopp	Pettengill
Carley	Fish	Kurtz	Pittenger
Carter, Calif.	Fitzpatrick	Larrabee	Prall
Carter, Wyo.	Foss	Leavitt	Pratt, Harcourt J.
Cavicchia	Free	Lehlbach	Pratt, Ruth
Celler	Gasque	Lichtenwalner	Purnell
Chavez	Gavagan	Lindsay	Ramseyer
Chindblom	Goldsborough	Lonergan	Ransley
Chiperfield	Goss	Loofbourow	Reed, N. Y.
Clancy	Granfield	Lovette	Reid, Ill.
Clarke, N. Y.	Green	Luce	Reilly
Cochran, Pa.	Greenwood	McCormack	Rich
Cole, Iowa	Griffin	McFadden	Rogers, Mass.
Cole, Md.	Griswold	McGugin	Rogers, N. H.
Colton	Hadley	McKeown	Rudd
Condon	Hall, Ill.	McLaughlin	Sanders, N. Y.
Connolly	Hall, Miss.	McLeod	Sanders, Tex.
Cooke	Hancock, N. Y.	McMillan	Sandlin
Cooper, Tenn.	Hancock, N. C.	McSwain	Schafer
Corning	Hardy	Maas	Schuetz
Seger	Stevenson	Taber	Weeks
Seiberling	Stewart	Taylor, Tenn.	Welch, Calif.
Shott	Stokes	Temple	Whitley
Shreve	Strong, Pa.	Thatcher	Wigglesworth
Sirovich	Stull	Thomason	Wilson
Smith, Idaho	Sullivan, N. Y.	Tierney	Wingo
Smith, Va.	Summers, Wash.	Timberlake	Withrow
Snell	Sutphin	Tinkham	Wolcott
Snow	Swanson	Treadway	Wolfenden
Somers, N. Y.	Sweeney	Turpin	Wolverton
Stafford	Swick	Wason	Wyant
Stalker	Swing	Watson	Yates

NAYS—151

Allgood	Dowell	Karch	Ramspeck
Almon	Ellzey	Kerr	Rankin
Amlie	Evans, Mont.	Kniffin	Rayburn
Andresen	Fishburne	Knutson	Robinson
Ayres	Flannagan	Kunz	Romjue
Bankhead	Frear	Kvale	Sabath
Barton	French	LaGuardia	Schneider
Blanton	Fulbright	Lambertson	Selvig
Boehne	Fuller	Lambeth	Simmons
Bowman	Gambrill	Lanham	Sinclair
Brand, Ga.	Garber	Lankford, Ga.	Smith, W. Va.
Brand, Ohio	Gilbert	Larsen	Sparks
Buchanan	Gilchrist	Lewis	Spence
Bulwinkle	Gillen	Linthicum	Steagall
Burch	Glover	Lozier	Strong, Kans.
Burtness	Gregory	Ludlow	Sumners, Tex.
Busby	Guyer	McClintic, Okla.	Swank
Byrns	Haines	McClintock, Ohio	Tarver
Canfield	Hall, N. Dak.	McDuffie	Taylor, Colo.
Cannon	Hare	McReynolds	Thurston
Carden	Harlan	Mansfield	Underhill
Cartwright	Hastings	Miller	Underwood
Christgau	Haugen	Milligan	Vinson, Ga.
Christopherson	Hill, Ala.	Mobley	Vinson, Ky.
Clague	Hill, Wash.	Moore, Ky.	Warren
Clark, N. C.	Hoch	Moore, Ohio	Weaver
Cochran, Mo.	Hogg, W. Va.	Morehead	Welsh, Pa.
Collins	Holaday	Nelson, Mo.	West
Cooper, Ohio	Hope	Nelson, Wis.	White
Cox	Howard	Nolan	Whittington
Crisp	Huddleston	Norton, Nebr.	Williams, Mo.
Cross	Hull, Morton D.	Oliver, Ala.	Williams, Tex.
Crosser	Jacobsen	Palmisano	Wood, Ga.
Davis	Jenkins	Parks	Wood, Ind.
Dickinson	Johnson, Mo.	Patman	Woodruff
Dies	Johnson, Okla.	Patterson	Woodrum
Disney	Johnson, Tex.	Polk	Wright
Doughton	Jones	Rainey	

NOT VOTING—45

Abernethy	Connery	Gifford	Pou
Andrews, N. Y.	Crowther	Golder	Ragon
Auf der Heide	De Priest	Goodwin	Shallenberger
Beck	Dominick	Hogg, Ind.	Shannon
Bohn	Drane	Hollister	Sullivan, Pa.
Boylan	Dyer	Igoe	Tilson
Browning	Eslick	Lamneck	Tucker
Cable	Estep	Lankford, Va.	Williamson
Cary	Freeman	Lea	Yon
Chapman	Fulmer	Mitchell	
Chase	Garrett	Murphy	
Collier	Gibson	Owen	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boylan (for) with Mr. Eslick (against).
Mr. Tilson (for) with Mr. Browning (against).
Mr. Auf der Heide (for) with Mr. Lamneck (against).
Mr. Hollister (for) with Mr. Goodwin (against).

General pairs:

Mr. Tucker with Mr. Gifford.
Mr. Collier with Mr. Crowther.
Mr. Drane with Mr. Bohn.
Mr. Connery with Mr. Hogg of Indiana.
Mr. Chapman with Mr. Estep.
Mr. Shannon with Mr. Cable.
Mr. Cary with Mr. Golder.
Mr. Dominick with Mr. Murphy.
Mr. Ragon with Mr. Williamson.
Mr. Mitchell with Mr. Sullivan.
Mr. Garrett with Mr. Freeman.
Mr. Igoe with Mr. De Priest.
Mr. Abernethy with Mr. Beck.
Mr. Pou with Mr. Andrews of New York.
Mr. Shallenberger with Mr. Lankford of Virginia.
Mr. Yon with Mr. Chase.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts [Mr. CONNERY] is unavoidably absent on account of illness in his family. If he were present, he would vote "aye."

Mr. SPENCE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. CRISP). The gentleman will state it.

Mr. SPENCE. Was the citizens' military training camps included in this amendment?

The SPEAKER pro tempore. The Chair does not think that is a parliamentary inquiry at this stage, when the amendment has been read and the roll has been called. To be frank, the Chair could not answer, because the Chair is not familiar with the details of the amendment.

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague, Mr. GIFFORD, is absent on account of illness. If present, he would vote "aye."

Mr. COOPER of Ohio. Mr. Speaker, my colleague the gentleman from Ohio, Mr. HOLLISTER, is absent. Were he present, he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 61, after line 2, insert:

"CITIZENS' MILITARY TRAINING CAMPS

"For furnishing, at the expense of the United States, to warrant officers, enlisted men, and civilians attending training camps maintained under the provisions of section 47d of the national defense act of June 3, 1916, as amended (U. S. C., title 10, sec. 442), uniforms, including altering, fitting, washing, and cleaning when necessary, subsistence, or subsistence allowances, and transportation, or transportation allowances, as prescribed in said section 47d, as amended; for such expenditures as are authorized by said section 47d as may be necessary for the establishment and maintenance of said camps, including recruiting and advertising therefor, and the cost of maintenance, repair, and operation of passenger-carrying vehicles; for expenses incident to the use, including upkeep and depreciation costs, of supplies, equipment, and matériel furnished in accordance with law from stocks under the control of the War Department; for gymnasium and athletic supplies (not exceeding $20,000); for mileage, reimbursement of traveling expenses, or allowance in lieu thereof as authorized by law, for officers of the Regular Army and Organized Reserves traveling on duty in connection with citizens' military training camps; for purchase of training manuals, including Government publications and blank forms; for medical and hospital treatment, subsistence, and transportation, in case of injury in line of duty, of members of the citizens' military training camps and for transportation and burial of remains of any such members who die while undergoing training or hospital treatment, as provided in the act of April 26, 1928 (U. S. C., Supp. V, title 10, secs. 454, 455); in all, $2,603,624: *Provided*, That the funds herein appropriated shall not be used for the training of any person in the first year or lowest course, who shall have reached his twenty-fourth birthday before the date of enrollment: *Provided further*, That none of the funds appropriated elsewhere in this act except for printing and binding and for pay and allowances of officers and enlisted men of the Regular Army shall be used for expenses in connection with citizens' military training camps: *Provided further*, That uniforms and other equipment or matériel furnished in accordance with law for use at citizens' military training camps shall be furnished from surplus or reserve stocks of the War Department without payment from this appropriation, except for actual expense incurred in the manufacture or issue: *Provided further*, That in no case shall the amount paid from this appropriation for uniforms, equipment, or matériel furnished in accordance with law for use at citizens' military training camps from stocks under control of the War Department be in excess of the price current at the time the issue is made."

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

Mr. COLLINS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 141, not voting 48, as follows:

[Roll No. 78]

YEAS—243

Adkins	Briggs	Cochran, Pa.	Delaney
Aldrich	Britten	Cole, Iowa	DeRouen
Allen	Brumm	Cole, Md.	Dickstein
Andrew, Mass.	Brunner	Colton	Dieterich
Andrews, N. Y.	Buckbee	Condon	Douglas, Ariz.
Arentz	Burdick	Connolly	Douglass, Mass.
Bacharach	Butler	Cooke	Doutrich
Bachmann	Campbell, Iowa	Cooper, Tenn.	Dowell
Bacon	Campbell, Pa.	Corning	Doxey
Baldrige	Carden	Coyle	Drewry
Barbour	Carley	Crail	Driver
Beam	Carter, Calif.	Crowe	Eaton, Colo.
Beedy	Carter, Wyo.	Crump	Eaton, N. J.
Black	Cavicchia	Culkin	Englebright
Bland	Celler	Cullen	Erk
Bloom	Chavez	Curry	Evans, Calif.
Boileau	Chindblom	Dallinger	Fernandez
Boland	Chiperfield	Darrow	Fiesinger
Bolton	Clarke, N. Y.	Davenport	Finley
Fish	Keller	Montague	Somers, N. Y.
Fitzpatrick	Kelly, Ill.	Montet	Spence
Foss	Kelly, Pa.	Mouser	Stalker
Free	Kemp	Nelson, Me.	Stewart
Gasque	Kennedy	Niedringhaus	Stokes
Gavagan	Ketcham	Nolan	Strong, Kans.
Gilchrist	Kinzer	Norton, N. J.	Strong, Pa.
Goldsborough	Kleberg	O'Connor	Stull
Goss	Kopp	Oliver, N. Y.	Sullivan, N. Y.
Granfield	Kurtz	Overton	Summers, Wash.
Green	Lambertson	Parker, Ga.	Sutphin
Greenwood	Lankford, Ga.	Parker, N. Y.	Swanson
Griffin	Larrabee	Parsons	Sweeney
Griswold	Leavitt	Partridge	Swick
Hadley	Lehlbach	Person	Swing
Hall, Ill.	Lichtenwalner	Pettengill	Taber
Hall, Miss.	Lindsay	Pittenger	Taylor, Tenn.
Hancock, N. Y.	Lonergan	Prall	Temple
Hancock, N. C.	Loofbourow	Pratt, Harcourt J.	Thatcher
Hardy	Lovette	Pratt, Ruth	Thomason
Harlan	Luce	Purnell	Tierney
Hartley	Ludlow	Ransley	Timberlake
Hawley	McCormack	Reed, N. Y.	Tinkham
Hess	McFadden	Reid, Ill.	Treadway
Hogg, W. Va.	McGugin	Reilly	Turpin
Holmes	McKeown	Rich	Underhill
Hooper	McLaughlin	Rogers, Mass.	Underwood
Hope	McLeod	Rogers, N. H.	Wason
Hopkins	McMillan	Rudd	Watson
Hornor	McSwain	Sanders, N. Y.	Weeks
Horr	Maas	Sanders, Tex.	Welch, Calif.
Houston, Del.	Magrady	Sandlin	Whitley
Hull, William E.	Major	Schafer	Wigglesworth
James	Maloney	Schuetz	Wilson
Jeffers	Manlove	Seger	Wingo
Jenkins	Mansfield	Seiberling	Withrow
Johnson, Ill.	Mapes	Shott	Wolcott
Johnson, Okla.	Martin, Mass.	Shreve	Wolfenden
Johnson, S. Dak.	Martin, Oreg.	Sirovich	Wolverton
Johnson, Wash.	May	Smith, Idaho	Wyant
Kading	Mead	Snell	Yates
Kahn	Millard	Snow	

NAYS—141

Allgood	Disney	Kniffin	Robinson
Almon	Doughton	Knutson	Romjue
Amlie	Ellzey	Kunz	Sabath
Andresen	Evans, Mont.	Kvale	Schneider
Arnold	Fishburne	LaGuardia	Selvig
Ayres	Flannagan	Lambeth	Simmons
Bankhead	Frear	Lanham	Sinclair
Barton	French	Larsen	Smith, Va.
Blanton	Fulbright	Lewis	Smith, W. Va.
Boehne	Fuller	Linthicum	Sparks
Bowman	Fulmer	Lozier	Stafford
Brand, Ga.	Gambrill	McClintic, Okla.	Steagall
Brand, Ohio	Garber	McClintock, Ohio	Stevenson
Buchanan	Gilbert	McDuffie	Sumners, Tex.
Bulwinkle	Gillen	McReynolds	Swank
Burch	Glover	Michener	Tarver
Burtness	Gregory	Miller	Taylor, Colo.
Busby	Guyer	Milligan	Thurston
Byrns	Haines	Mobley	Vinson, Ga.
Canfield	Hall, N. Dak.	Moore, Ky.	Vinson, Ky.
Cannon	Hare	Moore, Ohio	Warren
Cartwright	Hastings	Morehead	Weaver
Christgau	Haugen	Nelson, Mo.	Welsh, Pa.
Christopherson	Hill, Ala.	Nelson, Wis.	West
Clague	Hill, Wash.	Norton, Nebr.	White
Clark, N. C.	Hoch	Oliver, Ala.	Whittington
Cochran, Mo.	Holaday	Palmisano	Williams, Mo.
Collins	Howard	Parks	Williams, Tex.
Cooper, Ohio	Huddleston	Patman	Wood, Ga.
Cox	Hull, Morton D.	Patterson	Wood, Ind.
Crisp	Jacobsen	Peavey	Woodruff
Cross	Johnson, Mo.	Polk	Woodrum
Crosser	Johnson, Tex.	Rainey	Wright
Davis	Jones	Ramseyer	
Dickinson	Karch	Ramspeck	
Dies	Kerr	Rankin	

NOT VOTING—48

Abernethy	Connery	Golder	Owen
Auf der Heide	Crowther	Goodwin	Perkins
Beck	De Priest	Hart	Pou
Bohn	Dominick	Hogg, Ind.	Ragon
Boylan	Drane	Hollister	Rayburn
Browning	Dyer	Igoe	Shallenberger
Cable	Eslick	Kendall	Shannon
Cary	Estep	Lamneck	Sullivan, Pa.
Chapman	Freeman	Lankford, Va.	Tilson
Chase	Garrett	Lea	Tucker
Clancy	Gibson	Mitchell	Williamson
Collier	Gifford	Murphy	Yon

So the amendment was agreed to.

The Clerk announced the following additional pairs:

On the vote:

Mr. Boylan (for) with Mr. Eslick (against).

Mr. Tilson (for) with Mr. Browning (against).

Mr. Auf der Heide (for) with Mr. Lamneck (against).

Mr. Hollister (for) with Mr. Goodwin (against).

Until further notice:

Mr. Tucker with Mr. Gifford.
Mr. Collier with Mr. Crowther.
Mr. Drane with Mr. Bohn.
Mr. Connery with Mr. Hogg of Indiana.
Mr. Chapman with Mr. Estep.
Mr. Shannon with Mr. Cable.
Mr. Carey with Mr. Golder.
Mr. Dominick with Mr. Murphy.
Mr. Ragon with Mr. Williamson.
Mr. Mitchell with Mr. Sullivan of Pennsylvania.
Mr. Garrett with Mr. Freeman.
Mr. Hart with Mr. Kendall.
Mr. Abernethy with Mr. Beck.
Mr. Shallenberger with Mr. Lankford of Virginia.
Mr. Yon with Mr. Chase.
Mr. Pou with Mr. Perkins.
Mr. Rayburn with Mr. Igoe.

Mr. McCORMACK. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. CONNERY, is absent on account of illness. If present, he would vote "aye."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. GIFFORD, is absent. If present, he would vote "aye."

Mr. HART. Mr. Speaker, I can not qualify; but if permitted to vote, I would vote "aye."

Mr. VINSON of Kentucky. Mr. Speaker, my colleague the gentleman from Kentucky [Mr. CHAPMAN] is unavoidably absent; if present, he would vote "aye" on the three amendments that have been voted upon.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the amended bill.

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

Mr. BARBOUR. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BARBOUR. In its present form, I am.

The SPEAKER pro tempore. Is any gentleman opposed to the bill in its entirety?

Mr. BLANTON. Mr. Speaker, I am opposed to certain features of the bill.

The SPEAKER pro tempore. That does not give the gentleman from Texas any priority over the gentleman from California. If any Member of the House is opposed to the bill in its entirety, he is entitled to preference.

Mr. LaGUARDIA. Mr. Speaker, I am opposed to the bill. I voted against every amendment, and I shall vote against the bill.

Mr. BARBOUR. Mr. Speaker, I am opposed to the bill.

The SPEAKER pro tempore. The gentleman from California qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BARBOUR moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendments:

Page 10, line 15, commencing with the colon, strike out the remainder of the paragraph.

Page 8, line 19, strike out "$27,209,927" and insert "$31,833,427."

Page 8, line 23, strike out "$8,356,200" and insert "$8,545,011."

Page 9, line 4, strike out "$1,914,948" and insert "$9,447,323."

Page 9, line 14, strike out "$4,648,006" and insert "$6,281,824."

Page 9, line 15, strike out "$5,122,479" and insert "$5,928,389."

Page 9, line 22, strike out "$133,257,790" and insert "$137,042,204."

Page 10, line 1, strike out "$132,457,790" and insert "$136,242,204."

Mr. BLANTON. Mr. Speaker, a point of order.

Mr. COLLINS. Mr. Speaker, I make the point of order the motion is not in order, that the House has already voted on the proposal submitted to the House by the gentleman from California and adopted by the House.

Mr. BLANTON. Mr. Speaker, I make the further point of order that the McSwain amendment was adopted in the Committee of the Whole House on the state of the Union as a part of a paragraph. The McSwain amendment has been voted upon by the House of Representatives since the committee has risen. It has become a part and parcel of the bill by action of the House.

The gentleman from California now seeks to change the provision by adopting only a portion of the paragraph which contains the McSwain amendment and not all of the paragraph, and to that extent the motion to recommit of the gentleman from California is out of order.

Mr. CANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CANNON. Mr. Speaker, I would like to ask if the proposed amendment, which is made up of quite a number of items, changes the items which were included by virtue of the McSwain amendment?

The SPEAKER pro tempore. It eliminates the McSwain amendment along with other provisions of the bill.

The Chair will hear the gentleman from California on the point of order.

Mr. CANNON. Mr. Speaker, I would like to ask further if it changes all of the provisions of the McSwain amendment or only a portion of them?

Mr. STAFFORD. Mr. Speaker, may we have the McSwain amendment, even though it is adopted by the House, again read?

The SPEAKER pro tempore. Without objection, the McSwain amendment will be again read.

Answering the gentleman's further parliamentary inquiry, the proposed motion to recommit eliminates from the bill the McSwain amendment along with other provisions in those paragraphs to which the McSwain amendment was adopted as a perfecting amendment.

Mr. CANNON. The entire McSwain amendment, Mr. Speaker?

The SPEAKER pro tempore. Yes; the Chair has answered that.

Mr. BLANTON. Mr. Speaker, my point of order is made because of that proposed action.

The SPEAKER pro tempore. The Chair so understands.

If there is no objection on the part of the House, the Chair will direct that the McSwain amendment be read. There was a request that such be done.

Is there objection?

Mr. TABER. Mr. Speaker, reserving the right to object, the McSwain amendment is long and involved, and it would be very difficult for the House to follow it. Everybody knows what it is. I object.

The SPEAKER pro tempore. Objection is heard. The Chair will be glad to hear from the gentleman from Illinois on the point of order.

Mr. CHINDBLOM. Mr. Speaker, a motion to recommit is a direction to the committee having had the bill in charge to report the bill back to the House with certain amendments. The amendments which are thus reported back to the House by the committee stand exactly upon the same footing as any other amendment offered to a bill and passed upon either by the House or by the Committee of the Whole.

In the present case the McSwain amendment, so-called, was adopted, beginning in line 11, page 11, with the word "convene," and was a perfecting amendment to the language which it is proposed by the motion to recommit to strike out. A motion to strike out is always in order following a perfecting amendment. In fact, the perfecting amendment must have consideration before the motion to strike out is voted upon.

I submit to the Chair that this is not the ordinary case where it is sought to get further action by the House upon an amendment which has already been adopted by seeking to strike out that amendment itself or by seeking to amend such an amendment. But, as I have stated, this is a motion to strike out the text of the bill, together with the perfecting amendment, which, of course, was adopted both by the Committee of the Whole and by the House before the motion to strike out would have been in order.

The remaining language in the motion, I will say to the Chair, can not be involved in any objection because it merely proposes to increase amounts of appropriation which are already in the bill and were not changed by amendments in the Committee of the Whole or in the House.

Mr. LAGUARDIA. Mr. Speaker, the so-called McSwain amendment provides the machinery to carry out the specific mandate of the bill. Every Member of the House was fully protected on a motion to recommit, particularly the gentleman from California. Had he asked for a separate vote on the McSwain amendment, and if the separate vote had been voted down, then he could carry out his purpose by a motion to recommit to increase the appropriations in order to avoid the discharge of 2,000 officers. But the McSwain amendment was approved by the House; it was adopted by the House when the Speaker submitted all of the amendments en gros, and therefore, what the gentleman from California is now seeking to do is to make another appeal to the House and have the House reverse itself on something upon which it has just voted. Whether it is a part of the entire motion to recommit or not is not controlling if it is an integral part of a specific proposition. For instance, without the McSwain amendment, Mr. Speaker, the existing number of officers could be left intact, even though we did not appropriate sufficiently for them. That is not the gist of it. What the gentleman from California seeks to do, under his motion to recommit, is to strike from the bill the elimination of 2,000 officers. I submit that the motion to recommit is not in order because the means whereby these officers may be eliminated have been adopted by the House. As I said before, the gentleman from California could have obtained a separate vote on that, and had the House voted that out of the bill, then his motion to recommit would have been in order, but under the parliamentary situation, the House having passed upon that part of the bill he can not now attempt to reverse the action of the House by a motion to recommit. The point of order should be sustained.

The SPEAKER pro tempore (Mr. CRISP). The Chair regrets that he was not here during the consideration of this bill, but was presiding over the Ways and Means Committee and, therefore, is not familiar with what took place in the Committee of the Whole House on the state of the Union when the bill was being considered. The Chair has tried to acquaint himself as best he could in the last few moments with what transpired.

The Chair is advised that in the Committee of the Whole House on the state of the Union a perfecting amendment was adopted to the paragraph known as the McSwain amendment. The bill was reported from the Committee of the Whole House on the state of the Union to the House, the House has agreed to the amendments, and has ordered the bill engrossed and read a third time.

The question is whether a motion to recommit, as offered by the gentleman from California, is in order which seeks to change something that the House has agreed to.

The motion to recommit was placed in the rule to give a substantial privilege to the minority of the House—I do not mean any political minority but a minority of the House—so as to give them a chance to go on record as to legislation.

In the Committee of the Whole House on the state of the Union there is no roll-call vote, so that the only opportunity that a minority may have to go on record is by means of a motion to recommit in the House. If the motion to recommit of the gentleman from California sought simply to eliminate from the bill the McSwain amendment, it would not be in order, because the question of estoppel would apply. When the House has acted on a matter, it must be res adjudicata. However, as the Chair understands the proposition, the McSwain amendment was adopted as a perfecting amendment to the paragraph. The motion to recommit of the gentleman from California proposes to strike out a substantial portion of the paragraph comprehending the McSwain amendment. Under the general rules of the House, where a motion is made to strike out a paragraph, a perfecting amendment changing the paragraph is preferential and the vote is first taken on the perfecting amendment. If the perfecting amendment is adopted, then it is in order to move to strike out the entire paragraph, notwithstanding the House or the committee has adopted a perfecting amendment to the paragraph.

The Chair thinks that the same rule applies to a motion to recommit where it is proposed in such a motion to strike out a paragraph or a portion of a paragraph which may have been perfected by amendments.

The Chair is therefore constrained to rule that the point of order is not good, and overrules the point of order.

Mr. BLANTON. Mr. Speaker, I offer a substitute motion to recommit.

Mr. CHINDBLOM. Mr. Speaker, the gentleman from California [Mr. BARBOUR] has the floor.

The SPEAKER pro tempore. The gentleman from California did not move the previous question, and the Chair had recognized the gentleman from Texas [Mr. BLANTON]. Undoubtedly, if the previous question had been moved and sustained, no substitute motion to recommit would be in order, but the previous question was not moved, and the gentleman from Texas is within his parliamentary rights.

The Clerk will report the substitute motion of the gentleman from Texas.

The Clerk read as follows:

Motion to recommit by Mr. BLANTON: Mr. Speaker, I move to recommit this bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendments, to-wit: On page 16, line 4, before the period, insert the following proviso:

"*Provided*, That no appropriation contained in this act shall be available for or on account of any expense incident to the permanent change of station of any commissioned officer of the Army except (1) officers appointed to and relieved from positions that are filled by and with the advice and consent of the Senate, (2) officers detailed to and from Army schools as students, (3) military attachés, (4) officers ordered to and from duty in the Canal Zone and in the Philippines, and (5) officers ordered to replace officers who die or may be separated from the active list."

On page 15, line 20, strike out "$4,126,865" and insert in lieu thereof "$3,126,865."

On page 52, line 10, before the word "Members," insert "not to exceed 10,000."

On page 56, line 23, after the word "instruction," insert "not to exceed 36,000."

Mr. BLANTON. And on that, Mr. Speaker, I move the previous question.

Mr. CHINDBLOM. Mr. Speaker, I make a point of order against the substitute.

Mr. STAFFORD. Mr. Speaker, I move the previous question on the motion to recommit and all amendments thereto.

The SPEAKER pro tempore. The gentleman from Texas moves the previous question on his substitute motion and on the original motion of the gentleman from California; and the gentleman from Illinois [Mr. CHINDBLOM] makes a point of order against the substitute of the gentleman from Texas. The gentleman will state his point of order.

Mr. CHINDBLOM. First, Mr. Speaker, I wish to refer to the rule of practice and procedure and decorum which has been established by the Speaker of the House that the Chair will not recognize anyone in the well of the House; and I will say for that reason——

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The Chair will not consider that point. The present Speaker pro tempore has made no such ruling.

Mr. CHINDBLOM. Then, Mr. Speaker, I make the points of order: First, that the motion to recommit of the gentleman from Texas [Mr. BLANTON] as a substitute for the motion to recommit of the gentleman from California [Mr. BARBOUR] is not germane to the motion of the gentleman from California; secondly, that it contains legislative matter which is not in order upon an appropriation bill.

The SPEAKER pro tempore (Mr. CRISP). The Chair is ready to rule.

The Chair does not feel compelled to pass on the question of whether the substitute of the gentleman from Texas is germane to the original motion to recommit of the gentleman from California or not. The gentleman from California made a motion to recommit dealing with certain features of the bill. The previous question was not ordered. The gentleman from Texas has offered a substitute with instructions as to other features of the bill, and the Chair thinks it is

clearly within the province of the House to pass on which one of the motions to recommit they desire to pass upon and will, of course, have a chance to pass on both of them. If the Blanton amendment as a substitute is adopted for the Barbour motion to recommit, that would eliminate the instructions in the motion of the gentleman from California [Mr. BARBOUR], and the question would come as to whether the House desired to adopt the instruction of the gentleman from Texas [Mr. BLANTON].

The Chair overrules the point of order.

Mr. CHINDBLOM. Will the Chair rule on the point of order as to the motion containing legislative matter on an appropriation bill?

The SPEAKER pro tempore. There was no point of order made on that.

Mr. CHINDBLOM. I made that point of order, Mr. Speaker.

The SPEAKER pro tempore. The Chair did not hear the gentleman.

Mr. CHINDBLOM. Yes; I made that point of order, and I thought I had made it quite distinctly.

The SPEAKER pro tempore. The Chair begs the gentleman's pardon, but he did not hear that part of his point of order. The Chair will say, as he caught the reading of the motion to recommit, the legislative part of it is a limitation.

Mr. BLANTON. It is both a limitation and comes within the Holman rule.

The SPEAKER pro tempore. The Chair thinks it is a limitation, and the question is on the motion to recommit by the gentleman from Texas.

Mr. STAFFORD. Mr. Speaker, I move the previous question on both motions to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the substitute motion offered by the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays.

The question of ordering the yeas and nays was taken and 47 Members arose.

The SPEAKER pro tempore. Forty-seven Members have arisen, and it requires, according to the last vote, 77. The Constitution provides for one-fifth of the Members present. Forty-seven is not a sufficient number, and the yeas and nays are refused. The question is on the substitute offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 90 ayes and 200 noes.

So the substitute motion to recommit was lost.

The SPEAKER pro tempore. The question now is on the motion to recommit by the gentleman from California [Mr. BARBOUR].

Mr. COLLINS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 182, nays 202, not voting 49, as follows:

[Roll No. 79]

YEAS—182

Adkins	Carley	Douglas, Ariz.	Horr
Aldrich	Carter, Calif.	Douglass, Mass.	Houston, Del.
Allen	Carter, Wyo.	Doutrich	Hull, William E.
Andrew, Mass.	Cavicchia	Drewry	James
Andrews, N. Y.	Celler	Eaton, Colo.	Johnson, S. Dak.
Arentz	Chavez	Eaton, N. J.	Johnson, Wash.
Bacharach	Chindblom	Englebright	Kahn
Bachmann	Chiperfield	Erk	Kelly, Pa.
Bacon	Clague	Evans, Calif.	Kemp
Baldrige	Clancy	Finley	Kennedy
Barbour	Clarke, N. Y.	Fish	Ketcham
Beam	Cochran, Pa.	Fitzpatrick	Kinzer
Beedy	Cole, Iowa	Foss	Kleberg
Black	Connolly	Free	Kurtz
Bland	Cooke	Gavagan	Lehlbach
Bloom	Corning	Goss	Lichtenwalner
Boileau	Coyle	Griffin	Lindsay
Boland	Crail	Hadley	Lonergan
Bolton	Crump	Hall, Miss.	Loofbourow
Bowman	Culkin	Hancock, N. Y.	Lovette
Briggs	Cullen	Hardy	Luce
Britten	Curry	Hartley	McCormack
Brumm	Dallinger	Hawley	McFadden
Brunner	Darrow	Hess	McGugin
Buckbee	Davenport	Hogg, Ind.	McLaughlin
Burdick	Delaney	Holmes	McLeod
Butler	Dickstein	Hooper	Maas
Campbell, Pa.	Dieterich	Hopkins	Magrady
Manlove	Perkins	Smith, Idaho	Timberlake
Mapes	Person	Smith, Va.	Tinkham
Martin, Mass.	Pittenger	Snell	Treadway
Martin, Oreg.	Prall	Somers, N. Y.	Turpin
Michener	Pratt, Harcourt J.	Stafford	Wason
Millard	Pratt, Ruth	Stalker	Watson
Montague	Purnell	Stewart	Weeks
Montet	Ransley	Stokes	Welch, Calif.
Mouser	Reed, N. Y.	Strong, Pa.	White
Niedringhaus	Reid, Ill.	Stull	Whitley
Nolan	Rogers, Mrs.	Sullivan, N. Y.	Wigglesworth
Norton, Mrs.	Rogers	Sutphin	Wolcott
O'Connor	Rudd	Swick	Wolfenden
Oliver, N. Y.	Sanders, N. Y.	Swing	Wolverton
Palmisano	Schafer	Taber	Wyant
Parker, Ga.	Schuetz	Temple	Yates
Parker, N. Y.	Seger	Thomason	
Parsons	Sirovich	Tierney	

NAYS—202

Allgood	Fishburne	Kerr	Rankin
Almon	Flannagan	Kniffin	Rayburn
Amlie	Frear	Knutson	Reilly
Andresen	French	Kopp	Rich
Arnold	Fulbright	Kunz	Robinson
Ayres	Fuller	Kvale	Romjue
Bankhead	Fulmer	LaGuardia	Sabath
Barton	Gambrill	Lambertson	Sanders, Tex.
Blanton	Garber	Lambeth	Sandlin
Boehne	Gasque	Lanham	Schneider
Brand, Ga.	Gilbert	Lankford, Ga.	Seiberling
Brand, Ohio	Gilchrist	Larrabee	Selvig
Buchanan	Gillen	Larsen	Shott
Bulwinkle	Glover	Leavitt	Simmons
Burch	Goldsborough	Lewis	Sinclair
Burtness	Granfield	Linthicum	Smith, W. Va.
Busby	Green	Lozier	Snow
Byrns	Greenwood	Ludlow	Sparks
Campbell, Iowa	Gregory	McClintic, Okla.	Spence
Canfield	Griswold	McClintock, Ohio	Steagall
Cannon	Guyer	McDuffie	Stevenson
Carden	Haines	McKeown	Strong, Kans.
Cartwright	Hall, Ill.	McReynolds	Summers, Wash.
Christgau	Hall, N. Dak.	MsSwain	Sumners, Tex.
Christopherson	Hancock, N. C.	Major	Swank
Clark, N. C.	Hare	Maloney	Swanson
Cochran, Mo.	Harlan	May	Sweeney
Cole, Md.	Hart	Mead	Tarver
Collins	Hastings	Miller	Taylor, Colo.
Colton	Haugen	Milligan	Taylor, Tenn.
Condon	Hill, Ala.	Mobley	Thatcher
Cooper, Ohio	Hill, Wash.	Moore, Ky	Thurston
Cooper, Tenn.	Hoch	Moore, Ohio	Underhill
Cox	Hogg, W. Va.	Morehead	Underwood
Crisp	Holaday	Norton	Vinson, Ga.
Cross	Hope	Nelson, Me.	Vinson, Ky.
Crosser	Hornor	Nelson, Mo.	Warren
Crowe	Howard	Nelson, Wis.	Weaver
Davis	Huddleston	Norton, Nebr.	West
DeRouen	Hull, Morton D.	Oliver, Ala.	Whittington
Dickinson	Jacobsen	Overton	Williams, Mo.
Dies	Jeffers	Parks	Williams, Tex.
Disney	Jenkins	Partridge	Wilson
Doughton	Johnson, Mo.	Patman	Wingo
Dowell	Johnson, Okla.	Patterson	Withrow
Doxey	Johnson, Tex.	Peavey	Wood, Ga.
Driver	Jones	Pettengill	Woodruff
Elizey	Kading	Polk	Woodrum
Evans, Mont.	Karch	Rainey	Wright
Fernandez	Keller	Ramseyer	
Fiesinger	Kelly, Ill.	Ramspeck	

NOT VOTING—49

Abernethy	De Priest	Igoe	Shallenberger
Auf der Heide	Dominick	Johnson, Ill.	Shannon
Beck	Drane	Kendall	Shreve
Bohn	Dyer	Lamneck	Sullivan, Pa.
Boylan	Eslick	Lankford, Va.	Tilson
Browning	Estep	Lea	Tucker
Cable	Freeman	McMillan	Welsh, Pa.
Cary	Garrett	Mansfield	Williamson
Chapman	Gibson	Mitchell	Wood, Ind.
Chase	Gifford	Murphy	Yon
Collier	Golder	Owen	
Connery	Goodwin	Pou	
Crowther	Hollister	Ragon	

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

Mr. Boylan (for) with Mr. Estlick (against).
Mr. Tilson (for) with Mr. Browning (against).
Mr. Auf der Heide (for) with Mr. Lamneck (against).
Mr. Hollister (for) with Mr. Goodwin (against).
Mr. Shreve (for) with Mr. Ragon (against).

General pairs:

Mr. Tucker with Mr. Gifford.
Mr. Collier with Mr. Crowther.
Mr. Drane with Mr. Bohn.
Mr. Chapman with Mr. Estep.
Mr. Shannon with Mr. Cable.
Mr. Cary with Mr. Golder.
Mr. Dominick with Mr. Murphy.
Mr. Mitchell with Mr. Sullivan of Pennsylvania.
Mr. Garrett with Mr. Freeman.

Mr. Abernethy with Mr. Beck.
Mr. Shallenberger with Mr. Lankford of Virginia.
Mr. Yon with Mr. Chase.
Mr. McMillan with Mr. Welsh of Pennsylvania.
Mr. Mansfield with Mr. Wood of Indiana.
Mr. Pou wth Mr. Kendall.
Mr. Connery with Mr. Williamson.
Mr. Igoe with Mr. De Priest.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. COLLINS, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—THE ARMY APPROPRIATION BILL

Mr. GRISWOLD. Mr. Speaker and Members of the House, I hate war. I should like to see world disarmament. But I want it to be world disarmament with emphasis on the word "world." I do not believe in destroying our national defense and allowing the rest of the world to be armed. I do not believe in any nation having a greater army than our own—in any nation having a more effective army than our own. We have been very magnanimous it seems to me. We have reduced our Army and Navy since the World War below treaty strength. The other nations have not.

I favor a citizens' army, an army built in time of trouble around trained officers. That is why I favor leaving in this bill every appropriation for the citizens' military training camp, the Reserve Officers' Training Corps, and the training of reserve officers.

During the last war we commissioned many officers whose only qualifications were an A. B. or B. S. degree. They were wonderful boys. Some of them could do logarithms in their heads; but that knowledge is not sufficient to make an officer. The ability to find the cube root of a barrel of pork or find the longitude west of Greenwich does not help a man to keep his head and handle men under fire or even on the parade ground. It does not teach him how to train others to do squads right, to shoot, or to take down and set up a machine gun under difficulties.

The military science is an exact science. One that does not permit of mistakes. Mistakes do not mean merely a money loss. Military mistakes mean death to men. In Italy, according to the press some months ago, each boy in the schools is required at the age of 7 to begin training with a wooden replica of the army rifle. If you abolish the citizens' military training camps and the Reserve Officers' Training Corps, you are going to send our boys out to fight against boys trained from the age of 7. Boys without training you are going to send forth to be crucified on the altar of penuriousness.

The gentleman from Indiana [Mr. WOOD], in his speech at the opening of this debate, told us that this was the richest Nation on earth. He should know. He has been here in this House many years. He has been chairman of the Appropriations Committee. He is so important that he could take the floor and state to this House that he spoke for the President of these United States. I think we can take his word that we are the richest Nation in the world. If we are the richest Nation we are being meanly penurious in taking from our boys this training that may in the future save their lives on the field of battle.

As a Nation, with the exception of a few religious sects and certain organizations of pacifists, we hold that the obligation to bear arms in defense of the Nation goes hand in hand with the obligation of citizenship. If it does, then there is an obligation on the part of the Nation to train the youth to arms. We are to a certain extent fulfilling that obligation through these two arms created in the national defense act.

It is the European plan that the sons of the nobility, the aristocrats, the sons of wealth shall be officers, and the private shall come from the sons of the poor. My idea of an army is a democratic army. The European idea is that they must have a large standing army. The American plan is for a citizen army based on a nucleus of trained men, ready, willing, and capable of training others rapidly in time of war. The son of the farmer, of the laborer, of the section foreman—the capable intelligent youth whose only drawback is the lack of a college education—has as much right to be an officer as the son of a more fortunately situated parent. He may not be able to get the training in college to qualify him. He can get it in the citizens' military training camps and the schools of the Organized Reserve units. This vast majority of the boys of the Nation should not be discriminated against.

Last winter, at the suggestion of the President, Congress gave a moratorium of more than two hundred and fifty million to European nations. I voted against that measure. Those nations to whom we gave the moratorium were spending millions for armament. Every one of them was maintaining a larger land force than ours. Now we are trying to make up that loss of a quarter of a billion dollars through all kinds of so-called economy measures. The best economy would have been to have kept the money in the first place and not have contributed that amount to financing the armament of Europe.

I voted against that contribution to Europe, and I will not now favor making up the deficit so created by taking the amount from the Budget for our own national defense. I do not expect those nations whose armament we are financing through moratoriums to ever use that armament in our behalf. They may use it against us.

There are ways to cut the expenses without sacrificing national security in a time of world unrest. We have already cut it more than five hundred and sixty million under the amount that the President gave us in his Budget last December as the irreducible minimum and we will cut it more.

The private's life is at stake; he prefers to be led by a trained man, a man fully equipped, a man with a knowledge of the handling of troops and men and munitions, a man in whom he has confidence. He not only prefers it, he has a right to expect it. Congress can declare war. By a system of draft you gentlemen can force him into service whether he wants to go or not. But you have no right that you can justify, either by the rules of reason or law of rectitude, to send him into war untrained himself and under untrained officers. The only alternative to prevent the injustice is to provide sufficient money for our citizens' military training camps and Reserve Officers' Training Corps. Justice to the Nation and justice to the private both demand it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. BROWNING, for four days, on account of important business.

Mr. ESLICK, for the day, on account of illness.

Mr. KENNEDY, for the balance of the week, on account of important business.

Mr. SHALLENBERGER, indefinitely, on account of illness.

REREFERENCE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the bill H. R. 11184 be rereferred to the Committee on Roads from the Committee on Interstate and Foreign Commerce. The Committee on Interstate and Foreign Commerce has given me authority to make this request, which is agreeable to the chairman of the Committee on Roads and to the ranking member of that committee.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, when the bill was introduced, it was considered a private bill, having to do with a bridge across the St. Clair River at Port Huron, Mich. Since that time it has been determined to be of a quite general character. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

There was no objection.

CONTROLLED EXPANSION OF THE CURRENCY AND THE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I have placed on the Clerk's desk a motion to discharge the Committee on Rules from further consideration of House Resolution 220, which provides a rule for the consideration of H. R. 7726, a bill providing for the expansion of the currency and the payment of the adjusted-service certificates. The Committee on Ways and Means made an adverse report on this bill. Thirteen members of that committee signed the adverse report and 11 members signed the minority report. The minority report contains a clear, logical and unanswerable argument in favor of the full cash payment of the adjusted-service certificates. The report recommends that section 2 of H. R. 7726 be stricken out and the following amendment be substituted in lieu thereof:

SEC. 2. Payment of the face value of the adjusted-service certificates under section 509 or 510 of the World War adjusted compensation act, as amended, shall be paid in Treasury notes.

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal reserve bank.

He shall place such notes in the Federal reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

He shall issue a like amount of United States bonds bearing 3½ per cent interest payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

These bonds shall be deposited in the Federal reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act.

In the event that the purchasing power of the dollar in the wholesale commodity markets, as ascertained by the United States Department of Labor, shall at any time fall as much as 2 per cent below the average value of the year 1926, the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as may from time to time be necessary to restore the purchasing power of the dollar to the normal standard of 1926.

Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued and they shall be returned to the Secretary of the Treasury for cancellation.

The bonds will not be sold and will therefore not draw interest unless commodity prices return to the 1926 level. This section completely answers the argument of our opponents that we are proposing uncontrolled inflation. We are proposing controlled expansion of the currency.

I expect to follow the recommendation in the minority report. If 144 other Members of the House sign the motion to discharge the Rules Committee—53 have already signed—the rule will come up for consideration the second Monday in June, the 13th. If the rule is adopted by the House, four hours' debate will be allowed on the bill H. R. 7726, and then the bill will be read under the 5-minute rule and be subject to amendments. At that time I expect to offer the amendment to section 2 of the bill as proposed by the Committee on Ways and Means, and which is known as the Owen plan. I have prepared and introduced a bill which embodies this amendment. It is H. R. 11992, but consideration on this bill can not be forced, because it has been introduced less than 30 days. H. R. 11992 is the same as H. R. 1, with the Owen amendment added.

The Committee on Rules has before it our application for a favorable report on House Resolution 220. If a favorable report is made, we will get consideration much earlier than June 13. I do not believe the Members of Congress want to go back to their respective homes without making an effort to afford substantial relief to the plain people.

I hope every Member of the House will read the minority views of the members of the Ways and Means Committee. The committee hearings are also very interesting.

ADDRESS OF HON. S. D. M'REYNOLDS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by my colleague, the gentleman from Tennessee [Mr. McREYNOLDS], over the radio last evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, by leave of the House, I incorporate as a part of my remarks a radio speech delivered by my colleague, Hon. S. D. McREYNOLDS, whom we all know is one of the most able, earnest, and influential Members of the Congress in his advocacy of economy. As chairman of the Committee on Appropriations I have had occasion to know of the value of his services along this line. The speech is as follows:

When Congress convened here in December we fully appreciated the serious condition confronting this country; and although the House was organized by the Democrats, speaking as one of them, it was our purpose to cooperate in every way possible with the administration in enacting that character of legislation which we thought would be beneficial to the country and relieve the most distressful conditions. Following that policy the moratorium resolution was passed at the request of the President. We have also passed the Reconstruction Finance Corporation act, with an appropriation of $500,000,00, and with an expansion of some $2,000,000,000, which has been used, and is being used, for the purpose of stabilizing banks and railroads. Congress has also passed a hundred and twenty-five million dollar appropriation for the Federal land banks, which had for its purpose the right to grant extension of loans to farmers who had been unable to meet their obligations on account of the distressed condition throughout the country. But it seems that this has had but little effect.

Congress has also passed the Glass-Steagall bill, which, among other things, permits banks to take bonds, drawing interest, to the Federal reserve bank and issue currency for the face value thereof, with the proper discount charge. While it may be that these acts have been of some benefit in restoring confidence and maintaining our banking systems, yet a little, if any, has seeped down to the laboring or producing class, where prosperity must begin. Next came the tax measure, for which the House has been criticized very severely on account of our action thereon. This bill was reported as a nonpartisan measure and leaders on both sides of the House advocated the same. It provided for a general manufacturers' sales tax, to which many of us had been opposed in the House for many years, and I plead guilty to the charge of being one of the insurgents who aided in striking that measure from the bill. I have always believed that the tax burdens should fall heavier on those who are most able to pay. For many years there has been a strong fight made by certain interests to establish this form of taxation and thereby relieve the tax on incomes and inheritances. Naturally, it was the moneyed interests of this country who wished to shield themselves as much as possible in trying to procure this mode of taxation.

I opposed this manufacturers' sales tax because, first, if the tax could be passed on and was passed on to the purchaser, it would be paid by those least able to pay; second, there are thousands of manufacturing plants throughout this country who are merely battling for existence and who are patriotic enough to try to keep their men on the pay roll in order to support them and their families, although they are running in the red, who would not have been able, on account of very close competition, to have passed this tax on, and, therefore, would have had to close their plants and added thousands of others to the great army of unemployed throughout the United States. When we struck this sales tax from the tax bill we placed therein other articles of taxation that seemed to us just and fair, that would have raised the desired revenue for the purpose of balancing the Budget, according to the estimates of the Treasury Department, with the saving of some $200,000,000 that has since passed the House.

The Members of the House fully appreciate the direful conditions existing in this country and the absolute necessity of cutting down expenses and economizing in every conceivable way that would not in any way interfere with the proper functions of the Government. Taking into consideration the economy bill, as passed by the House, and all other appropriations that have been made by the House, we have already reduced the appropriations for the fiscal year 1933 under that of 1932 nearly $620,000,000, and we are not through yet. This is something like $250,000,000 less than the President, through his Director of Budget, requested to be appropriated in his message to the House on December 7, 1931. In a statement made by the President in April, 1931, he did not at that time think that it would be necessary to even pass a tax bill during this session, although it was estimated that we would have a $900,000,000 deficit for the fiscal year ending 1931.

The public must understand, as shown by the President's message on May 5, that all reductions must come from a sum not exceeding $1,700,000,000; that the other appropriations are fixed charges. Since the President's message, in which he sent up his Director of Budget's report, he has asked for and secured $625,000,000 in appropriations which was not included in his Director of Budget's estimate at that time.

There has much appeared in the press about the House failing to pass the economy bill that was reported to the House. This Economy Committee deserved great credit in the untiring efforts that they made trying to bring out some bill that would mean

many millions of savings to the Government. But so anxious were they to do this that they put items in this bill, to get them before the House, that were not agreed to by all members of that committee, and the result was that there was only one member of that committee, the chairman, who voted for and supported every measure therein contained.

For instance, while the committee reported consolidation of the Army and Navy, which it is admitted would have at least saved $25,000,000, and estimated by the author, the Hon. JOE BYRNS, to have saved from fifty to one hundred million dollars, was bitterly opposed by the administration, and when this bill was up for consideration, the President's own private secretary, known as his political secretary, an ex-Member of the House, was on the floor of the House buttonholing Members of his own party against that measure, and which resulted in its defeat. The Economy Committee recommended 11 per cent flat cut, over $1,000 exemption, of salaries, yet the administration and the Republican members of the Economy Committee fought this measure and undertook to substitute therefor what is known as the President's stagger plan. I merely recite these facts to show that there was no unanimity of action on the part of the committee or the administration in reference to all the items contained in this economy program. Personally, I voted for the consolidation of the Army and Navy, not only as a reduction of the expense of the Government but because I believe it would add to the efficiency and strength of our national defense.

I voted for the reduction of salaries; and after the committee had voted an exemption of $2,500, which I voted against, I offered an amendment providing that there should be a reduction in salaries of 11 per cent from $2,500 to $3,500, 15 per cent from $3,500 to $5,000, 20 per cent from $5,000 to $7,500, and 25 per cent over and above that amount. This was defeated. Congressional salaries were cut 11 per cent over an exemption of $2,500, but of course if my amendment had prevailed it would have been much more. I then thought, and still feel, that reduction in salaries should be greater in the higher brackets.

The President has complained that lobbyists have been in Washington "as thick as locusts." This may be true, and deserves the severest criticism, yet the same conditions existed when the Grundy tariff bill was passed in June, 1930, and which tariff bill has aided more in producing the distressful conditions in this country than any other act that has been passed by Congress in many years, yet we had no complaint from the Chief Executive at that time. Some two or three months ago the Expenditures Committee of the House had hearings and made investigations for the purpose of cutting down the expenses of the various departments, and in this investigation they had before them the heads of various departments, including Members of the Cabinet, and each and every one of them, from report made to me by members of that committee, stated that no reduction in expenses could be had in their departments.

How can we Members of Congress get this information, when there are thousands of offices and hundreds of thousands of employees in this Government, unless it comes to us through these departments, of which the administration is in control? Regardless of that fact, however, I am glad to say that the Committee on Appropriations have made many reductions, approved by the House, which will reduce the expenses of these departments. In the language of the Hon. WILLIAM B. BANKHEAD, of Alabama, made on the floor of the House a few days ago: "I think it is a matter of supreme importance that the people of the country do know the truth about what this Congress is undertaking to do in the matter of economy, and I think the Congress of the United States ought to receive at the hands of the people the credit to which it is entitled for the earnest and diligent efforts as representatives of the American people in this body."

I have just spoken about lobbyists. But the greatest form of lobbying adopted in this country at the present time is that practiced by many organizations in writing form letters and sending them to your constituents and having them forward to you, oftentimes copied on their own local stationery. These letters come in by the thousands, and there was never a time in recent history when Members of Congress have been so flooded.

Mr. FRENCH, of Idaho, a few days ago stated on the floor of the House that he had been told that the cost of telegrams alone received by Members of Congress for days at a time would aggregate $10,000 a day. Quoting him further:

"The Members of this Congress must not permit the selfish demands of individuals and groups who are asking for larger and still larger appropriations to blind them to the importance of scaling down the budgets that we are called upon to meet."

With this sentiment I fully agree. We must not only economize, and thereby aid in balancing the Budget at less expense to the taxpayers, but something must be done to relieve the situation that now exists in this country. The expenses of the Federal Government are too great and must be reduced, but the greatest burden of direct taxation upon the greatest number of people in this country is that of State, county, and municipalities. What must be done toward solving the economic conditions of this country? Money has become too high; it must be made cheaper; and it appears to me that the only way this can be done is by a sane and safe expansion of the currency. If we ever have prosperity in this country, it must commence at the bottom with the producing class.

The farmer is in a pitiful condition, unable to sell that which he grows, except for a pittance. If he owed $1,000 three years ago, to pay that now in commodities which he raises would cost him some three or four thousand dollars. This can not continue indefinitely. There must be some way to stabilize the dollar and stabilize it according to the price of commodities of about 1926. Senator BORAH stated Monday on the floor of the Senate: "The gold dollar is no longer an honest dollar; no longer a dollar to be trusted." The idea is that it fluctuates in value. We have tried to reach this condition in the House by the passage of the Goldsborough bill, which means that the Federal Reserve Board shall buy up Government obligations and issue currency thereon until commodity prices reach a level of about 1926. This bill is indorsed by many of the most noted economists in this country. We must relieve this condition in some way. We must take care of our own people. There was never a time of recent years when conditions were so dreadful and the need was so great as at this present time. In my official career I have never felt the burdens and responsibilities so much, and everything that I can do toward economy in Government, toward that character of legislation that is sane and sound for general relief to the people of the United States, will be done.

I get numerous letters and telegrams daily from various places throughout the United States demanding economy in government, yet opposing any reduction in that proposition in which they are more vitally interested. So far as I am concerned I will close my eyes to these petty and personal requests and shall seek to do those things which I think is to the best interest of all the people of these United States and let the consequences be whatever they may. We have almost been led to the precipice by extravagance, and it is our duty to stay the hand and show the same character of patriotism that we would manifest during war, because this is a war against unemployment, against permitting the millions of men and women in this country to be out of employment, in destitute circumstances and children crying for bread.

EXTENSION OF REMARKS

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement that I filed with the Committee on Rules with reference to H. R. 11677, including a statement and certain letters pertaining thereto and an exhibit referred to.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, that is going a long way. The gentleman will have to modify his request. I object.

NATIONAL DEFENSE

Mr. HOPKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the question of national defense.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOPKINS. Mr. Speaker, in the name of economy the very heart of our national defense is being attacked by the bill reported out by the committee of which Mr. COLLINS, of Mississippi, is chairman. They propose to:

(a) Discontinue the citizens' military training camps.

(b) Discontinue the Reserve Officers' Training Corps camps and to badly cripple our whole Reserve Officers' Training Corps system. Should this bill be passed as it is, such Reserve Officers' Training Corps units as those at the St. Joseph high schools would be discontinued.

(c) Discontinue the 14 days' pay for reserve officers' camps.

In 1920 we adopted our present national defense act. It provided that instead of maintaining a large standing army, we would maintain a large citizens' reserve which would serve to train our people not only in the fundamentals of defense but also in the principles of good citizenship. As a result we have for 12 years developed our National Guard and our Reserve Officers' Corps.

We all remember how unprepared we were in 1917. Thousands and thousands of lives were lost because we were unprepared. Also much valuable time was lost while we trained our men. Fortunately we had allies to hold the line until we could get partially ready. God forbid that we should have another war, but if we should we might not be so fortunate as to have such allies. Therefore, for the sake of the safety of the country as well as the men themselves, let us not abandon our national defense system at this time.

Now, I want to point out that the main benefits from the reserve and the citizens' military camps are not purely for national defense. Good citizenship is probably the most im-

portant objective and at no time was it so badly needed. I urge my colleagues to defeat the committee and to restore these important items of our national defense.

DEDICATION OF NEW STATE CAPITOL BUILDING, BATON ROUGE, LA.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address delivered by my colleague [Mr. OVERTON] at the dedication of the new State Capitol in the city of Baton Rouge, La.

The SPEAKER. Is there objection?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by my colleague Mr. OVERTON in the city of Baton Rouge, State of Louisiana, on May 16, 1932:

ADDRESS OF HON. JOHN H. OVERTON, OF LOUISIANA, AT THE DEDICATION OF THE NEW $5,000,000 STATE CAPITOL

Your Excellency Governor Allen, Mr. Chairman, and fellow citizens, it is indeed, my friends, a pleasure to me, after four months' sojourn in the Capital of the Nation, to find myself once more in the capital of Louisiana. It is a pleasure to stand again upon the soil of my native State and mingle with her splendid and wonderful people. And it is a privilege of which I am justly proud to be permitted to take part in the celebration of a day and an event that promises to be so memorable in the history of our State.

As I stand before this vast throng, composed of citizens assembled here from every section of Louisiana, I am wondering whether they will consider that I am guilty of any impropriety in singling out the people of this splendid city of Baton Rouge and congratulating them upon the fact that the often-agitated question of the removal of our State capital appears about to be definitely settled for all time to come. They deserve our congratulations. There has probably not been in the history of any State in the Union—and, as far as I know, in the history of any nation—a capital that has been so migratory as the capital of Louisiana. Our capital first came into existence in the city of New Orleans, where she remained until 1829. She then journeyed up the Mississippi River and established her residence in the delightful town of Donaldsonville. But in 1831 she concluded to return to the place of her nativity and she reestablished herself in the Crescent City. There she remained until 1846, when, again seized with wanderlust, she once more journeyed up the Mississippi and established her place of abode on the high banks and beautiful site of the city of Baton Rouge.

The dangers of the War between the States caused her to seek a temporary refuge in the town of Opelousas and then in the city of Shreveport. In 1864 she again returned to the metropolis of the South, but in 1882 she concluded to return to the object of her maturer affections. Here she has remained until the present day, but during the 50 years that have intervened since 1882, the date of her last removal, the claim of Baton Rouge to the permament location of the seat of our Government has been a matter of more or less constant dispute and agitation.

Seven times, therefore, has Louisiana's capital been changed. Legislative statutes and constitutional ordinances have been enacted in vain to compel her to a fixed abode and assign her to a permanent domicile. That vexatious question, however, that has perturbed the State of Louisiana since its admission to the Union has been at last set at rest. It has been settled, Mr. Chairman, not by legislative enactment or constitutional mandate but by the occurrence of two things during the administration that has just been brought to a close. The first was the building in the city of Baton Rouge of a place of residence for our governors becoming the dignity of that high office. The second, and the final and the conclusive event, has been the erection upon this historic site of a permanent, magnificent capitol building, capable of responding to the present needs and the future growth of Louisiana and symbolizing in its architectural beauty, its ample proportions, its massive grandeur, and its towering height of marble, steel, and stone the sovereign majesty of Louisiana's proud Commonwealth.

I have said, Mr. Chairman, that we stand upon a historic site. It is not only historical in the sense that it is prophetic of the continued greatness of Louisiana, but it is historical because it teems with memories of the years gone by. On these very grounds, and within a stone's throw of where we are assembled, stood the famous red pole which once marked the boundary lines between the hunting grounds of the Houma and Bayou Goula Indians, and from which Baton Rouge derives its name. Up and down the mighty river that sweeps by us traveled the early explorers of a newly discovered continent. Here the white man pitted himself against the red man, and Spaniards, French, and English contended against each other in their early struggles for the conquest and dominion of a new world. It was upon these grounds that in 1822 the United States Government established a military post by the erection of garrison and arsenal buildings, most of which still stand round about us. Since 1886 up until a short time ago these grounds and buildings have been devoted to the education of Louisiana's youth in that great institution of public education, the Louisiana State University and Agricultural and Mechanical College. Over this site have floated the flags of six different dominions, the flags of France, of Spain, of England, of the Republic of West Florida, the flag of the Confederacy, and, finally, and let us hope forever, the glorious banner of our Nation, the Stars and Stripes of America.

It is, indeed, my fellow citizens, a far cry from the red pole of the Indian tribes to this stately and towering capitol—

"Whose sky-line dome
Hath typified by work of daring art
The true design and aim"—

of Louisiana and her great people.

It is worthy of observation and comment on this occasion that the few facts of the history of this particular site to which I have referred are, after all, an epitome and panorama of the history and development and evolution of our Nation. The hunting grounds of the Indian; the exploits of the early explorers; the various flags of different nations struggling for the mastery of a new world; the garrisoned post of war; the college and university of public education and enlightenment; and, finally, this massive, modern structure, embodying the conception of a free and independent State, a State that is an integral part of a National Government which, in spite of the gloom and despair and tragedies of the present hour, is still the greatest temporal government ever ordained by "the brain and purpose of man."

In the dedication, Mr. Chairman, of this capitol to its permament location in this beautiful city, and upon these historic grounds, I wish to take the liberty of congratulating first of all our former governor and present United States Senator, the Hon. HUEY P. LONG. His was the vision to conceive, the courage to propose, and the hand to direct and consummate this great and patriotic enterprise.

I congratulate His Excellency the Hon. O. K. Allen, who has just been honored with the official bestowal of the highest office within the gift of the people of this State, and who has realized an ambition of which any Louisianian may well be proud. And permit me to say, my fellow citizens, that it is indeed a fortunate circumstance that in this trying period we shall have presiding over our new capitol and directing the reigns of our government one possessed of the capacity, the public experience, the indefatigable energy, and the sound common sense of Gov. O. K. Allen.

I extend my congratulations to our lieutenant governor, Hon. John B. Fuornet, to the heads of the various departments of our State, to our senators and representatives, and to the entire official family of the incoming administration upon the fact that they are the first to utilize this capitol wherein largely the future history of Louisiana will be written. I congratulate them that they shall enjoy its advantages and its inspiration in their efforts to complete the great constructive work of the outgoing administration, and in doing their part toward solving the grave problems that now seem to baffle and confuse the legislative councils of almost the entire world.

Above all, I congratulate the people of our State. This is our capitol, authorized by us and owned by us. A capitol is peculiar to and expressive of free and independent states. Monarchies have no capitols. They have the palaces of kings. This great structure is our building, the concrete expression of our pride in our State. There could be, Mr. Chairman, no more convincing and eloquent evidence of the unconquerable spirit and splendid patriotism of the people of Louisiana than the fact that in the midst of the world's greatest depression, they should be here on this day dedicating, not only to their own use but to the use and enjoyment of generations yet to come, a statehouse that would do honor to any State in the Union.

It is indeed a remarkable circumstance, a remarkable tribute to the spirit of the people of this State, that in the midst of this depression Louisiana has not only builded this capitol but has continued a constructive program of public improvement that finds no parallel in any other State of the Union of similar wealth and advantages. And I would be guilty, Mr. Chairman, of misgivings that I do not entertain, I would be guilty of doubting without just cause the capacity and resourcefulness of our newly inaugurated governor, I would be guilty of questioning unfairly the unconquerable spirit of Louisiana, if I did not here prophesy that this great work undertaken by the last administration will yet be completed and brought to a glorious fulfillment under the leadership of the present administration.

I can not, my friends, find it in my heart to sound any note of despair in this festal hour of general rejoicing. Why, anyway, should we of Louisiana surrender to the forces of gloom and despair? We have been through hard times before. We have lived through depressions in the past. We have suffered panics in the years gone by. We have survived them all. We have not only survived them, but we have each time arisen from their conquest stronger in our faith and in our confidence and proceeded to move onward in the pathway of human progress. We have never shown the white feather, and we are not going to show it now. We have in the past met and solved all our problems, and we shall continue to meet and solve them with that determined and victorious spirit with which our pioneer fathers carved a great civilization out of this wilderness and upheld and maintained that civilization and carried it forward to an even more glorious future through all the trials and tribulations of the days of reconstruction.

Why, I repeat, should we surrender to the forces of despair? While it is true that in common with the rest of the Nation we have thousands of our citizens out of employment and our crop prices and commodity prices are at the lowest of levels, yet we still have, undestroyed and unimpaired, our fertile soils, our natural resources, our farms, our cities, our towns, and our structures and institutions of public welfare. No plague or pestilence,

no war within the last few years, has destroyed or depleted the agricultural, industrial, laboring, or economic forces of this State or Nation. We have as much natural and tangible wealth as we had in the 1929 peak year of prosperity.

It must, therefore, be apparent to anyone that our present financial difficulty is not to be attributed to a loss or depletion of wealth or of our resources or of our man power. We have all these in the same abundance that we had in the very height and zenith of our prosperity. The main trouble, my friends, lies in both the hoarding and the unequal distribution of the wealth of this country.

Is there any man, rich or poor, billionaire or pauper, who will defend the proposition that it is either sound or just for 1 per cent of the people of this country to own and control 59 per cent of its wealth? We are still the richest, as we are the most powerful and the greatest Nation on the face of the globe and in all the history of the world. We still have an estimated national wealth of $400,000,000,000. But, in all frankness, let me ask the question whether it is sound economically, whether it is conducive to the general welfare, whether it is helpful to the happiness and liberty and progress of our people, that 1 per cent of our population of 120,000,000 souls should own and control over two hundred billions of our national wealth and the rest of it be parceled out among the remaining 99 per cent? There is nothing socialistic or radical in such an attitude toward public affairs. I am conservative by nature. I simply put the plain and unvarnished statement of the present concentration and reconcentration of wealth in the hands of the few, and I challenge even the beneficiaries of such an economic condition successfully to defend it.

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

I take no stand, my fellow citizens, against wealth as such or or against its honest accumulation. I do not advocate its confiscation; but I do adhere to the sound and just doctrine that the taxes and the expenses of government should fall on those best able to bear them, and I do urge that, especially in this hour of national calamity, wealth should be made to bear an increasing proportion of our public burdens.

The President of the United States, its Secretary of the Treasury, our greatest political leaders, our financial experts, and economists tell us that we are face to face with one of the greatest crises in the history of our country. They tell us that we are at war—at war against depression, at war against financial collapse, at war against the threatened bankruptcy of our Governments, National and State. How, then, are we to fight against the forces of economic collapse and financial bankruptcy? What are the means, the munitions, the instrumentalities of this kind of warfare? When we are engaged in physical warfare, when the enemy fires upon the American flag, what do we do? We summon—we have always summoned—the masses and manhood of this country to rally to its battle standards, and they have always responded to our call to arms.

In the late World War we not only summoned but we drafted and conscripted them. We took the clerk from behind his counter, the laborer from out of his factory, the farmer's boy from behind his plow. We placed them in training camps; we sent them 3,000 miles across the ocean; we offered them as living sacrifices to the murderous fire of the enemy's guns in order that our Nation might be saved from the great danger that threatened it and this world made safe for true democracy. And they—the farmer's boy, the clerk, the laborer, the fighting manhood of our Nation—brought Old Glory back from across the seas unsullied and undefeated. And in every physical warfare in which we have been engaged—from the Revolutionary War to the World War, from Lexington and Concord to Belleau Wood and Chateau-Thierry—the great masses of our American citizenship, its men and women, have so rallied to the flag that it never yet has been lowered in defeat.

But, my friends, we are engaged to-day in no physical conflict. The war in which we are engaged is a financial and economic one, and in such a conflict we can look only to the wealth of our country to supply the resources, the forces, the munitions, and the weapons of battle. And in this hour of national financial peril, in this hour of threatened governmental bankruptcy, it is proper that the wealth of our country should be compelled to its defense by adequate taxation upon its incomes and its inheritances for the purpose of national salvation.

Let us therefore, Mr. Chairman and my fellow citizens of Louisiana, dedicate this capitol and rededicate ourselves to the simple and imperishable truths upon which our Republic was founded in a period of greater storm and stress than now confronts us. It is the observance of, and adherence to, these fundamental maxims of public policy that will preserve our Nation and its glorious sisterhood of States from the perils that threaten their destruction. Let us dedicate this capitol to "the self-evident truths 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; that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed." And let us dedicate this capitol to the sublime truth that from the beginning it was ordained to be, and through the patriotic purpose of a mighty people and under the blessings of a Divine Providence it will continue to be, "a government of the people, by the people, for the people."

LAWLESSNESS

Mr. KARCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. KARCH. Mr. Speaker, this session of Congress can not afford to adjourn without passing legislation which will remedy the two cardinal evils that notoriously exist and are threatening the life of this country. One is the unemployment situation, and the other is the crime wave. The two problems are, in my judgment, of equal gravity. In fact, I believe that they are interrelated.

However, I am addressing myself at this time particularly to the intolerable condition of lawlessness which is rampant throughout the country and has virtually broken down all law and order. If we are candid with ourselves, we have to confess that the ordinary law-enforcing machinery of the Nation has broken completely down.

The very first function of Government is to protect the life of its citizens. At this hour any man's life is in danger; the same is true of his property. I am sure I am within the record when I say that murders in this country have increased one hundred fold within the last decade, and that kidnaping has increased at a much larger ratio. The traditional judicial and police law enforcement instrumentalities, as they are provided by the several States, are not only inadequate but wholly incompetent to cope with the exigency.

I have given this question serious study for many years. I have observed this growing menace to our society very closely. But it really requires no specialization to appreciate the seriousness of this national disaster. Dire apprehension is in the mind of every good citizen as to where it will finally end.

The Wickersham Commission commented upon the gravity and magnitude of crime and general lawlessness, and I understand they are about to further report astounding revelations in this connection in the near future.

The States, as I have indicated, are impotent to suppress the crime movement at its present stage. It has been my observation that in the commission of the major crimes, such as murder, kidnaping, bombing, rape, and such criminal activities as are perpetrated in the furtherance of what is known as "racketeering," only one out of a hundred is ever successfully prosecuted.

I further make the assertion that there are many thousands of such crimes enacted which never become publicly known. Frequently, we hear of persons mysteriously disappearing. Hundreds of our women are being raped, who, either out of modesty or fear of naming the guilty parties, forego reporting their experiences.

In a large percentage of cases in which prosecutions are attempted, witnesses will either not appear at all or testify in exoneration of the accused under the duress which is actually or presumably held over them by the gang of which the defendant happens to be affiliated.

As I have said before in an address in the House of Representatives, crime is not sporadic and emanating from individuals here and there. Crime is organized. Crime is entrenched in fortified camps. Killers and homicidal maniacs constitute a veritable hostile army in our midsts. Brains and master minds are the captains in this army, while the morons and perverts, dope fiends, and other human débris, either serve under these captains or fraternize with their cause.

These captains command millions of dollars which we know they employ, first, to corrupt officials and, secondly, to defend themselves against prosecutions.

The time is here to-day and at this very hour that the Federal Government must assume the burden of eradicating criminal lawlessness. I am fully aware of the doctrine that the police power resides only in the States, and in ordinary times that is where it ought to be.

But these are extraordinary times. This is war, war between human rights and the forces of good government on

the one side, and the boast of corruption, lawlessness, bribery, murder, arson, rapine, abduction, robbery on the other.

This Government can not endure if its citizens are constantly in a potential danger of being assassinated and abducted, its women in danger of being ravished, and its babies kidnaped and brutally murdered.

In order to make it definite and certain that the Federal Government has clear and incontestable jurisdiction to surveil the activities of these modern brigands, bandits, and freebooters in their arrogant and ruthless spoliation of the lives and the property of the citizens, I am proposing by the joint resolution that I have introduced in the House to-day to amend the Constitution of the United States—conferring upon Congress plenary and unlimited authority to create a code of laws and to set up a crime-surveilling machinery that will be effective and adequate in the premises.

This joint resolution, which will probably be known as the twenty-first amendment to the Constitution of the United States, could, and, in my judgment, would, pass both Houses of Congress before the end of the present session, and inasmuch as the necessary number of States will hold legislative sessions in January, 1933, it is very probable, under the state of the public mind as it now exists, that the amendment would be ratified by these States, thereby enabling Congress to exercise its new powers within less than one year from this day.

I regret that the President of the United States and the Attorney General have not heretofore moved in the premises. I can not conceive how they can sit supinely by and permit this national menace to continue.

If the Attorney General has been correctly quoted, he went out of his way to advise the Judiciary Committee of the House that the Government is not disposed to take on any additional obligations in that behalf or to enter into new fields of criminal jurisdiction, and that he specifically opposed the various bills before the Judiciary Committee of the House, including the Cochran bill, which undertakes to penalize kidnaping transactions involving interstate transportation of the victims.

But in contradiction to their attitude and by sheer usurpation of power these exalted officials have tendered the entire law-enforcing agency of the Federal Government to Col. Charles A. Lindbergh in his quest to seek and apprehend the guilty parties who abducted and murdered his little baby. I do not wish to be understood as criticizing that action; on the contrary, it is what they ought to do and what they should have done immediately.

The Lindbergh case illustrates forcibly the utter inefficacy of the State police methods and systems. As the Wickersham Commission has well said, the law officers of the States are woefully incompetent. Sheriffs and policemen are not chosen for their technique but invariably for political reasons. Police duty in this day and age requires experts—men of a very high order of intelligence, courage, and integrity. These modern crimes can only be solved by scientific men and scientific methods. The days of the Hawkshaws and constables are over.

Bone-headed police, from Norman Schwartzkopf down, have bungled the Lindbergh case and have even hampered, if not frustrated, the potential possibilities of apprehending the guilty parties. If the agencies of the Federal Government had taken full charge of this case in its early stages, assuming that it would have had on its staff expert criminologists and investigators, I believe that the baby's life would have been spared, and the guilty perpetrators of this dastardly crime, which has shocked the world, would have been apprehended and summarily and successfully prosecuted. Certainly the Curtis-Peacock hoax, unequaled in its mendacity, would not have been permitted to be perpetrated upon the credulous and broken-hearted Lindbergh and to further aggravate his wounded sensibilities.

But would Mr. Hoover and Mr. Mitchell do for other fathers and mothers of less distinction than the Lindberghs what they did for them? Since the Lindbergh kidnaping there have been a score or more of kidnapings of children and adults equally precious and dear to their kin, but not a word or the turn of a hand by Mr. Hoover and Mr. Mitchell.

I warn that the kidnaping epidemic has only started. In the future victims in the common walks of life—yes; hundreds of them—will be marked for exploitation. I recall reading recently of several instances in which children of parents of moderate means were kidnaped and held for ransom in sums ranging from $300 to $5,000. From whom can this class of victims expect protection and assistance?

I propose by my measure to do for all of the mothers and fathers and for all of the babies in this country who may hereafter become victimized by kidnapers what Mr. Hoover and Mr. Mitchell have so freely and generously undertaken to do for Mr. and Mrs. Lindbergh.

We are told that the liquor traffic before prohibition caused the deaths, within the United States, of approximately 2,000 persons annually. Crime in recent years has claimed many thousands of lives annually. If there was justification for the eighteenth amendment, which I deny, there is more justification for a constitutional amendment to extirpate crime which not only slays thousands of human beings and deprives citizens of their property but, unless arrested, will convert this country of boasted law and order into anarchy and chaos.

The Cochran bill should be immediately passed by Congress. It is as drastic and far-reaching as possible under our present constitutional limitations. However, I can conceive of kidnaping transactions that could not be reached by the terms of that measure. The kidnapers could evade the provisions of any Federal law now capable of being enacted by so scheming as to avoid the use of the mail and interstate movements. Furthermore, the inadequacy of such legislation is obvious because Federal agencies could not intervene until postcrime facts develop which indicate the use of the mail or the interstate transportation of the victim.

SOLDIERS' ADJUSTED-SERVICE CERTIFICATES

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks by publishing in the RECORD a statement I made before the Committee on Ways and Means recently.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following argument made by myself before the Committee on Ways and Means of the House of Representatives, April 15, 1932:

Mr. PATMAN. Mr. Chairman, I promised several Members time this morning, and I just have to do the very best I can under the circumstances. I will have to go out of order again. Mr. Jed Johnson is on the Military Affairs Committee and they are going to consider a very important matter this morning. They are in session at this time. He has introduced H. R. 10096 asking for the full payment of the adjusted-service certificates. He only wants a few minutes of your time.

The ACTING CHAIRMAN. We shall be glad to hear him.

Mr. JOHNSON. Mr. Chairman and gentlemen of the committee, because of my desire to speed up the hearings, and also because several of my distinguished colleagues desire to appear before your distinguished committee, I shall not take as much time as I had contemplated using.

I have attended practically all of the hearings and have also listened on the floor of the House to arguments made against this bill since these hearings began. I have also read a great many editorials in newspapers arguing against the passage of this bonus legislation, and I find that the great burden of the argument against the payment of the veterans' adjusted certificates in full seems to be, first, that this is not a debt due the veterans but a gift, and outright dole, or donation that Congress is called upon to make. Some say that if it is a debt that the debt is not now due. We are constantly reminded that the adjusted-service certificates will not become due under the law until 1945.

I do not share the views of the opposition who say that this is not a debt; neither do I admit for a moment that it is not due.

I listened with surprise to one of the witnesses for the bonus the other day who said, "We admit that it is not due." I make no such admission. I do not hesitate to say to this committee that it is all past due, and it is a rank insult to every man who wore the uniform to refer to this legislation as a proposed donation to the World War veterans.

All of you will doubtless remember that hardly had the bark of the cannon died away and the smoke cleared up from the battlefields in the Argonne Forest when the railroads, the shipbuilders, and some of the ammunition factories, as well as several thousand civilian employees, came to Congress demanding a bonus for their "patriotic war-time services." They did not ask for promissory notes. The railroads did not ask for notes due in 1945. The shipbuilders did not ask for promises, but they wanted the cash on the barrel head. I am ashamed to say that Congress very soon after the war gave the shipbuilders their bonus, and gave it to them in cold cash. They gave the civilian employees, the shipbuilders, the railroads, and the ammunition makers, some of whom had profiteered to the tune of 500 per cent, their bonus in cash. Then, after the railroads had gotten their bonus, some one thought that probably the boys who had faced the machine guns at a dollar and a quarter a day should have their pay adjusted—not a bonus, mind you; Congress never gave the veterans a bonus, but merely proposed to adjust their pay.

Then others have said that the veterans are now breaking faith with Congress; that they had agreed to take these promissory notes, this sort of long-time insurance, and therefore that the veterans had broken faith with Congress. I want to remind the members of this committee that no outstanding veteran or veterans' organization, like the American Legion, Veterans of Foreign Wars, or disabled veteran organizations, ever asked for this thing they got. But they had to accept the 20-year adjusted-service certificates or nothing.

In the fall of 1919 the first American Legion convention was held in Minneapolis. At that convention a resolution was adopted calling attention of the Congress in a general way to the fact that "our Government has an obligation to all service men and women to relieve the financial disadvantages incident to their military service, an obligation second only to that of caring for the disabled and the widows and orphans of those who sacrificed their lives, and one already acknowledged by our allies."

In February, 1920, Congress having failed to give any relief in the matter of adjusting the pay of our former service men, the American Legion executive committee met in Indianapolis and passed a resolution again calling the attention of the Congress that in the opinion of the Legion all service men and women were entitled to adjusted compensation "in the form and for the amount of a $50 bond for each month's service rendered during the period of this war."

Congress failed and refused to pass the legislation requested by any service men's organization or any outstanding veteran, but Members of this body contented themselves, up until 1924, by delivering many speeches in both Houses, eulogizing the boys for their heroism rather than giving them substantial relief. Toward the latter part of 1920 the American Legion presented what was termed its fourfold plan and the same was introduced by the chairman of the Ways and Means Committee where this committee added what it called a 20-year paid-up insurance to the veteran. I call your attention to the fact that the fifth plan of insurance instead of cash was not the brainchild of the American Legion, the Veterans of Foreign Wars, the disabled veterans, or any other former service men's organization, but it had its inception in this powerful committee as a sort of sop to the soldiers and yet permitted the Government to escape and evade the payment of the adjusted pay in cash, as the veterans and veterans' organizations were at that time demanding.

The plan to adjust the pay of the veterans, in cash, was bitterly opposed and defeated by the international bankers, bond brokers, and Wall Street in general. In fact, many of the same gentlemen who will appear before this committee in the next few days in opposition to legislation to pay the bonus in full now, stated the same, or similar, reasons for opposing any kind of a bonus bill ten or a dozen years ago. It is not worth while for me to go further into the history of this legislation. Some of the distinguished members of this committee recall how a multimillionaire Secretary of the Treasury appeared before this committee time and again between the years 1920 and 1924 in opposition to any kind of a soldier bonus bill and especially in opposition to the bill veterans were sponsoring to adjust their pay in cash. When the bill was finally passed to hand the veterans a promissory note instead of adjusting their pay Wall Street and the other international bankers and bond brokers with foreign securities openly boasted that they had won a great victory.

I said a while ago that the railroads, munition makers, shipbuilders, civilian employees, and others received their adjusted pay in the year 1919, immediately after the ending of the war. They not only received their pay but they also received the interest rate they demanded from the beginning of the war. I submit in all fairness that if those with less-hazardous jobs were entitled to pay from the beginning of the war, with interest, the war veterans, who faced machine guns and the shrapnel that American profiteers sold to this Government at 500 per cent profit, are entitled to interest from the date of their enlistment. If that be true and the war veteran had been paid his interest at the same rate the railroads received at the hands of this Government, the adjusted-service certificates would have fallen due in the year 1931. I have no apologies in looking members of this committee in the face and say it is a just debt; it is an acknowledged obligation by the Government; it is long past due, and this Congress can not longer sidestep nor evade the issue.

So, I repeat, that if the veterans had received their interest at the same rate that the railroads, the shipbuilders, and the civilian employees and others who profited off war received theirs, every penny of it would be due now.

Mr. RAINEY. May I interrupt?

Mr. JOHNSON. Yes. You may ask me a question.

Mr. RAINEY. What do you mean by bonus to the railroads?

Mr. JOHNSON. I mean that they asked and received their bonus in cold cash with added interests from the very moment they were taken over.

Mr. RAINEY. Was that not a payment for the Government operation of the railroads during the war?

Mr. JOHNSON. Oh, yes; Congress called it a payment. I say that in fact it was a gift—in cold cash. Congress proved itself to be a big Santa Claus to the railroads.

Mr. RAINEY. That was a reimbursement to the stockholders of the railroads.

Mr. JOHNSON. Reimbursement is the term Congress applied, but may I remind the distinguished gentlemen that considering the watered stock, it proved to be a donation or a dole rather than a bona fide reimbursement.

Mr. VINSON. Will the gentleman yield?

Mr. JOHNSON. I will yield, although I must not consume too much time.

Mr. VINSON. I just want to make the observation that in turning the railroads back to private ownership they certainly got section 15 (a) of the interstate commerce act, which carried the recapture clause.

Mr. JOHNSON. Absolutely. The railroads ought to believe in Santa Claus.

Mr. VINSON. And if I read the signs of the times, there is going to be several hundred million dollars turned back to them by virtue of legislation which will probably be enacted at this Congress.

Mr. JOHNSON. Yes; by legislation already enacted. Congress was induced to pass the $2,000,000,000 Reconstruction Finance Corporation act in order, we were told, to end the depression, and Congress dished out another dole to the railroads. Now all of us realize that it was a farce and a fake. We now have the sorry spectacle of seeing defunct railroads "borrowing" millions of dollars from the Government with their bonds worth 12 cents on the dollar.

Mr. VINSON. As I understand it, the amount involved under this recapture clause is something like $500,000,000.

Mr. JOHNSON. I think that is about right. I am sure the distinguished gentleman knows.

Mr. HILL. That is money that the railroads have earned.

Mr. VINSON. Yes; but earned under the mandate of section 15 (a), which provided that the Interstate Commerce Commission should fix the rates at such a figure that they would earn the 5½ per cent plus the 1 per cent for rehabilitation, and one-half of the 1 per cent for rehabilitation was under the recapture clause to go in the Treasury of the United States, and very few dollars have yet found their way into the Treasury of the United States, and the $500,000,000 or more will be turned back to the railroads.

Mr. JOHNSON. The gentleman's statement is unquestionably true, and in that connection, since the question of the railroads earning their bonus has been raised, I want to say, not as a general who pulled down a big salary during the war, but as a very humble private in the rear ranks but with front-line service, that I know war veterans more than earned every dollar Congress has admitted it owes them.

The opposition to this legislation has greatly stressed the fact that the American Legion organization in its last national convention failed to pass a resolution indorsing the bonus. Also, that Commander Stevens, of that great organization, has recently gone on record as violently opposed to it.

I do not care to go into that discussion further than to say that neither the action of the national convention nor that of the wealthy young commander who doesn't need his bonus certificate represents the sentiment of the rank and file of the legionnaires of Oklahoma. For the national commander to say that only 23 posts of the country had indorsed the bonus at the time of his statement was absurd on the face of it. Practically every American Legion post in the State of Oklahoma indorsed full payment months ago. What applies to Oklahoma applies in a general way to a majority of the States of the Union. I am told that national committeemen of that great organization will soon meet at Indianapolis and at that time will give Commander Stevens some inside information and probably a just reprimand for his unwarranted action in opposing this just legislation.

When the array of big business men, great financiers, near financiers, economists, and would-be economists appear before this committee next week in opposition to this legislation, I assume that the burden of their arguments will be that this bill, if and when passed, will destroy the financial structure of the Government. No doubt the committee will be warned against the passage of this legislation and will be repeatedly told that the 50 per cent loans made to the veterans by the last Congress did not revive business.

Let me say in reply to the charge that the 50 per cent loans did not stimulate business. I personally know that in many sections the veterans' loan not only revived but was a tremendous stimulation to business in general in spite of the fact that not one dollar of actual money was issued. What the veterans received was credit, not money. Not one new dollar was placed in circulation, and that, gentlemen, was not a gift. What Congress actually did was to lend the veteran 50 per cent of his own money. It must also be remembered that a great majority of the veterans who have borrowed at all on their certificates had previously borrowed

20 to 25 per cent before the passage of the 50 per cent act. So the loans in fact only amounted to 25 to 30 per cent instead of 50 per cent, as one unfamiliar with this legislation might think. The inference has also gone out that the veterans' loans have caused the deficit in the Treasury; that the money came from the pockets of the taxpayers of the country.

Even Members of Congress have made such erroneous statements. The fact is that aside from a small amount appropriated by Congress to administer the fund, this money, or practically all of it, came from the veterans themselves; from premiums paid by the veterans on their insurance during their war-time service. That fund, made up of premiums on this insurance, amounted to $881,000,000, and yet Congressmen and others boast that they gave the veterans the money. What Congress did was to lend 50 per cent on these certificates, and then had the nerve to charge the veteran 4½ per cent compound interest on his own money. At the same time this Government can go out in the market and get money for less than 2 per cent. The veterans know they did not get a square deal on that loan, and it is a sad fact unless the 4½ per cent compound interest is canceled many veterans will actually owe the Government on the last half of the bonus in 1945.

Answering the charge that payment of the bonus in full will hurt business, I will say to this committee that I do not pose as an economist or a financier. If the great Champ Clark, after studying the money question for a lifetime, would admit that he knew nothing about the money question and doubted seriously if anybody else did, I would not have the temerity to tell this committee that I pose as an authority on the subject. If I thought that the payment of the last half of the bonus would impair the financial structure of the Government or hurt business to any extent whatsoever, I would not, under any circumstances, support this legislation. On the other hand, after talking to many economists and financiers in high authority, I am fully convinced that the currency must be expanded or reexpanded, as Senator Owen and other authorities on the subject have said, and it occurs to me that either the Patman bill or the Thomas-Johnson bill (H. R. 10096), introduced by me and now pending before this committee, would be a practical way of expanding the currency. In my judgment it is imperative that some action be taken by Congress and that immediately, to give the country cheaper money.

I think it is generally admitted that money has become entirely too high and commodities too unreasonably low, and something must be done and done quickly to bring up the price of commodities and cheapen the dollar. The fact that members of the Federal Reserve Board all over the United States, after these hearings started, were called to Washington to discuss ways and means to expand the currency is evidence that there is merit to this legislation.

Of course, all of us understand that this hurried action on the part of the Federal Reserve Board at this time is primarily for the purpose of defeating this legislation, but even if that be true the veterans have won a moral victory and yet the average American citizen will ask himself if the Federal Reserve Board can, without any authority of law, go into the open markets and buy a billion dollars' worth of securities why did it not do so six months ago—why did it not do so a year ago—or two years ago—and save the country from the most terrible money panic America has had in the past quarter of a century? The announcement of the Federal Reserve Board that it will increase the currency within the next few weeks is a terrible condemnation of its policies in its failure and refusal to do so in the past.

Mr. McCORMACK. In other words, you do not think that the recent action of the Federal Reserve Board completely supports the theory of the opponents of this legislation?

Mr. JOHNSON. That is quite true. On the other hand it demonstrates that the Federal Reserve Board admits the soundness of the plans here being considered. It is not a question of what Congress would like to do, but I am fully convinced that the expansion or reexpansion of the currency must be done, and that it must be done quickly.

Mr. RAGON. If I understood Senator THOMAS when he was here the other day, he felt that the terms of the Patman bill might greatly injure the Federal reserve system.

Mr. JOHNSON. Yes; I heard the statement of our distinguished Senator from Oklahoma. I do not share his view altogether. There is no question but that some of the money under the Patman bill would come in competition with the Federal reserve, but it would not be any appreciable amount, and not enough to kill the Federal reserve or seriously cripple it. But frankly, I measure my words when I say the Federal Reserve Board ought to function as originally intended in the interest of the people, or else Congress ought to abolish it.

I desire to make it plain, Mr. Chairman and members of the committee, that I am not wedded to any plan. I have no pride of authorship of the bill I have introduced in Congress in keeping with the ideas suggested by Senator THOMAS and also similar to the suggestion of Senator Owen. The Thomas-Johnson bill would go through the Federal reserve and make that a functioning organization operating in the interest of the people instead of by and for Wall Street and the international bankers.

It is needless for me to picture to you the conditions and the need for relief for our war veterans and their families. You have heard that over and over again; but let me say in closing that if $2,000,000,000 of additional currency were sent out into every nook and corner of America, in my judgment it would revive business immediately. It is a practical way of increasing or expanding the currency. It would have the effect of raising commodity prices. It would save the homes of thousands of war veterans where foreclosures have already been started. It would melt the long bread lines, stop suicides, and relieve suffering in every town and hamlet. It would not only fill empty box cars but fill millons of empty stomachs, and replace misery and suffering with a ray of sunshine and hope, and at the same time pay a just and acknowledged debt due the war veterans by the Government of the United States.

Mr. CRISP. We thank you very much for your presence.

CRITICISMS OF CONGRESSMEN

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, more untrue, unfair, mean things are being said about Members of Congress than ever before. We are only human and make mistakes just like other folks. We should be criticized like other folks. The criticisms should be fair, honest, and based on a true statement of facts. There is not an honest Member of Congress who would not welcome criticisms, to the fullest extent, of his official record in Congress and yet in political campaigns and generally this is not done. Exactly the contrary too often takes place.

Speaking for myself—most other Members feel the same way—I beg and plead for honest criticisms of the thousands of votes I have cast; the hundreds of speeches and statements I have made; the scores of bills I have introduced and the hundreds and even thousands of official acts I have performed.

If anyone feels that by word or act I have ever been unfair to the farmer, the laboring man, the ex-soldier, or the common people, please let him say where, when, and how. I know some feel that I should be criticized. Many see things differently from me. To these I say, "Criticize my record, my votes, my bills, my speeches, my official conduct, and what I did or did not do. Please do not blame me for what others do over my protest. Please do not arrest me, try me, convict me, hang me, and blacken the name of myself and family forever for crimes of which I am absolutely innocent, which I condemn, and which I did my very best to prevent at the very risk of my political existence."

No fair man would condemn all the members of all the churches for the sins of only a few, neither would he condemn all humanity for the crimes of an individual.

An honest man would not visit punishment on the whole of a family for the errors of a brother or sister, and yet every day, in almost every newspaper and in every political statement we see or hear, we find an avalanche of awful criticisms and vile abuses heaped on all of Congress and every Member thereof, all because some one believes that either a majority of Congress or a minority of Congress or an individual Member has made a mistake or done wrong.

I beg the public to judge each tree by its own fruit and each vine by its own thorns. Sodom and Gomorrah were not destroyed because there were a few or even a majority of the inhabitants sinful, but because all violated and transgressed God's law. Everyone was judged by his own deeds, and the punishment was altogether just.

At this time I want to limit this discussion to some newspaper criticisms, and especially to a criticism of a bill introduced by me some time ago. I do not object to a criticism of my bill. I do object, though, to a distorted, unfair criticism; and it is of this I wish to speak presently. Before I do this let us endeavor to ascertain why more criticisms are being made of Congressmen than ever before. Is it because they are worse? I do not think so. Is it because we are putting forth less effort than previously? Surely this is not the case. There is a greater effort to render real service than was ever known before. What is the trouble, then? I know the cause, and I will put the blame where I feel it belongs; but before doing so I want to excuse many of the local or county papers for carrying this unfair propaganda. As a rule these small papers are edited by the very best men in our country. They would not purposely do

any man, woman, or child an injustice. It happens oft-times, though, that being misled by the big dailies or other large periodicals they innocently reprint items that are unfair, misleading, and that do an injustice.

Thus it is that no one can estimate the injustice that may be done by one unfair article carried by a big paper, reproduced by smaller papers, and then carried by word of mouth throughout the length and breadth of the country.

No one knows the never-ending, powerful, deadly effect of such poison better than the big financial interests and their paid allies—the big subsidized newspapers of the Nation.

Just as the rattlesnake uses his poison to destroy those he does not like, so the great financial interests and great newspapers owned or controlled by them use the venom of misrepresentation in an effort to kill those who oppose them or do not humbly do their will.

These big papers mislead the public by failing and refusing to publish the truth concerning Members of Congress who are not subservient to the big interests and who refuse to do the will of the big papers and their owners. They perpetrate a fraud on the public and seek to destroy faithful Members of Congress by not publishing anything that is to the credit of the Member without twisting and distorting it and by leaving out the most important part so as to make the Member appear silly or criminal, or both, and his official act appear vicious and antagonistic to his people.

These papers also seize upon slight indiscretions of a few Members to bring reproach upon all the Congress. They take special care by separate special personal items to make those who truckle to them appear to be patriotic statesmen and worthy of the fullest confidence of all people. Small or trivial matters are unduly magnified, distorted, and twisted beyond all reason.

This is what is done as to the Members' stationery allowance, mileage, franking privilege, and clerical assistance.

Every presidential-campaign year the country is whipped into a frenzy of hatred of Members of Congress by grossly unfair representations as to these items. I wish there was some way for them all to be eliminated. I will vote to cut out entirely the stationery allowance and the mileage.

The stationery allowance was $125 a year, and this session I voted to make it $90 a year. I would much rather pay out of my salary the cost of my ink, pens, envelopes, letterheads, and other stationery than have the newspapers always abusing my friends and me about this item.

Let us discuss briefly the mileage item of 20 cents a mile each way to cover all traveling expenses for each year unless there is an extra session. The public has been led to believe that every time a Member rides on the train he either rides on a pass or at 3 cents a mile and charges 20 cents a mile up to the Government. This is not the case, and yet our people, by this false statement, are led to hate us and feel that we are very dishonest.

Some say the actual traveling expenses of Members should be paid instead of this straight allowance. This would cost the Government much more. Many Members go home every week, some every night, and practically every Member spends his entire mileage allowance each year traveling to and from his home or on board and other expenses staying in Washington on the job, while others are going to and from their homes.

If actual traveling expenses were paid, the man who stayed on this job the least and ran over the country the most would get the most money, and the man who stayed on the job the most would get the least.

The man who lives a long distance away and makes only one trip a year may save a little money, but even this is spent in paying expenses here, and for his family if he has one.

There is no traveling allowance for a Member's family.

Since criticism of this mileage item has been made in my district and was evidently intended for me, I trust I will be pardoned for a personal reference when I say that no one in Congress has a better record for staying on the job than I have. I have never been out of Washington a single day while the House was in session since I was elected. I have never gone to Georgia or elsewhere while the House was in session except to the funeral of a Georgia Member of the House or a Georgia Senator, and I stay here doing urgent departmental work most of the time the House is not in session. And yet, in spite of the small amount of traveling I do, I have not been able to save any money out of my travel allowance.

I voted to cut it to 15 cents a mile each year, and I will vote to cut it out altogether. If the Senate passes the bill we passed in the House, my mileage for the present whole calendar year would be about $250. I would rather not get this than to be called a leech, a thief, and a crook because of this allowance.

It will cost almost as much as I get out of my mileage allowance to pay for the printing and mailing out of one ordinary set of speeches in which I attempt to defend Congress and myself against these unwarranted assaults. I will send out one set of speeches this summer that will cost me in actual cash more than twice as much as this mileage allowance.

My railroad ticket alone for my wife and two children and myself to visit Georgia the last of this month will cost me in cash more than twice my mileage for this year, and I will not get the allowance paid during this year until next December.

I wish there was no mileage allowance so that there would be no such opportunity for anyone to apply the name of thief, leech, crook, and so forth, and so on, to Members of Congress and United States Senators, both now living and who in the past have served so well and honorably and now have gone on to the Great Beyond.

The members of the Georgia Legislature get 10 cents a mile traveling expenses for only a few days' service. Considering the length of time they serve and the length of time Members of Congress actually serve each year, the members of the Georgia house and senate get five or more times as much mileage allowance per mile as Members of Congress.

I certainly do not criticize these good men of my State or any other State where mileage is allowed.

I am just wondering how anyone who has served in the Georgia Legislature or has friends or brothers who have served there can find it in his heart to bitterly criticize those, both living and dead, who serve and have served in Congress and who have been allowed much less pay per mile than were allowed our good friends present and past who served honorably and well in our State general assembly.

Another allowance that has been severely criticized is that of clerical assistance. I do not have a relative on my clerical force, but am honest when I say that I can see no valid objections to a relative doing this work, provided always genuine service is rendered for the salary.

The work in a Congressman's office in many instances is of the most confidential nature. Nothing can be more confidential than the medical record or other personal record of veterans and others who every day apply to Congressmen for help.

Again there is no place on earth where loyalty counts for more than in a Congressman's office. The secretary with the greatest loyalty always renders the greatest possible service to the people whom the Member represents. What our people want is service. It is infinitely better for a Member to have his wife or brother in his office rendering real, honest-to-goodness service rather than disloyal clerks who are not giving value received, and instead of helping the Member and his people are either purposely or negligently doing harm to all concerned.

No one would criticize a father for bringing his son along to help do a plumbing job or to help split rails on the farm.

No one would criticize an editor because his wife and child helped him set the type, unless it was for letting them do too much work.

Why should not that editor if elected to Congress employ his relative to help him make a success in his office work,

provided that relative renders real service for the pay and more nearly gives value received for the money than anyone else?

I do not hear any criticism of the lawyer whose daughter is his stenographer or of the judge who helps his son get a job or helps his son get into a good partnership and thus get good cases and a good practice or who as judge tries his son's cases.

Why should a lawyer or judge if elected to Congress not use the very best available clerical help, regardless of whether that help is related to him or not?

Of course, it is wrong if any money is paid to anyone who does not give value received in return. This is true regardless of whether the party is a relative or merely a political helper or other person who does not render value received.

It is not at all necessary for a clerk to earn his or her full salary by his or her own actual work any more than a contractor earns the full contract price of constructing a building by his own labor alone.

He must earn the contract price by his own labor, and the labor of those he employs and the cost of material he must put in the building under his contract.

I understand many Members give their clerks all the allowance and then let the clerk pay for all other clerical help which the clerks can not handle personally, such as multigraphing and scores of items too numerous to mention.

Each Member has his own idea about his office work. Some want a clerk or clerks who will undertake to relieve the Member of every responsibility except that of a legislative nature. Some require much more stenographic work than others. In other words, every Member has his own idea as to how he wants his office work handled. Some few Members do not use the full amount allowed for clerical help and leave the balance in the Treasury. Many are wealthy and can pay their clerks out of their own money if they think it is a good political move.

It has been generally reported that some of the wealthier Members let their clerks have the full clerical allowance and also the Member's full salary. Of course they are making their millions in other ways than as a salary.

But those of us who are poor men should use this allowance in the way to get the best results for the people whom we represent. When the entire allowance is paid to one or two persons with them to pay for all additional clerical help which the Member may request, controversy may easily arise, and I understand does arise, as to how much money the clerk or clerks should pay out for this additional help.

So far as I am concerned, I find the best way is to agree just what each clerk shall do and then pay him that full amount and let him keep the full amount agreed upon.

It is much better for all concerned that each clerk know exactly what he is to receive and keep, exactly what he is to do, and that the Member know what amount he can spend for additional clerical help before he begins to spend his own salary for this line of work. I can properly and profitably use for my people much more clerical allowance than I get, and yet recently I voted to cut this pay and am sure this cut will pass.

I wish I had sufficient clerical allowance to hire some legal help in each county to help veterans and others get their claims in proper shape. I would like to pay for some newspaper space in all my local papers so that from time to time I could give valuable information to the public—not of a political nature—as to rights of the farmers, the veterans, and public generally. I wish I had enough money to experiment in the sale of some farm products of my section directly from producer to consumer. I could very easily use here in Washington the services of a good young lawyer all the time to handle matters of a legal nature which pass through my office.

The allowance is not sufficient for these purposes. As it is, I work from 12 to 14 and 15 hours a day, personally handle all the legal and complicated matters, do much of my own clerical work, use a typewriter when necessary, and endeavor to give the very best possible clerical and office help to my people.

After all, it is a matter of service. If the party who is on the pay roll is rendering value received to the public, all is well and good; but if the party is not earning his salary, the public is mistreated, regardless of whether the clerk is a relative of the Congressman or the relative of some political boss or the relative of some one who got the job for him by a political pull.

For my part, I may say, for many hours each day I personally do the secretarial work of my office without any stenographer or clerk. Most of the day I have two clerks in the office. Then, again, I need the help of a half dozen or more clerks or assistants. When Congress is not in session I generally keep my Washington office open with two clerks and hire additional help down home.

I am sure most Members get the best possible service for their districts from this very necessary allowance; and if some errors of judgment are made by a few, the entire membership should not be condemned.

The all-consuming question is whether or not the Member is heart and soul for his people and is he day and night and all the time in every way possible doing his very best for his people? Is he and his clerical force loyal to his people and his Nation and not a traitor to those he represents and for whom they should labor?

In these remarks I shall not attempt to answer all the numerous unfair, misrepresentations that are viciously hurled at Members of Congress by those who are unable to dominate all legislation. This would necessitate the writing of a book.

The great financial interests which dominate the big newspapers are more guilty than anyone else of the awful offense of precipitating the greatest financial depression and the most human suffering in the history of the world. These very people are doing everything possible to direct the attention of the public away from their awful record of guilt. This is actuated by the criminal design to protect themselves at the expense of others, and to force Congress into passing many vicious laws unfair to the public and in furtherance of the awful orgy of plunder and robbery by these malefactors of all humanity.

During the World War and since, the rich became immensely rich and there sprang up many, many more millionaires and multimillionaires than ever before. This all happened in spite of the appalling loss of life and property as the result of the war. All this can only mean the common average citizen not only suffered all the loss of life and property destroyed during the war but even what property he had left was, in most instances, simply stolen from him by the crowd that did not fight but who profiteered, plundered, and robbed while their countrymen were fighting and dying.

There were already many laws under which the rich could plunder the poor; many more have since been enacted. The wealth of the world has practically been taken from the poorer class and either destroyed or delivered into the hands of the very rich, who are hoarding it and letting the common people suffer and die in the greatest depression the world ever experienced.

Let us briefly try to visualize the tremendous loss by the World War and by the exploitation of the common people by the big rich during and since the war. The human mind is dazed by and can not at all grasp the loss caused by the World War.

It has been determined that if all those who lost their lives as the result of the World War were alive and marched single file past a certain point all day long from daylight until dark it would require four and one-half years for them to pass the designated point, and that for every life lost there was $18,000 of property wasted and destroyed.

If $1,000 had been burned every three minutes since the birth of Christ, no more money would have been burned by this time than was destroyed by the World War.

While this tremendous loss was taking place international bankers and monopolistic profiteers were getting possession of practically all of the wealth of the world that was not destroyed. Is there any wonder a panic came? Is there

any wonder these profiteers and their subsidized press wish to get the gaze of the public away from them and these awful facts?

Now, in order to cover their own awful and dastard crimes and in an effort to force Congress to give them a further strangle hold on the throats of the common people, these profiteers are resorting to every possible unfair and false criticism of Members of Congress.

This gang seeks to blacken the name of every Member who will not do their bidding, and by putting up campaign funds by organization and in the press they hold up as patriots of the first order those Members who get their orders from Wall Street and act accordingly.

Is there any wonder why these malefactors of good government and honest men and women do not want Members of Congress to be allowed to make reply on the floor of Congress through the CONGRESSIONAL RECORD and through free official mail service?

Can anyone fail to see the motive that prompts these modern pirates to oppose every move to advise the public of their outrageous crimes? They control most of the big newspapers, much of the radio service, and entirely too much of Congress, and desire that the common people have no voice in either the press, the radio service, or in legislative halls.

I knew full well my bill would be attacked bitterly and severely when I introduced the measure to save for the common people, the laboring man, the farmer, and the children, the greatest means of education, information, and communication of all time—the radio and the motion picture.

The radio itself was used four years ago to broadcast misrepresentations of my bill throughout the length and breadth of the country.

These criticisms at that time were made in reprisal against me for criticizing the Republican tariff bill.

More recently some of the big newspapers and periodicals, especially the Saturday Evening Post and other Curtis publications, have again taken up the misrepresentation of this bill and the vilification of me.

While I have great faith in the bill and am very hopeful that good legislation may some day soon be enacted along this line, I feel there are so many vitally important questions now before Congress that it is not best to push this bill at this time. For this reason, in spite of the many unfair attacks that have been made on me by the big newspapers, motion-picture concerns, and radio monopolies, I have refrained from attempting to pass this bill at this session of Congress. I reintroduced the bill at the beginning of this Congress, not because I felt it was an opportune time to pass it but because I did not want the radio, motion-picture, and other certain trusts and monopolies to feel that I had in any sense abandoned the fight for the real purposes of this bill.

I am only discussing this bill now because the vilification which these trusts are heaping on it demands, at least, some disclosure of the real truth concerning this measure.

To begin with, the bill does not appropriate any sum of money but only authorizes the appropriation of such money as may be necessary. If the bill should pass, only such money then could be appropriated as received the approval of the Bureau of the Budget, the subcommittee of the House Committee on Appropriations, the general House Committee on Appropriations, the House itself, and then similar committees of the Senate, the Senate, and finally the President.

So the misrepresentations as to the amount of appropriation included in the bill are fully exploded. These papers fail to tell the whole truth, and tell the people that the measure provides for free schoolbooks, and for radio and motion pictures, at much less cost to the public, making our people more patriotic rather than more criminal.

The bill would save these great agencies for all the people rather than let the monopolies use them, at tremendous cost to all the people, for the purpose of misrepresentation and the creation of a lower standard of morals.

This bill provides for the freest discussion of the rights and questions of interest to all the people and gives the poor people the use of the radio to present their ideas of government without hindrance and as fully as the richest man in the Nation. The bill seeks to destroy monopolies and to set up the will of the common people.

I shudder when I realize that we are nearing the time when monopolies will own practically everything, when we will have chain farming, chain banking, and chain everything else. When the big newspapers, the radio, the moving pictures, and even the books taught in our schools will be only such as are approved by the great financial interests; and our people will be treading the wine press of human misery and slavery from which there will be little or no liberation.

Of course, the big movie interests, which are largely responsible for the present great crime wave and which extract more money per year from our people for debauching our children than this entire program would cost, bitterly oppose my bill. They prefer, at tremendous cost to our fathers and mothers, to use their vile pictures to undo all the good influence of our homes and of our schools, make our children hate all that is highest and best, and clog our courts and prisons with young men and women who are worthy of a better fate.

The big radio interests join with the motion-picture interests in this fight. With them it is not a question of serving the children and helping their fathers and mothers build up and maintain a great citizenship. All these interests seek is money and more money, regardless of whether their methods produce ladies and gentlemen or beings in human form steeped in sin and crime.

The great interests oppose my bill and all similar moves for the dissemination of the truth. They prefer to control all means of communication and information to the end that they may without hindrance promulgate their ideas and destroy those who will not be subservient to them and their kind. The greatest salaries in the world are paid to movie actors and the greatest fortunes are made by motion-picture concerns. Who pays all this? The little boys and girls and their parents. What do they get in return? They get dirt and filth and the lowest possible conception of life.

Would it not be a thousand times better for clean, high-class, educational pictures to be furnished for far less cost to our people? To-day the common people are paying fabulous sums to the movies to undermine the home and its influence, set at naught the teachings of our fathers and mothers, undermine all law, and destroy our form of Government.

Why not pay much less for more love of father and mother, more respect for and love of home, more love of country and the God of our fathers? The newer and deeper patriotism would be worth the price. The higher and purer ideals instilled in our children would be worth many times the cost.

The savings of court costs and expense of crime would more than pay for all the expenditure.

I would, if possible, bring all the beauty of all the earth, all the music of all time, and all the blessings of all eternity and dump them in the laps of our boys and girls and their parents of the farm and of the humble home of honest labor. This can not be done fully in this life, but may be done in a small way, I hope and pray, by proper control or ownership by the people of the God-given blessings of earth and space and sky as exemplified in these modern inventions.

It will be seen that my bill carefully safeguards the right of each organization or community to select and approve the class and character of information or entertainments furnished for its own members or citizens. Anything else is dangerous to the American home, will destroy the moral stamina of our citizens, and will work the undoing of our Government.

The misrepresentations of the big papers concerning my bill have gone so far until some of my friends were led to believe my bill is contrary to the principle of separation

of church and state. There is no danger in the bill along this line. My bill gives the churches the same rights as other organizations. Many laws go much farther and give special rights to churches. Special reduced postal rates are given to church and fraternal newspapers, literature, and periodicals. Church edifices alone in the United States, to say nothing of other church property, to the amount of $3,839,500,610 are relieved of all taxes.

Millions and billions are spent annually on public parks, orchestras, libraries, periodicals, and in numerous other ways for instruction, education, and entertainment. Only a few people enjoy these at great expense to whole people. I seek to make the best of all this available to all the people at the least possible cost.

I think my bill is good. I may be mistaken about it. The fight being made on it by the big interests confirms my faith in its provisions. I apologize for taking up so much time on these matters, but I feel it is dangersous to let too many false criticisms go without reply.

Before I conclude, let us take a peep at some of the inconsistencies of some of those who are criticizing Congress.

Nothing is more inconsistent, in so far as a newspaper is concerned, than the contention that while the United States Government is handling the newspapers and other periodicals of the country, through the Postal Service, at an actual loss of between ninety and a hundred million dollars per year, that the same Government should not handle its own official mail—parts of the CONGRESSIONAL RECORD included—without cost to the official.

For the purpose of emphasis, I repeat it comes with poor grace for these big papers, especially, which get approximately $100,000,000 a year graft or subsidy from the Government in the matter of postal rates in the handling of paid advertisements, unfair and untruthful criticisms of Members of Congress, and equally vicious propaganda against the rights of the common people, to object to Members of Congress answering this awful, untruthful vilification and sending it through the mail at an actual cost of about one-fifteenth of the amount actually lost by the Government in handling the newspapers of the country.

I am not criticizing the small local papers for taking advantage of the free-in-county postage or other cheap rates enjoyed by these little papers of our counties. I am defending them along with Members of Congress and others who must go up against the unfair criticisms and fight of the big metropolitan press.

If the big papers could not send their papers or periodicals thousands of miles through the mail practically free, all this slush would not load down our mails at the expense of the taxpayers and untold millions of dollars now paid out to these big papers for $10,000-a-week and similarly expensive advertisements would go to the small weekly paper.

I favor the cheap postal rate for the country paper, so it can help overcome the false propaganda of the subsidized and monopolistic press of New York and other similar centers.

I am whole-heartedly in favor of the cheapest possible postal rates for county papers and for our State papers within the State; I favor the franking privilege of Members of Congress, and I am in favor of every other reasonable means of overcoming falsehood and letting the people know the truth.

The big magazines and periodicals which circulate so much false doctrine and misinformation enjoy a subsidy from the Government that staggers the imagination of those who now will have to help pay the bill by the change of first-class postage rates from 2 to 3 cents per ordinary letter.

Let us look at just a few figures. During a recent 10-year period the Postal Service of our Nation handled 14,590,410,689 pounds of this newspaper mail and received for the service $292,900,498.17. I find that if the average citizens had mailed this same poundage in one-fourth ounce letters the postage would have been $17,504,123,729.24, or more than five times as much as the newspapers paid.

This difference in favor of the newspapers, arising during one 10-year period since the war, would pay the balance due the World War veterans over and over more than five times. It is sufficient to pay the balance of the public debt.

If the 3-cent postage rate now being put into force had been in effect the difference, of course, would have been 50 per cent more. If the newspapers should pay as much per pound in postage during the next two years as the public will pay for similar poundage under the vicious 3-cent postage rate, the additional amount would more than pay the balance of adjusted compensation now due the veterans of the World War.

And yet, instead of favoring an increase of their postage, these papers oppose the payment of the soldiers' bonus, favor the increase of letter postage from 2 to 3 cents to pay the deficit caused by them, and will continue to unfairly abuse those who will not go with them and their gang in the sponsoring of this newspaper graft and similarly vicious outrages.

Let us for just a minute refer to the Curtis Publishing Co., which published in its Saturday Evening Post the article criticizing my free school radio educational bill.

Our people pay out of their pockets salaries and profits to the large newspaper organizations so large as to stagger the imagination, while our Government, through the Post Office Department, is losing $3,000,000 per year hauling the publications of this one concern, namely, the Curtis Publishing Co.

Think of it, reliable information is available to the effect that this very paper, with all this Government subsidy, gets $10,000 per week for one double-page advertisement, $5,000 per week for single-page advertisements, and similarly large pay for all its advertising space.

The farmers and the average private citizens are being destroyed by these subsidies, exorbitant salaries of officials, of large business concerns, and an economic system which is slavery of the most vicious type. The common people pay for all this expensive advertising and for all these salaries and subsidies.

The big dailies look on approvingly and complacently while our Government donates billions upon top of billions of the people's money to foreign nations. Not a protest is heard from the metropolitan press when it is disclosed that $30,000,000,000 have been recently swindled out of the American people and small banks by the big banks unloading this amount of worthless foreign securities on our people, with enormous commissions and profits to these pirates of the banking world.

Nothing was said by them while these blackest of all financial crimes transferred enough American money to foreign nations to pay the balance of adjusted compensation due the World War veterans again and again twenty times.

Yet the big press says "refuse to pay the World War veterans their pittance for all they have endured; but create the Reconstruction Finance Corporation and turn over to these identical financial pirates the people's money in $200,000,000 blocks." They say unanimously "the great banks and other enormous financial institutions must be relieved of all burdens of taxation, such as income, estate, and inheritance taxes, and the sales tax must do the work by taxing need, want, poverty, and despair, instead of wealth, plenty, income, and swollen, stolen enormous fortunes." And yet this big-newspaper, big-interest mob seeks to ruthlessly murder those who do not do its will and who in spite of their threats vote for the best interest of the American people as pointed out by conscientious convictions.

The big subsidized press and the gang of international and other Wall Street bankers that buys them with stolen loot attempt to decoy the attention of an outraged and indignant public away from the oceans tied on to oceans of their own guilt and to fasten attention on the fleeting vapor of some imaginary indiscretion of some public official.

Those who stole and now control the wealth and destiny of the world are seeking to cause all humanity to look for the causes of the present depression in a few grains of in-

consequential shifting sands instead of in the mighty mountains piled upon never-ending mountains of their own awful crime and guilt. With the blackest crime of all ages fastened on them and their kind and with their hands dripping with the innocent blood of millions and billions of their fellow men, dead and living, these financial enemies of the race seek to destroy those who will neither join their gang nor help them in the concealment of their own awful calamitous guilt.

Thus it is I am most anxious to save for the common people the radio, the motion pictures, the independent small country newspaper, the independent educational system of our country schools, and the absolute right of Members of Congress to speak for the masses of our people and broadcast their speeches to all the people.

Without these agencies there would be neither freedom of the press nor freedom of speech, and there would be the immediate disappearance of freedom of religion and all other God-given constitutional rights.

There is and can be no freedom of a subsidized money-owned press. There can be no free speech without a free press and the right of the people's representatives in Congress and elsewhere to not only speak for them but to let the world know what is said and done in Congress and elsewhere.

We must fight as never before to regain what has been stolen from our people, to right the wrong so far as possible and to build stronger our every bulwark of liberty and honest government so that such a thing will never occur again.

Let me repeat what I said in the beginning of these remarks. Let those who wish to criticize Members of Congress single out the one against whom the dart is aimed and specifically point out wherein his official record is thought to be bad.

I implore those who wish to attack me to please point out wherein they feel they would have improved the record I made, which of my votes are believed by them to be wrong, what utterances of mine in debate are opposed by them, and what proposals of mine are offensive to them.

Many, many thousands of pages of the CONGRESSIONAL RECORD tell of my work here. I am, though, sorely disappointed over what has been accomplished by Congress during all these years. I am glad that in the midst of opposition and criticism I have stood for the right as pointed out by the dictates of my own conscience.

I have fought for much that has not been accomplished, but which I hope may yet be brought into being before many more months. Just here let me name briefly some principles for which I have contended, which I now propose to the platform builders of both the Democratic and Republican Parties, as well as those who wish to run for Congress this year and all who may now or hereafter be interested either in their own political preferment or in the welfare of the American people.

I respectfully submit the following suggestions:

First. I favor the submission to the States of an amendment to the Federal Constitution to provide for the head of each family an exemption from all taxes of a reasonable amount of realty and personalty for a comfortable home when so used.

Second. I favor legislation bringing about an effective control of the production and marketing of farm products by the producers, by a contract system, allotment plan, cooperative marketing, or other proper device, to the end that the price of farm products may be elevated, controlled, and stabilized by the farmers as fully and completely as the production, marketing, and prices of manufactured and other articles of barter and sale are controlled by manufacturers and other producers. This, and only this, will put the farmers on a parity with other enterprises and constitute real farm relief.

Third. Except in cases of extreme emergency, I favor the raising of all revenues for the Federal Government from impost duties; tariffs; estate, inheritance, and income taxes, to the end that the several States may levy and collect excise and general sales taxes if it is desired by the State governments to do so in lieu of the whole or any part of the now burdensome State ad valorem or property tax.

Fourth. I favor the completion as soon as possible of the system of waterways along the Atlantic seaboard for use by barges and other small watercraft, and the similar system of inland waterways along the Gulf of Mexico, including the construction of a connecting link between the two systems across south Georgia and north Florida along the most practical route.

Fifth. I favor the working out through Government aid of a system of selling fruits, vegetables, and other food products of the farm, orchard, and dairy more directly from the producer to the consumer, thus giving better, fresher, and more wholesome food to the consumers at less cost and at the same time securing a much more reasonable price for the producers.

Sixth. I favor the immediate solution of the transportation problem. The railroads should be saved as a part and parcel of the economic structure of our States and Nation. They should be given a square deal, to the end that they may not only furnish full and adequate transportation facilities to all the people but help furnish employment to labor, bear a large part of the tax burden of the States and Nation, and generally constitute a most important factor in the financial structure of the country.

To these ends I favor the immediate enactment of legislation putting bus and truck transportation under the control of the Interstate Commerce Commission, with such laws, however, as will prevent unfair treatment of any transportation line or any consolidations or mergers or other manipulations inimical to the general welfare.

Seventh. I favor an arrangement between a proper governmental agency and all holders of long-term loans against farm property and all holders of farm property recently taken over by foreclosure proceedings, whereby all farm lands so taken over, together with all lands now covered by long-term loans, will be returned to original owners or held by original owners without foreclosures, except where such arrangement is not practical or not desired by original owner. In order to carry this fully into effect, I favor the issuance and sale of such Government bonds as may be necessary, the bonds for this purpose to be secured by the loans, lands, or other property purchased, handled, or sold in the carrying of this program into full effect.

These suggestions are not at all exhaustive. They show, though, how I feel about these most vital issues. At a later date, and before adjournment of this session, I hope to discuss these issues more fully.

NATURALIZATION LAWS

Mr. DICKSTEIN. Mr. Speaker, I present a conference report upon the bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, for printing under the rule.

COPYRIGHT LAWS

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 229 (Report No. 1382)

Resolved, That immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12094, a bill "To amend and consolidate the acts respecting copyright and to codify and amend common-law rights of authors in their writings."

That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Patents, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage, without intervening motion, except one motion to recommit.

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, on to-morrow it is expected to take up for consideration the bill (H. R. 4668) to amend section 3 of the flood control act. The bill comes up under a rule, and I am advised it will probably require two or three hours. After that time I shall presently propound a unanimous-consent request to call the Private Calendar, and that it be in order to recess until 8 o'clock and to call the Private Calendar from 8 o'clock until 10.30; and on Saturday of this week under the new rule it will be in order to call the Private Calendar, and that on Saturday there will be no controversial matters brought up, and nothing except the Private Calendar.

I now ask unanimous consent, Mr. Speaker, that on to-morrow, after the consideration of the bill H. R. 4688, it shall be in order to consider bills on the Private Calendar under the new rule, and that it shall be in order for the House to recess until 8 o'clock p. m., and to consider bills on the Private Calendar from 8 o'clock p. m. until 10.30 p. m.

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

Mr. BLANTON. Mr. Speaker, reserving the right to object, I shall not object to the first portion of the request, that for the balance of to-morrow the Private Calendar be considered, but it is too hard on the gentleman from Alabama [Mr. PATTERSON], the gentleman from Mississippi [Mr. COLLINS], the gentleman from Wisconsin [Mr. SCHAFER], the gentleman from Wisconsin [Mr. STAFFORD], and other Members who work on the Private Calendar, to sit here, under a terrible strain, and work on that bunch of bills during the day session and then again at night also.

Mr. GREEN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. GREEN. There will be no session on Saturday, will there?

Mr. BLANTON. Oh, yes; there will be a session on Saturday. There is a limit to what an individual can do, Mr. Speaker, and men will be dropping off here again. They are not able to stand the day and night session work, and then keep their offices going, hence I shall object. The first part of the gentleman's request, that we consider private bills during the rest of the day, I do not object to.

Mr. RAINEY. Mr. Speaker, I shall divide the request, and I hope that the gentleman will not object to considering the Private Calendar under the new rule on Saturday.

Mr. BLANTON. Not at all.

Mr. RAINEY. With the understanding that no controversial matters are to come up. I understand the gentlman will not make a point of no quorum.

Mr. STAFFORD. Well, Mr. Speaker, we will not make any such reservation.

Mr. BLANTON. That is one lever necessary to protect the country sometimes. I shall not waive the right to exercise that privilege, and reserve the right to make such a point of order whenever it appears to be necessary.

Mr. RAINEY. The only reason I suggested a night session was because I thought some gentleman on Saturday might raise a point of no quorum.

Mr. BLANTON. It may be that some question would arise where we would be compelled to make that point of no quorum as the only means left to stop some bad bill from passing. This new rule under which we must operate on Private Calendar day is going to double, and even treble, the amount of work that we who watch this calendar must perform. Even after we do the hard, grinding work it is going to be absolutely impossible to stop all of the bad bills, and some of them are going to get by, and the Public Treasury is going to suffer. It is going to be necessary to have our entire objecting force on the floor at all times while the Private Calendar is being considered, and I know that if it is taken up at night sessions with the membership worked down, some of our forces are going to be absent. And thus it is because I deem it necessary to protect the Treasury that I object to such a proposed night session, and for no other reason. I work, myself, every night, as I work afterwards in my office, even when I attend some function, hence I do not object for any personal reason.

Mr. RAINEY. Mr. Speaker, in view of the suggestion made by the gentleman from Texas, I amend my unanimous-consent request by omitting the night session.

Mr. HASTINGS. Reserving the right to object, where do we begin on the Private Calendar?

Mr. RAINEY. The rule provides that the calendar shall be called in numerical order. That is a matter for the Speaker.

Mr. HASTINGS. But do we begin where we left off?

Mr. RAINEY. I shall not pass on that, because the rule provides that the Private Calendar shall be called in numerical order.

Mr. HASTINGS. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HASTINGS. Under the rule, if there be no agreement, where would we begin on the Private Calendar? Will we begin at the first number or where we left off on the last call?

The SPEAKER. Under the new rules, the House will resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar. If the Chair understood the gentleman from Illinois [Mr. RAINEY], the gentleman desired to consider bills in the House as in Committee of the Whole, from the time the flood control bill is disposed of until the House takes a recess.

Mr. RAINEY. Until the House adjourns. I amend the request, Mr. Speaker.

The SPEAKER. Until the House adjourns. One objection would suffice. Is that correct?

Mr. SNELL. I do not understand the request that way, Mr. Speaker.

Mr. RAINEY. No. Under the new rule, Mr. Speaker.

The SPEAKER. Under the general rules of the House, the House will resolve itself into the Committee of the Whole House for the purpose of considering bills on the Private Calendar, and will start at the beginning of the calendar.

The gentleman from Illinois asks unanimous consent that upon the conclusion of the consideration of the flood control bill on to-morrow, it shall be in order to move that the House resolve itself into the Committee of the Whole House for the purpose of considering bills on the Private Calendar, and to continue until the House adjourns. Is there objection?

There was no objection.

ARGUMENT AGAINST GRANTING A RULE ON H. R. 11677

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and that I be permitted to print a statement which I filed with the Committee on Rules, together with a financial exhibit referring to that statement.

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

Mr. SCHAFER. Reserving the right to object, what does the statement cover?

Mr. NELSON of Wisconsin. It is with reference to H. R. 11677, the railroad bill.

The SPEAKER. The Chair will state that no exhibit can be printed in the RECORD without special permission from the Committee on Printing.

Mr. NELSON of Wisconsin. It is simply a condensed financial statement that I have called for from the Committee on Interstate and Foreign Commerce.

The SPEAKER. It would be proper to print such a statement.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, there was so much confusion that I did not understand exactly the gentleman's request. I thought I heard the gentleman mention something about the Committee on Rules.

Mr. NELSON of Wisconsin. There is a rule pending, or a request for a rule from the Committee on Rules, with reference to the so-called Rayburn bill.

Mr. BANKHEAD. That is true.

Mr. NELSON of Wisconsin. I filed a statement with the committee to-day in opposition to the rule. I am asking leave to extend my remarks in the RECORD by including that statement, together with the financial statement referred to.

Mr. BANKHEAD. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, the chairman of the Committee on Interstate and Foreign Commerce has gone before the Committee on Rules to request a rule to bring before the House H. R. 11677.

Being very much opposed to this measure, I have filed a statement with the Committee on Rules, believing that such rule should not be granted. In order that the House itself may be able to understand what this bill is, as I see it, I have asked leave to print my protest in the RECORD with exhibits.

ARGUMENT AGAINST GRANTING A RULE ON H. R. 11677

I can not support H. R. 11677 because, to my mind, it is class legislation—wholly a prorailroad measure. I am not opposed to scrapping the present Esch-Cummins law. It, too, has always been regarded a prorailroad measure.

The bill before us repeals, in part, the Sherman antitrust law in recognizing holding companies; fixes a new rule of rate making certainly not opposed by the railroads; pigeonholes the La Follette valuation plan; repeals section 15a, the recapture clause; and hands over $360,000,000 to rich roads, bankers, big corporations, coal and steel companies, and Morgan interests. To my mind, it contains not one single added benefit for the business man, laboring man, or the farmer who must pay the freight and fares.

WHY GUARANTY CLAUSE FAILED

The so-called guaranty provision of the Esch-Cummins law was fathered and pushed through Congress by the security owners, and actively supported by railroad executives, because they thought that the recapture provision would prove to be in fact a guaranty to the railroads of 6 per cent on property value. The late Senator La Follette, farm organizations, and the public generally believed that it contained a guaranty. In fact, so did the security owners themselves. Consequently, La Follette and many others, including myself, opposed it. Now, the reason that the security owners and railroad interests generally are for repeal is because the so-called guaranty has not worked as they hoped it would. Falling off of passenger traffic, competing transportation agencies, floods, droughts, crop failures are given as reasons why the railroads as a whole did not realize the profits they expected from this apparent guaranty. But the real reason it failed is because it violated a fundamental principle; it intended to give the railroad interests a permanent fixed profit, a special privilege. It died of its own poison.

SPECIAL INTERESTS OPPOSE RECAPTURE

Why do security owners and railway executives favor this bill? Two reasons are on the surface. They would escape the payment in the future of from thirty to forty millions annually, and get the three hundred and sixty millions due the Government in recapture liability.

The big shippers are for repeal, because, as they said in the hearings, through their attorney, they expect a special benefit. The attorney was asked, "Could you tell, in just a word, how all these things are going to help the shippers, briefly?" He answered, "They are going to help the shippers because they will help to improve the railroad credit."

He was asked, "Is that all?" His answer was: "That is one reason. They are going to help the shippers, because they will assist the railroads in getting back where they can buy some of our goods." (P. 100, hearings.)

Note that, throughout, his testimony is prorailroad. Nothing is directly presented to show how this gift of three hundred and sixty millions would redound to the shippers generally.

Naturally, the rich Class I railroads—those whose annual income is no less than a million dollars—plead, as did the representative of the Atchison, Topeka & Santa Fe, for "fairness to the railroads" and the "unconditional and retroactive repeal of the recapture provisions."

As an illustration of the sheer selfishness of these railroads who appeared before the committee pleading for charity, let us take this particular road. It owes the Government in round numbers $11,000,000 under the recapture clause. (See hearings, p. 556, No. 8.) Its corporate surplus—cash or other assets after all debts are subtracted—December 31, 1930, was approximately four hundred and five millions. It had increased to this figure from one hundred and seventy-two millions in 1920, and even from three hundred and ninety-eight millions at the close of 1929, showing indisputably its increasing wealth. The dividends declared on its stock have constantly increased from 6 per cent on common and a total amount declared in the sum of $19,649,795 in the year 1920, to 10 per cent on common and a total amount declared in the sum of $30,380,401 in the year 1930. (P. 378, hearings.)

Can not such a road afford to pay the Government its just due—in this case only $11,000,000—of the excess earnings that have enabled it to show such large corporate increases? Does this road need a gift?

Now, let us examine the data in connection with other roads:

Name of road	Estimated[1] recapture liability, 1920-1930	Corporate surplus, 1930	Amount dividends, 1930	Rate per cent common dividends, 1930	Page of hearings
Chesapeake & Ohio	$47,779,611	$175,629,633	$17,110,449	10	387
Norfolk & Western	42,106,462	202,140,584	17,797,488	12	404
Southern Ry. Co	15,838,881	109,373,546	18,350,038	11.65	412
Union Pacific	8,363,047	259,410,091	26,210,884	10	419
New York Central	4,842,577	290,275,411	39,940,594	8	399
Baltimore & Ohio	3,211,587	109,861,329	20,295,215	7	384
Great Northern	782,730	164,905,196	18,673,035	7.5	391
Southern Pacific	452,089	299,563,906	22,342,908	6	411

[1] See hearings, pp. 556, 557, Nos. 1, 2, 5, 12, 18, 25, 53, and 62.

Of course the National Association of Railroad and Utility Commissioners is for the bill. Bear in mind that some members of the Interstate Commerce Commission are also members of the national association. We do not know how much their action is influenced by the commission, if at all; but we do know that their representative stated in the hearings that—

> The association comes here to support, in the main, the recommendations * * * which have been made by the Interstate Commerce Commission.

The Interstate Commerce Commission is for it. This commission, to my mind, has been exceedingly dilatory in determining and taking means to collect the recapture liabilities. I have been led to wonder if my colleague, Representative JAMES M. BECK, member of the Committee on Interstate and Foreign Commerce, was far from right when last summer, in connection with the "15 per cent case," he threatened investigation of the commission if it did not act with more speed. He called it a "Commission of Circumlocution" (Washington Post, July 15, 1931). Even Commissioner Woodlock, while still one of their number, said in 1930, in a dissenting opinion referring mainly to valuation:

> I am driven to the supposition that the "unworkability" of the law of the land arises less from the difficulty inherent in its application than from an indisposition to apply it and accept the results. (Special Report of Interstate Commerce Commission to Senate Committee on Interstate Commerce, May 17, 1930.)

The simple fact is, as is apparent all the way through, that the commission has snarled itself up because of its own inactivity and errors in judgment. Now, it is asking for authority virtually to do as it pleases. It is proposed to substitute men for law, discretion for direction, opinion for principle. As Commissioner Eastman testified, with ref-

erence to one of the bills which is virtually embodied in this measure, "the commission is to be guided" by "a barometer of earnings," and he added, "although in no inflexible way." But the bill itself shows that the way is wholly flexible, and the commission is relieved entirely of the recapture work and practically of valuation. In short, in this measure the commission is given carte blanche as to making rates, except for the suggestion that they must be sure that the railroads get enough.

TIME AND COST TO COMPLETE RECAPTURE NEGLIGIBLE

Why should this valuable work of recapture now be scrapped when the work is nearly completed? Commissioner Eastman, when asked at the hearings how long it would take to complete the recapture work, answered:

> Our bureau of valuation estimates that the time required would be up to July 1, 1935. (Hearings, p. 438.)

As to the cost of recapture, which has been made to appear so formidable, I quote Commissioner Lewis's recent statement in the hearings (1932) on independent offices appropriations:

> We estimate that the net cost allocable to recapture for the completion of the work [meaning the ascertained and computed three hundred and sixty millions] * * * will be $4,000,000 over a period ending June 30, 1935 (p. 293).

Is it wise economy to waste what has already been spent in millions of dollars and labor of years by Government accountants in complying with the law when it will take only three years more and require only four millions to recuperate three hundred and sixty millions?

AN ADDITIONAL FAVOR TO THE ROADS

Another provision which will be affected by the repeal is the requirement that the railroads must keep one-half of the excess earnings in their own reserve fund. The law now gives them this amount for the specific purpose of "paying dividends or interest on its stocks, bonds, or other securities, or rent for leased roads," and for no other purpose. The other half is allotted to the Government for another purpose—that is, to create a contingent fund for "making loans to carriers to meet expenditures for capital account or to refund maturing securities originally issued for capital account, or by purchasing transportation equipment and facilities and leasing the same to carriers." So that by repealing this part of section 15a, Congress not only gives away the contingent fund that the Government should be holding, which now amounts to three hundred and sixty millions, but also releases an equal amount which the railroads should be holding as trust funds for specified purposes. These purposes were intended to strengthen the roads so as to keep them from asking for more favors from the Government.

GIVES AWAY TRUST FUNDS

It might be a question whether the railroads' one-half of the recapture is a trust fund. The majority report does refer to it as funds "in trust." Unquestionably, however, the three hundred and sixty millions due the Government are trust funds. The interstate commerce act so states. It says that "any carrier which receives such funds in excess of their returns shall hold the same 'as trustee' for and shall pay it to the United States."

The Supreme Court has ruled that this money is a trust fund:

> The statute declared the carrier to be only a trustee for the excess over a fair return received by it. Though in its possession, the excess never becomes its property and it accepts custody of the products of all the rates with this understanding. (Dayton-Goose Creek *v.* United States, 263 U. S. 456.)

To whom would these trust funds be given by this measure? Not to the weaker roads for whose benefit they were to be held in trust and to whom loans were to be made from this emergency trust fund; not to the farmers and business men who paid the money into the trust funds in the form of higher freight rates and passenger fares. These trust funds would be given to the roads that collected these fares and rates from the people. The Supreme Court said "the excess never becomes its property and it accepts custody of the products of all the rates with this understanding." (Dayton-Goose Creek *v.* United States, supra.)

Think of it! These trust funds, by this measure, are to be a gift to the trustees, custodians, collectors! If they are to be diverted from their intended purpose, why not turn these trust funds into the Treasury for all the people?

THE LID IS OFF

This bill takes the lid off. There is a limit now to the earnings of railroads. They are not to charge rates that will net them more than 6 per cent. If they do, one-half is to be a reserve fund held for themselves for a specific purpose, and the other half a trust fund paid into the Treasury to constitute a contingent fund, now estimated by the Interstate Commerce Commission to be $360,000,000. By this measure the earnings may be not only 6 per cent but 60 per cent if they could make it. They may charge what the traffic will bear. The public's only protection is that the Interstate Commerce Commission, unrestrained by any specific direction, but prompted to watch that the railroads get profits enough, will watch the "barometer of earnings." In fact, this bill, in "restraining" excess fares and rates, makes the sky the limit.

BENEFICIARIES WOULD BE RICH ROADS

The big coal and steel roads are principal contributors to this recapture trust. A group of four coal roads operating in the Virginias, part of which are controlled by the Van Sweringen interests, are estimated by the commission as owing this Government about $102,000,000.

Estimated recapture liabilities

Chesapeake & Ohio	$47,779,611
Hocking Valley	5,241,114
Norfolk & Western	42,106,462
Virginian	7,364,770
	102,491,957

(Hearings, p. 556, Nos. 1, 2, 14, and 15.)

This is 28 per cent of the total amount of estimated recapture liability. From a group of roads controlled by the United States Steel Corporation is an estimated recapture liability of more than fifty-two millions (see total, hearings, p. 436), or 14 per cent of the whole. Together these make 42 per cent of all the recapture figured to be due the Government for the period covering 1920–1930.

During this time the total net income (meaning profit after interest, dividends, and all fixed charges are deducted) of this group of coal roads has been more than five hundred and fifty-four millions, and of the group of steel roads one hundred and seventy-three millions. The corporate surpluses for the year 1930 were, for the coal group, four hundred and thirty-one millions, and for the steel group one hundred and seventy millions. The coal group paid dividends on their common stock in 1930, ranging from 8 per cent to 12 per cent. The rate of dividends of a few of the steel roads is astounding. The Bessemer & Lake Erie was paying from 1920 to 1930, inclusive, dividends ranging from 150 per cent to the peaks of 500 per cent in 1928 and 1929, and 400 per cent in 1930. (Hearings, pp. 373 and 434–436.)

Is it the will of the people or the will of the United States Congress that these rich coal and steel roads, through repeal of recapture, shall be given a "dole" of 42 per cent of these trust funds, amounting to one hundred and fifty-four millions, that belong to the Government?

Of the recapture liability estimated at three hundred and sixty millions, ten millions have been paid. (Exhibit I.) Assuredly, to take these ten millions already collected with interest (in all thirteen millions) out of the United States Treasury and make it a subsidy to the rich railroads would be not only a "dole" but a raid on the Government's trust fund.

VALUATION AS BASIS OF RATES—NOT DISCRETION OF THE INTERSTATE COMMERCE COMMISSION

The people's interest will be safeguarded only if valuation is the basis of rates. The bill cuts out rate groups and fair value and leaves as a basis of rate making nothing more definite than "just and reasonable" return based on a

system of "bookkeeping" supplied by the railroads. That some check by the Government is necessary for the protection of shippers and the general public is evident from the following quotations from the 1908 Annual Report of the Interstate Commerce Commission as cited by Commissioner Lewis, who for nine years has been in charge of the Bureau of Valuation of the commission:

> It is sufficient for the present purpose to state that no tribunal upon which the duty may be imposed, whether legislative, administrative, or judicial, can pass a satisfactory judgment upon the reasonableness of railway rates without taking into account the value of railway property.
>
> * * * * * * *
>
> No court, or commission, or accountant, or financial writer would for a moment consider that the present balance-sheet statement purporting to give the "cost of property" suggests, even in a remote degree, a reliable measure either of money invested or of present value. (Pp. 527–528, Hearings.)

A portion of the valuation work is to be kept up, it is true, but may be stored away in a closet to be referred to only if some extraordinary emergency should arise. Under this bill the whole matter of rates would be left to the discretion of a commission, "a purely political tribunal" of 11 men. Rates that are fair are not so likely to come out of a debating society as from the administration of a scientific law.

The work of valuation, urged and sponsored by the late Senator La Follette and by the Interstate Commerce Commission itself, is, as Commissioner Lewis has said, "the largest undertaking of valuation the world has ever known." It has enabled the commission and overcapitalized roads to work together for a sounder financial structure. Valuation is essential to every emergency that might arise for railway legislation and railway regulation. Concerning the present status of the work of valuation, Commissioner Lewis said recently:

> * * * the Government is now in the position not only to furnish a valuation base for rates, but equipped to meet any question that might be raised as to confiscation resulting from rates. (Hearings before the subcommittee on appropriations on the Independent Offices bill, p. 281.)

Even now the Interstate Commerce Commission is using valuation as a basis for approving loans by the Reconstruction Finance Corporation.

This monumental achievement of the late Senator La Follette is to go into a pigeonhole so far as recapture and rate making are concerned because between the commission and the Supreme Court its intended efficacy has been seriously impaired.

Before the Senator died I was expressing to him my discouragement of all reforms by laws where the men who are not favorable to the law would wreck it—make it a failure by mismanagement. "Yes," said he, "see what this Interstate Commerce Commission has done with my railroad valuation."

My opinion is that the commission is to blame because of its failure to present the valuation plan to the courts adequately. The O'Fallon case alone in all this time has gone to the Supreme Court. If legislation is necessary to perfect the La Follette plan, it should be recommended by the committee. But to wreck this legislative structure so nearly completed and so exceedingly necessary would, to my mind, be the height of legislative folly.

As to the cost of completing the work of valuation, I again quote Commissioner Lewis:

> We have already got the records and we have checked these properties up to 1928, and for some roads we have got it up to the end of 1931, and when we get it current, why, a great deal of expense is over, both for the Government and for the carriers. (P. 281, hearings, independent offices appropriation bill.)

Since valuation is nearly completed, and the cost of keeping it up to date is negligible, we should not leave the whole matter of rate making to the discretion of a commission which is directed by a rule requiring them continually to keep railroad interests in mind.

REGULATION OF HOLDING COMPANIES AN EMPTY GESTURE

Twenty-five years ago Wisconsin took the lead in regulating utilities, and recently its legislature has passed the most comprehensive law yet written for the control of holding companies in connection with utilities. The principle embodied in regulating railroad holding companies by the Interstate Commerce Commission, like the principle of regulating the railroads themselves, is not new, but identical with what is applied to the regulation of utilities. Such corporations now control hundreds of millions of the people's money. Prof. William Z. Ripley, director of the Rock Island, said:

> The late unprecedented creation of hierarchies of corporations piled helter-skelter, one upon another—wheels within wheels—is utterly opposed to sound public policy. There is no legal or operating need of it. The rightful interests of shippers, employees, and of owners of railroad securities are all alike put in jeopardy by the practice. (CONGRESSIONAL RECORD, April 4, 1932, p. 7357.)

I agree with Prof. Adolph Berle, of Columbia Law School, that "the holding company stands foremost among the so-called legal devices for undue control of corporations" (CONGRESSIONAL RECORD, April 4, 1932, p. 7358). The holding company provision in this bill specifically "relieves them from the operation of the 'antitrust law'." (Sec. 2, par. 15.) Their grab-as-grab-can practices are what is called "above our Federal law." For instance, a few big railroad executives with a few big bank executives may constitute a holding company. They may buy and control at will the stock of some road which will be advantageous to the corporation, depress it, inflate it, even force receivership, if necessary. They even manipulate stock as buyer and seller, thereby reaping enormous profits. These fly-by-nights tend towards consolidation, which, regulated or unregulated, destroys healthy competition. This measure, to my mind, authorizes holding companies as a lawful institution by the device of passing a law to regulate them. The only restraint is the arbitrary discretion of the Interstate Commerce Commission. Is it wise, I repeat, thus to substitute the government of man for the government of law? Can they stand the pressure? I doubt it. Watch what will happen when the camel gets his nose into the tent. I am opposed to consolidation. I favor prohibiting holding companies, not their recognition as an institution, by passing a law to regulate them.

PLEA OF EMERGENCY NEED IS SPECIOUS

While we are willing to admit that railroads are suffering the pinch of the depression along with the rest of the country, in the shrinkage of their volume of business, are they in any greater financial distress than are practically all other industries? Except for bad management, extravagance, and speculation, they should not be in such dire distress as they would have us believe, for they have been the recipients of stupendous sums of Government money. When they were turned back to private ownership in 1920, they claimed reimbursement of deficit in railway-operating income during Federal control of nearly $29,000,000.

The Government compromised with them by making a total settlement of approximately ten millions. As a six months' guaranty from March 1, 1920, after the termination of Federal control, the Government paid the railroads nearly five hundred and twenty-nine millions. At that time, also, to help the roads over the transition period a revolving fund of $300,000,000 was appropriated from the Treasury. (Source of above figures, annual reports of Interstate Commerce Commission.) To meet the present emergency there could have been a fund available. Had the $360,000,000 due the Government in recapture been collected, as it should have been, there would have been no need for the railroads, demanding a 15 per cent blanket increase on rates or for the Railroad Credit Corporation (the "credit pool"), which was established pursuant to the decision of the Interstate Commerce Commission of October 16, 1931. Already from this pool the railroads have received a little over four millions, with fourteen and one-fourth millions authorized. All of this comes directly out of increased rates. There would have been no need for that part of the $2,000,000,000 fund of the Reconstruction Finance Corporation that is allocated for loans to railroads.

From this Government fund the railroads have already received seventy-seven and one-half millions.

What have the class I roads done with the sixty-six billions that they received during their prosperous period between 1920 and 1930? (Exhibit II.) Only one one-hundred and ninety-eighth part of these revenues is payable to the Government in recapture. If they had conserved this money, they could not now plead that they have no funds with which to pay recapture. As Commissioner Eastman well said, "Undoubtedly a general railroad contingent fund of $300,000,000 or thereabouts would now be very useful if it were available." (Hearings, p. 11.)

Now that this depression has come, this cry for help has gone out and the Congress is to rush to the assistance of the railroads. From a reliable source I quote the following:

Railroads since the 1920 act made the best showing in their history. If we eliminate from the transportation picture those ill-conceived, poorly built, and badly finished parts of our transportation system, we begin to get at the real trouble. Why try to design laws which will saddle on the people of this country a sponsorship for those proverbial "ne'er-do-wells" of the railroad family? There is little that can be done for the professional hobo or that army of unemployed whose only aspiration in life is a handout. It is to those who would work if they could get something to do that our efforts to better the opportunities of the human family are directed.

It is shown below that our really worth-while railroads were treated even generously, in so far as rates and regulations are concerned, during the period subsequent to March 1, 1920, when the so-called transportation act of 1920 became effective.

(1) Average annual dividend rate paid on dividend-yielding stock:

1920 to 1930, 7.30 per cent.
1910 to 1920, 6.94 per cent.
1900 to 1910, 6.20 per cent.
1890 to 1900, 5.40 per cent.

(2) Maximum and minimum dividend rate paid on dividend-yielding stocks:

1920 to 1930, 6.37 per cent in 1924 to 9.02 per cent in 1921.
1910 to 1920, 6.29 per cent in 1916 to 8.03 per cent in 1911.
1900 to 1910, 5.23 per cent in 1900 to 8.07 per cent in 1908.
1890 to 1900, 4.96 per cent in 1899 to 5.74 per cent in 1895.

(3) Average annual per cent of all stock which was on a dividend-yielding basis:

1920 to 1930, 56.92 per cent in 1921 to 76.93 per cent in 1930.
1910 to 1920, 57.30 per cent in 1920 to 67.65 per cent in 1911.
1900 to 1910, 45.66 per cent in 1900 to 67.27 per cent in 1907.
1890 to 1900, 29.83 per cent in 1896 to 45.66 per cent in 1900.

The rates and regulations imposed upon railroads as a result of the act of 1920 certainly brought about the best results ever achieved in the history of transportation, evidenced by the results obtained in these three tabulations. The value of securities of railroads should have been at a peak in all history during the past 10 years. The ability of a corporation to pay its fixed charges and also declare substantial dividends are usually the two essentials which financial houses, brokers, stock and bond salesmen, and managers point to with pride when they try to entice the dollars of the public from the security of the savings banks and safe-deposit boxes and other conservative places of repose. The greatest improvement in the physical property of the railroads in their history occurred in the period 1920 to 1930.

From these figures and facts how clearly apparent it is that this emergency plea is specious!

EMERGENCY PERIOD NO TIME FOR PERMANENT LEGISLATION

This emergency period, when the railroads for a short time are suffering from the depression, is seized upon as the propitious time for passing this bill in their favor. Commissioner Lewis, of the Interstate Commerce Commission, expressed his disapproval of such legislation:

* * * should we be carried * * * to making changes in the law of a permanent character to apply to normal times * * * that we would not make in what we term normal times. (Hearings, p. 526.)

This problem should be more carefully studied. The Committee on Interstate and Foreign Commerce should appoint a special committee to sit during the summer, call before it every possible authority and expert, and consider all the essential facts in the light of the common good as well as the special interests of the railroads. Then they would be able to recommend a safe and practical principle of rate making. Then, upon the arrival of better times, in the light of normal conditions, they should formulate permanent railway legislation.

The members of the Interstate and Foreign Commerce Committee itself had no time under the stress and strain of the extraordinary pressure of this session to give this matter sufficient consideration, and surely Members of Congress not on the committee in the closing days of this session can not be expected to give it the attention its importance demands. Are not the railroads taking advantage of this depression to get sympathy and more special favors? President Hoover has stated a few weeks ago, as reported in the press, after a careful survey of the railroad situation, that they are not so bad off as first appeared. He said:

I have held a number of conferences for survey of the railway situation and for determination of general policies in respect to the railroads. The elements in these conferences are the directors and heads of staff of the Reconstruction Finance Corporation, members of the Interstate Commerce Commission dealing with these problems, and representatives of the Railway Credit Corporation.

Examination of the financial problem confronting the railroads shows that it is of smaller dimensions than has been generally believed or reported. (United States Daily, March 21, 1932.)

Why is this favoritism to be shown to one class of our people—the bond and stock holders of railroads? Was not agriculture the first to suffer in the fall of price levels? Has it not been for years in a "state of unprecedented collapse and prostration"?

RAILWAY INEFFICIENCY, EXTRAVAGANCE, AND BAD MANAGEMENT REWARDED

One of the specious arguments is that we must hasten to turn over these three hundred and sixty millions because recapture leads to extravagance. In the hearings Commissioner Eastman uses this as an argument for repeal. He quotes a statement from the 1919 report of the Committee on Interstate and Foreign Commerce to the effect that the—

prospect of sharing the surplus with the Government, or with labor, leads to extravagance in expenditures. (Hearings, p. 4.)

Just to show you what would happen if valuation were eliminated, I want to call your attention to one instance where the railroads have taken advantage of an antiquated classification of accounts—1907—by slipping in under operating expenses a billion dollars or more annually of superior roadbed improvement on which they escape recapture. They do this by a series of replacements, working up gradually to the highest grade of heavy rails and treated ties. Now, if it were not for the depression, they would be realizing on this investment—because no more replacement is needed—sufficiently to throw them into considerable recapture. Of course, they want the law repealed so that these profits will be their own. They have paid for these billions in improvements out of the people's money. I called for data from the Interstate Commerce Commission relative to this subterfuge. While the figure they furnished, $21,215,274—Exhibit III—relates to only 3 per cent of the mileage of the United States and covers about one-half the years since the transportation act was passed, yet on this basis the billion a year is not exaggerated if all facts were available and could be ascertained by laborious accounting methods. I have seen calculations from a reliable source which assert that if all other items of improvement were included which have slipped by under such swelled operating expenses they would amount not to one billion but to several billions for the period that recapture has been a law.

Other witnesses, attorneys of the special interests pleading for this bill, also urge extravagance as a reason for repealing the recapture clause. But are we to reward these railroads with the gift of 360 millions? Is that the remedy? Our United States Supreme Court in the Dayton-Goose Creek case, supra, said:

Those who earn more must hold one-half of the excess primarily to preserve their sound economic condition and avoid wasteful expenditures and unwise dividends.

It is easy to quote the testimony of competent men as to railroad extravagance over a long period. Back in 1910,

Justice Brandeis, then attorney for the Interstate Commerce Commission, in a rate-increase case said:

The railroads are wasting $1,000,000 a day. Were efficient methods of operation adopted, it would not be necessary for the transportation lines to increase rates. Instead, they could be decreased and at the same time the railroads could show a larger margin of profit than now is realized. (La Follette's Magazine, December 24, 1910.)

Mr. Brandeis, at that time, introduced testimony to prove the statement.

The late Senator La Follette foresaw the effect of the Esch-Cummins law in this respect, for he said:

But with the Esch-Cummins law on the books, the public has a vital interest in these criminally lavish expenditures, because the public pays the bill * * * the cost of maintenance is advanced three-quarters of a billion dollars in one year on the item of repair work on engines and cars alone. * * * This is one angle of the repair scandal. (La Follette's Magazine, January, 1921, p. 2.)

But that extravagance and mismanagement of railways is not confined to these last 10 years is evident from this statement, made by Henry Ford in 1921:

The big lines are not being run correctly. Those who own them care more about the market value and market manipulations of their stock than they do about giving service to the people. Those who operate them from high positions are being paid too highly for the little they know and do. Railroading, I have found, is one of the most inefficiently conducted businesses in the world to-day. (La Follette's Magazine, November, 1921, p. 164.)

It seems to me a curious sort of logic or ethics that mismanagement and inefficiency and deception of the public should be rewarded rather than penalized. Moreover, it is an absurd assumption that the cure for this continued inefficiency, mismanagement, and extravagance is a gift of more money from the United States Treasury.

Two questions come to my mind when I consider such testimony as this from these authorities. What is our Interstate Commerce Commission doing all this time? In view of these practices heretofore and since, have the commissioners given such evidence of reliability and efficiency that we should intrust them with further discretionary power? And how long shall we rush to the assistance of the railroads with funds out of the National Treasury?

H. R. 9551—NELSON BILL

I am not on the Interstate and Foreign Commerce Committee, and I do not pretend to be a railroad expert, but I have made a study of railroad legislation, and I could see from following the hearings that this demand for railroad legislation was largely ex parte. I wished the committee to have more material before it. So I asked the Interstate Commerce Commission for specific data relative to the 446 railroads having "estimated recapture liability." (P. 347, Hearings on H. R. 7116 and 7117.)

My requests of the commission were as follows:

First. Roads which have paid recapture and amount paid by each road.

Second. Roads which have had hearings or upon which reports have been served.

Third. Roads which are under suspicion or which the commission has on a list as probably subject to recapture.

Fourth. List of coal and steel roads making up the 42 per cent referred to by Commissioner Eastman.

Fifth. Amount of recapture due from each of these coal, steel, and larger carriers as compared with the amount due from small carriers.

Sixth. Amount of recapture each of the coal and steel roads has paid in.

Seventh. Statement of the dividends paid by each of these roads for each recapture year.

Eighth. Statement of net railway-operating income and net income for each of these roads for the last two years available.

Ninth. Statement of corporate surplus for each of these roads for the last two years available and for the beginning of the recapture period.

Tenth. Net railway-operating income of the roads in recapture.

Eleventh. List of railroads for which the commission furnished a statement of estimated recapture liability for the period 1920–1930, showing the corporate control either by other railroads or by any industry.

Twelfth. Excess cost of ties and rails which have been installed as replacements and have been charged to operating expenses.

The compiling of these data resulted in much information on the recapture phase, and Commissioner Eastman stated that he furnished this to the committee at my request (pp. 344, 345, 347, hearings).

On February 3, 1932, I addressed a letter to Chairman RAYBURN, of the Interstate and Foreign Commerce Committee of the House, acquainting him with an itemized list of my requests from the commission to date. Later on I asked the commission for further material, some of which was not prepared until after the close of the hearings. This I am hereto appending (Exhibits I, II, and III). The commission, pursuant to my request relative to corporate control of these roads, furnished me all the information available; but this is too voluminous to be inserted in the RECORD, although it does not appear in the hearings.

These statistics which I called for show among other facts what these roads owe the Government, dividends paid to their stockholders, the amounts of their corporate surpluses, railway-operating revenues, and replacements charged to operating expenses. (Exhibits I, II, and III, and pp. 359–438; 556–568, hearings.) These figures prove that if recapture is repealed the money will go in most cases to rich roads, bankers, and large corporations—steel companies and Morgan and like interests.

Then I introduced a bill which to my mind would safeguard the public interest and would modify the existing law sufficiently to meet the needs of the present emergency. Certain of the short lines deserve sympathy. I do not include here those short lines that are affiliated with the big corporations—they are steadily making big profits year after year. I do not include either the "dead timber"—the 30,000 miles of "useless" and "socially wasteful" roads to which Mr. Lewis refers on page 531 of the hearings. These lines should be abandoned. If this were done the reputed 2 or 3 per cent aggregate earnings of our transportation system would be materially raised, for the inclusion of these useless roads pulls down the average. But there are other short lines vital to rural communities which the 3-year average would, in all fairness, protect.

To bring the loan fund within reach of weak roads, I propose that the interest rate be fluctuated so as to be comparable with securities of like character and also that the purposes for which the loan may be used be liberalized. That railroads may not be unduly forced to make recapture payments which would cripple them at a time of depression, I have provided for a "moratorium." But I propose that a law similar to our income tax law put "teeth" into the determination by the Interstate Commerce Commission of recapturable moneys and the immediate payment by railroads. Then, if there is adjustment to be made, it would come later, as in our income tax. Under such a law, after a few test cases this bugaboo of litigation would cease. Since the Supreme Court has ruled in Smyth *v.* Ames (169 U. S. 466) that value is "the basis of all calculations as to reasonableness of rates" and in Dayton-Goose Creek *v.* United States, (263 U. S. 456, pp. 479–480), that recapture is "the key provision of the plan" (meaning rate-making), I propose to leave our rate structure as it is with the single exception of providing that the percentage of value which would constitute a "fair return" thereon be specified annually by the Interstate Commerce Commission. In my bill, H. R. 9551, which I introduced on February 19, I have offered at least a constructive compromise measure which seems to me to meet the objections of 12 years' experience with the present law.

AN UNJUSTIFIABLE PROPOSITION

The unjustifiable iniquity of this whole measure is, however, the grant of $360,000,000 to these special interests. They justify it on the plea that if you give it back to some, you must give it back to all. That is a strange kind of justice when the "all" have been declared by the Supreme Court to have no claims upon this fund and can not have, by any sort of title or property rights therein. The funds came from the people. Let us consider more in detail the enormity of this proposition. From the figures called for from the commission, the following summary is illuminating.

Class	Estimated liability	Per cent
I	$336,443,378	93.08
II	15,929,742	4.41
III	2,259,036	.62
IV	6,833,659	1.89

Of the total recapture liability, 93 per cent, or three hundred and thirty-six millions, goes to the rich Class I roads.

From the tables furnished me by the commission it is to be observed that the total computed recapture liability for three roads alone—the Chesapeake & Ohio, Norfolk & Western, and the Duluth, Missabe & Northern—amounts to $115,348,909. (Hearings, p. 556, Nos. 1, 2, and 3.) This, then, would be the amount of the gift we would make to these railroads.

The corporate surplus of the Chesapeake & Ohio in 1930 was $175,629,633; dividend declared on its common stock in 1930 was 10 per cent. (Hearings, p. 387.) The corporate surplus of the Norfolk & Western in 1930 was $202,140,584; its common stock paid dividends of 12 per cent. (Hearings, p. 404.) The Duluth, Missabe & Northern had a corporate surplus in 1930 of $67,143,142 and its common-stock dividends were 100 per cent. (Hearings, p. 426.) Out of pity to these poor roads let us give them this dole!

Let us look at this proposed liberality from another point of view. Let us consider the $10,000,000 that have actually been paid in. (Exhibit I.) Of this sum, over eight millions have been paid under protest by railroads controlled by industries, and the larger part by railroads controlled by the United States Steel Corporation, the Bethlehem Steel Corporation, and other iron and steel industries. (See Exhibit I and Eastman's testimony, hearings, p. 9.) Do the United States Steel Corporation, the Bethlehem Steel Corporation need this dole of $8,000,000? Finally, let us consider the $2,000,000, in round numbers, collected without protest. Just think, only $1,893,703 out of $360,000,000 have been paid into the Treasury without protest during the prosperous years 1920–1930. Poor Henry Ford paid in $239,461.33 without protest.

What right have we to pay these steel roads and Henry Ford this $10,000,000 or more?

We, Members of Congress, are assessing ourselves in this emergency an 11 per cent salary cut. This sum amounts annually to $438,075. In four and one-half years of salary cut we will be able to make up only the $1,893,703.62 paid in without protest. By cutting our mileage and stationery allowance we may be able to squeeze up to $2,000,000. But what is that, if we can sacrifice and make the United States Steel, Bethlehem Steel, and Henry Ford prosperous and happy?

I can not support H. R. 11677, and I hope the rule asked for will not be granted.

EXHIBIT I

Statement showing payments by carriers on account of excess net railway-operating income under paragraph 6 of secttion 15A of the interstate commerce act

PAYMENTS MADE UNDER PROTEST

Name of carrier	Excess income payment	Controlled by—
Bauxite & Northern Ry. Co	$11,851.72	Aluminum Co. of America.
Bessemer & Lake Erie R. R. Co	442,280.00	United States Steel Corporation.
Birmingham Southern R. R. Co	31,371.43	Tennessee Coal & Iron Co.
Conemaugh & Blacklick Ry. Co	81,919.50	Bethlehem Steel.
Chattahoochee Valley Ry. Co	16,140.12	West Point Manufacturing Co.
Chicago & Illinois Midland Ry. Co	199,219.75	Commonwealth-Edison.
Chicago, West Pullman & Southern R. R. Co.	5,035.68	International Harvester.
Cornwall R. R. Co	177,091.48	Bethlehem Steel.
Cowlitz, Chehalis & Cascade Ry	3,000.00	Admiralty Investment Co.
Durham & Southern Ry. Co	54,989.20	Duke interests.
Dayton Union Ry. Co	963.81	
Detroit & Toledo Shore Line R. R. Co.	68,011.43	
Duluth, Missabe & Northern Ry. Co	5,808,256.61	U. S. Steel Corporation.
East Jersey R. R. & Terminal Co	3,332.61	Tidewater Oil.
Elgin, Joliet & Eastern Ry. Co	55,147.23	U. S. Steel Corporation.
Genesee & Wyoming R. R. Co	486,107.56	International Salt Co.

Statement showing payments by carriers on account of excess net railway-operating income under paragraph 6 of section 15A of the interstate commerce act—Continued

PAYMENTS MADE UNDER PROTEST—continued

Name of carrier	Excess income payment	Controlled by—
Hannibal Connecting R. R. Co	$17,532.49	Atlas Portland Cement Co.
Indiana Northern Ry. Co	2,942.92	Oliver Plow Works.
Ironton R. R. Co	574,639.16	Thomas Iron Co.
Johnstown & Stony Creek R. R. Co	1,162.49	Federal Steel.
Longview, Portland & Northern Ry. Co.	5,310.43	Long-Bell Lumber Co.
La Salle & Bureau County R. R. Co	18,421.85	
Ligonier Valley R. R. Co	63,165.27	Mellon Interests.
Louisville, New Albany & Corydon R. R. Co.	3,300.00	
Mount Hope Mineral R. R. Co	1,396.84	Warren Foundry Co.
Nevada Northern Ry. Co	39,729.26	Nevada Consolidated Copper.
Patapsco & Black Rivers R. R	50,355.00	Bethlehem Steel.
Philadelphia, Bethlehem & New England R. R. Co.	152,191.47	Do.
Richmond, Fredericksburg & Potomac R. R. Co.	194,919.88	
Rockport, Langdon & Northern Ry. Co.	441.10	
San Luis Central R. R. Co	246.12	
St. Joseph Belt Ry. Co	2,624.76	Swift interests.
Santa Maria Valley R. R. Co	3,500.00	Santa Maria Oil Fields Co.
Tionesta Valley Ry. Co	20,944.42	Central Leather Co.
Toledo Terminal R. R. Co	18,337.07	
Warrenton R. R. Co	32,222.21	
Washington, Brandywine & Point Lookout R. R. Co.	85.19	
Lakeside & Marblehead R. R. Co	[1] 271.94	Kelly Island Lime Co.
Sioux City Terminal Ry. Co	[2] 455.78	Sioux City Stockyards.
Steelton & Highspire R. R. Co	[3] 35,525.69	Bethlehem Steel.
Unity Railways Co	[4] 100,942.53	Union Collieries Co.
Total payments protested	8,785,382.00	

UNCONDITIONAL PAYMENTS

Name of carrier	Excess income payment	Controlled by—
Ashley, Drew & Northern Ry. Co	$5,811.11	
Atlantic & Carolina R. R. Co	364.57	
Augusta Northern Ry	5,070.80	
Augusta R. R. Co	47.83	
Bay Terminal R. R. Co	2,449.74	
Beaver, Meade & Englewood R. R. Co.	1,431.45	
Brimstone Railroad & Canal Co	42,642.21	Union Sulphur Co.
Cambria & Indiana R. R. Co	18,630.46	J. H. Weaver.
Campbell's Creek R. R. Co	548.53	Campbell's Creek Coal Co.
Central Ry. Co. of Arkansas	2,064.44	Fort Smith Lumber Co.
Collins & Glennville R. R. Co	162.50	
Dayton-Goose Creek Ry. Co	183,127.38	
De Kalb & Western R. R. Co	10,025.47	
Detroit, Toledo & Ironton R. R. Co	239,461.63	Ford interests.
East Jordan & Southern R. R. Co	4,753.61	East Jordan Lumber Co.
Erie & Michigan Railway & Navigation Co.	2,297.08	
Fordyce & Princeton R. R. Co	3,697.50	Crossett Land Co.
Fort Worth Belt Ry. Co	79,485.35	Armour & Swift.
Franklin & Abbeville Ry. Co	15,320.18	
Gideon & North Island R. R. Co	980.71	Gideon & Anderson Lumber Co.
Hutchinson & Northern Ry. Co	154.25	Carey interests.
Illinois Terminal R. R. Co	800,000.00	Illinois Power & Light.
Indian Creek Valley Ry. Co	3,852.92	
Jonesboro, Lake City & Eastern R. R. Co.	42,450.00	
Kanawha, Glen Jean & Eastern R. R. Co.	5,460.88	McKell interests.
Kinston Carolina R. R. Co	62.91	
Lakeside & Marblehead R. R. Co	[5] 5,206.51	Kelly Island Lime Co.
Lancaster & Chester Ry. Co	14,760.90	Spring Mills Co.
Laurinburg & Southern R. R. Co	2,518.23	
Louisiana & Arkansas Ry. Co	8,000.02	
Louisiana & Mississippi R. R. & Transportation Co.	20.03	
Ludington & Northern Ry	2,865.56	Stearns Salt Co.
Middletown & Unionville R. R. Co	51.71	
Missouri & Illinois Bridge & Belt R. R. Co.	3,026.82	
Mount Hood R. R. Co	7,359.83	
Natchez, Urania & Ruston Ry. Co	530.95	Urania Lumber Co.
Neame, Carson & Southern R. R. Co	2,120.41	Delta Land Co.
New Orleans, Texas & Mexico Ry. Co	5,248.35	
Pittsburgh, Lisbon & Western R. R. Co.	3,818.57	Pittsburgh Coal Co.
Port Huron & Detroit R. R. Co	195,000.87	
Potato Creek R. R. Co	1,005.81	
South San Francisco Belt Ry	1,374.54	San Francisco Land Co.
San Joaquin & Eastern R. R. Co	12,539.03	South California Edison Co.
San Antonio Southern Ry. Co	2,460.86	
Shreveport, Houston & Gulf R. R. Co	1,674.27	
Sioux City Terminal Ry. Co	[6] 4,893.81	Sioux City Stockyards.
South Buffalo Ry. Co	23,768.50	Bethlehem Steel.
Steelton & Highspire R. R. Co	[7] 7,410.21	Do.
Sugar Land Ry. Co	27,435.67	
Talbotton R. R. Co	36.56	Persons Bros.
Trinity Valley Southern R. R. Co	102.37	
Tuckerton R. R. Co	1,949.68	
Tucson, Cornelia & Gila Bend R. R. Co.	11,997.34	Douglas Copper Co.
Tuskegee R. R. Co	2,480.90	
Unity Railways Co	[8] 40,907.06	Union Collieries Co.
Upper Merion & Plymouth R. R. Co	2,984.58	Wood, Iron & Steel Co.
Warren & Ouachita Valley Ry. Co	14,444.45	Arkansas Lumber Co.

Statement showing payments by carriers, etc.—Continued

UNCONDITIONAL PAYMENTS—continued

Name of carrier	Excess income payment	Controlled by—
Washington Run R. R. Co	$6,744.83	Washington Coal & Coke
Wichita Falls & Southern Ry. Co	369.71	
Wyandotte Terminal R. R. Co	8,241.17	Michigan Alkali Co.
Total unconditional payments	1,893,703.62	

RECAPITULATION

Payments made under protest	$8,785,382.00
Unconditional payments	1,893,703.62
Total payments	10,679,085.62

[1] $5,205.51 not protested.
[2] $4,893.81 not protested.
[3] $7,410.21 not protested.
[4] $40,907.06 not protested.
[5] $271.94 under protest.
[6] $55.78 under protest.
[7] $35,525.69 under protest.
[8] $100,942.53 under protest.

EXHIBIT II

RAILWAY-OPERATING REVENUES

Class I roads, 1920–1930

(Compiled from statistics of Interstate Commerce Commission showing operating revenues and operating expenses of Class I steam railways in the United States)

1920	$6,225,417,245
1921	5,573,153,133
1922	5,620,401,722
1923	6,360,423,213
1924	5,987,662,226
1925	6,186,603,519
1926	6,465,295,348
1927	6,210,029,787
1928	6,189,917,189
1929	6,360,303,775
1930	5,343,665,634
	66,502,872,791

EXHIBIT III

Statement of cost of existing property charged to operating expenses, from date of basic valuation to date indicated, under straight renewal accounting as developed in connection with recapture reports that have been served on carriers

Name of road	End of period covered (Dec. 31, unless otherwise noted)	Additional cost charged to operating expenses for straight renewals	Additional cost charged to operating expenses for hardwood and/or treated ties replacing softwood and untreated ties	Total additional cost charged to operating expenses
Abilene & Southern Ry. Co	1926	$75,593	$1,609	$77,202
Alabama & Northwestern R. R. Co	1927	18,278		18,278
Alton & Eastern R. R. Co	1927	17,638	11,655	29,293
Alton & Southern R. R	1926	30,598	46,338	76,936
Arkansas & Louisiana Midland Ry. Co	1925	9,475		9,475
Ashley, Drew & Northern Ry. Co	1927	25,628		25,628
Augusta Northern Ry	1927	13,386		13,386
Batesville Southwestern R. R	1921	777		777
Bath & Hammondsport R. R. Co	1920			(1)
Bauxite & Northern Ry. Co	1926	3,785	669	4,454
Bessemer & Lake Erie R. R. Co	1927	712,952	81,474	794,426
Birmingham & Southeastern Ry. Co	1926	96,480	14,179	110,659
Blytheville, Leachville & Arkansas Southern R. R. Co	1923	14,768		14,768
Brimstone Railroad & Canal Co	1928	5,989	3,787	9,776
Brooklyn Eastern District Terminal	1927	7,110	1,198	8,308
Canton R. R. Co	1926			(1)
Carolina & Northeastern R. R. Co	1925	3,805		3,805
Cement, Tolenas & Tidewater R. R. Co	1924	4,663	620	5,283
Central Ry. Co. of Arkansas	1926	13,857		13,857
Central West Virginia & Southern R. R. Co	1927	30,308		30,308
The Chartiers Southern Ry. Co	1926			(1)
Chattahoochee Valley Ry. Co	1925	111,883		111,883
Chicago & Illinois Western R. R	1927	14,474	4,049	18,523
Chicago Heights Terminal Transfer R. R. Co	1927	14,067	10,491	24,558
Chicago Short Line Ry. Co	1927	5,739	4,603	10,342
Chicago, West Pullman & Southern R. R. Co	1926	18,373	4,075	22,448
Collins & Glennville R. R. Co	1927	8,897		8,897
Cornwall R. R. Co	1925	38,186		38,186
Cuyahoga Valley Ry. Co	1927	33,371		33,371
Dayton-Goose Creek Ry. Co	[1] 1926	33,727		33,727
East Jordan & Southern R. R. Co	1927	12,864		12,864
Erie & Michigan Railway & Navigation Co	1926	1,085		1,085
Etna & Montrose R. R. Co	1926	5,707		5,707
Fort Worth Belt Ry. Co	1927	60,093		60,093
Franklin & Abbeville Ry. Co	1922	5,340	9,528	14,868
French Broad R. R. Co	1924	3,224		3,224
Genesee & Wyoming R. R. Co	1927	47,087		47,087
Georgia Southwestern & Gulf R. R. Co	1925	24,665		24,665
Glady & Alpena R. R. Co	[2] 1922	1,341		1,341
Great Northern Ry Co	1927	80,585		80,585
Hannibal Connecting R. R. Co	1925	13,415		13,415
Illinois Northern Ry	1926	37,193	3,171	40,364
Indian Creek Valley Ry. Co	1924	27,089		27,089
Interstate R. R. Co	1927	332,045		332,045
Ironton R. R. Co	1924	35,644		35,644
Jackson & Eastern Ry. Co	1926	349		349
Johnstown & Stony Creek R. R. Co	1922	2,263		2,263
Jonesboro, Lake City & Eastern R. R. Co	[4] 1925			(1)
Kellys Creek & Northwestern R. R. Co	1927	6,815		6,815
Kosciusko & South Eastern R. R. Co	1927	7,013		7,013
Lake Erie, Franklin & Clarion R. R. Co	1927	33,305		33,305
Lakeside & Marblehead R. R. Co	1923	37,125	877	38,002
Lake Terminal R. R. Co	1922	24,102		24,102
Lancaster & Chester Ry. Co	1927	26,851		26,851
La Salle & Bureau County R. R. Co	1927	13,799	2,561	16,360
Laurinburg & Southern R. R. Co	1927	26,113		26,113
Ligonier Valley R. R. Co	1922	35,484		35,484
Live Oak, Perry & Gulf R. R. Co	1926	68,127		68,127
Louisiana & Northwest R. R. Co	1927	41,666		41,666
Louisiana Southern Ry. Co	1926	44,682	4,607	49,289
Louisville, New Albany & Corydon R. R. Co	1927	4,539		4,539
Ludington & Northern Ry	1927	8,514		8,514
Mansfield Railway & Transportation Co	1925	3,318		3,318
Middletown & Unionville R. R. Co	1927	4,890	112	5,002
Minneapolis, Northfield & Southern Ry	1927	23,544	37,681	61,225
Mississippi River & Bonne Terre Ry	1927	86,692		86,692
Montana, Wyoming & Southern R. R. Co	1927	35,918		35,918
Moscow, Camden & San Augustine Ry. Co	1927	−4,719		−4,719
Mount Hood R. R. Co	1926	19,885		19,885

Statement of cost of existing property charged to operating expenses, from date of basic valuation to date indicated, under straight renewal accounting as developed in connection with recapture reports that have been served on carriers—Continued

Name of road	End of period covered (Dec. 31, unless otherwise noted)	Additional cost charged to operating expenses for straight renewals	Additional cost charged to operating expenses for hardwood and/or treated ties replacing softwood and untreated ties	Total additional cost charged to operating expenses
Mount Hope Mineral R. R. Co	1927	$4,178	$3,347	$7,525
Nacogdoches & Southeastern R. R. Co	1927	39,329		39,329
Newaukum Valley R. R. Co	1927	10,460		10,460
Norfolk & Portsmouth Belt Line R. R. Co	1923	75,534	25	75,559
Norfolk & Western Ry. Co	1926	8,884,575	2,801,324	11,685,899
Northampton & Bath R. R. Co	1927	19,510	911	20,421
Oil Fields Short Line R. R. Co	1923			(1)
Oklahoma, New Mexico & Pacific Ry. Co	1926	41,692		41,692
Okmulgee Northern Ry. Co	1927	15,589		15,589
Pere Marquette Ry. Co	1925	4,211,845	796,688	5,008,533
Pittsburg & Shawmut R. R. Co	1926	127,128	7,650	134,778
Port Huron & Detroit R. R. Co	1927	2,085	16,604	18,689
Potato Creek R. R. Co	[2] 1927			(1)
Prescott & Northwestern R. R. Co	1925	18,600		18,600
Reynoldsville & Falls Creek R. R. Co	1927	6,234		6,234
Richmond, Fredericksburg & Potomac R. R. Co	1927	906,577		906,577
Roanoke Ry. Co	[6] 1926			(1)
Rockcastle River Ry. Co	1929	16,388		16,388
Salem, Winona & Southern R. R. Co	1928			(1)
San Luis Central R. R. Co	1927	7,806		7,806
Santa Maria Valley R. R. Co	1920	4,995		4,995
Silverton Northern R. R. Co	1926	2,828		2,828
Smoky Mountain Ry. Co	1927	6,687		6,687
Sugar Land Ry. Co	1925	65,436	2,278	67,714
Toledo, Angola & Western Ry. Co	1927	13,259	5,539	18,798
Tuckerton R. R. Co	1927	24,094		24,094
Tucson, Cornelia & Gila Bend R. R. Co	1927	9,097		9,097
Tuskegee R. R. Co	1927	15,234		15,234
Union Freight R. R. Co	1925			(1)
Unity Railways Co	1927	8,935		8,935
Utah Ry. Co	1926	47,830	16,901	64,731
Warrenton R. R. Co	1927	2,548	19	2,567
Washington Run R. R. Co	1929	14,531		14,531
Wharton & Northern R. R. Co	1923	8,914		8,914
Wildwood & Delaware Bay Short Line R. R. Co	1926	5,218	1,086	6,304
Wyandotte Terminal R. R. Co	1927	12,813		12,813
Yosemite Valley R. R. Co	1925	58,397		58,397
Youngstown & Northern R. R. Co	1927	29,813		29,813
Total		17,319,618	3,895,656	21,215,274

[1] Inconsequential. [2] Apr. 30. [3] Aug. 10. [4] Oct. 31. [5] Oct. 1. [6] Jan. 28.

ADMIRAL FREDERICK C. BILLARD

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks touching the life, character, and public service of the late Commandant of the United States Coast Guard, Admiral Frederick C. Billard, whose death occurred in this city on the 17th of this month.

The SPEAKER. Is there objection?

There was no objection.

Mr. THATCHER. Mr. Speaker, I deem it appropriate to make this formal reference to the life, character, and public service of one of the Nation's most popular and capable officials, Rear Admiral Frederick Chamberlayne Billard, who died in the city of Washington on the 17th of this month.

During the nine years I have been in the House of Representatives I have served as a member of the Appropriations Committee and of the Treasury-Post Office Departments subcommittee of the Appropriations Committee. Because of my membership and work on this subcommittee I was thrown into official relationship with Admiral Billard throughout this period. Annually he came before the subcommittee at its hearings on the Treasury-Post Office Departments appropriation bill and, with his staff, presented the justifications for the various appropriation items carried therein.

Through this contact I became very much interested in the Coast Guard Service and learned in this first-hand way of its outstanding achievements. Thus, also, I have been able to judge as to the character of work performed by Admiral Billard since he has been Commandant of the Coast Guard, since 1924. His record in that capacity, in my judgment, has never been excelled by any predecessor, and perhaps never equaled.

Admiral Billard was born in the District of Columbia on September 22, 1873, the son of Dr. Jules Frederick and Lillian (Johnson) Billard. He attended Baltimore City College, from which institution he graduated in 1892. Having successfully passed the examination for entrance into the then Revenue Cutter Service, he was appointed a cadet from Maryland on January 11, 1894. He thereupon received a large portion of his cadet training on board the old practice ship *Chase,* and graduated second in his class. He was commissioned an ensign on April 27, 1896, and passed through the various grades of the Coast Guard Service until he reached the post of commandant, having been appointed thereto on January 11, 1924, with the rank of rear admiral, exactly 30 years after receiving his appointment as cadet. On January 11, 1928, he was reappointed commandant for another 4-year term, and was again reappointed for another like term on January 11, 1932. Three appointments to the chief station or office in the Coast Guard Service was, and is, without a precedent. At the time of his death he had been connected with that service more than 38 years.

Admiral Billard during his long and responsible career in the Coast Guard served on all the coasts of the United States, as well as in Alaskan, Hawaiian, and West Indian waters. During the Spanish-American War he served on the U. S. S. *Corwin,* attached to the Pacific Fleet. From 1900 to 1905 he was navigator and instructor on the practice ship *Chase.* From 1906 to 1911 he was aide to Capt. Worth G. Ross, Chief of the Revenue Cutter Service. In 1914 he was appointed as superintendent of the Coast Guard Academy at New London, Conn., serving in that capacity from 1914 to 1918. Thereupon, at his request to serve afloat, he was placed in command of the U. S. S. *Aphrodite,* operating in the European war zone during the World War. This ship was the first American war vessel to pass through the Kiel Canal after the signing of the armistice. He was awarded the Navy cross for service in European waters. In May, 1919, he returned from Europe, and in September of

that year was detailed as aide to the Commandant of the Coast Guard, serving in that capacity until appointed commandant on January 11, 1924, for his first 4-year term.

Hence, Admiral Billard, at the time of his death, was serving his ninth year as Commandant of the Coast Guard.

In 1920 he married Miss Clara F. Prentis, of New London, Conn., who, as well as his three brothers and a sister, survive him.

HISTORY AND CHARACTER OF THE COAST GUARD SERVICE

Mr. Speaker, it is not necessary to speak in terms of extended praise touching the invaluable services the United States Coast Guard has rendered through all the years of our national history. It is one of the Nation's oldest activities, having been established in 1790, during the first Congress in the first administration of President Washington. A paramount duty of the Coast Guard is the protection of life and property from the perils of the sea; and it was a matter of great pride and gratification with Admiral Billard that this phase of Coast Guard work has been marked by a record of achievement which stands above that of any other life-saving organization in the world. During the fiscal year ended June 30, 1931, the Coast Guard rescued from danger, or saved, the lives of 5,627 persons, and the value of vessels assisted, together with their cargoes, aggregated $47,959,465.

The work of the Coast Guard is varied in an unusual degree. In addition to its life-saving work, another outstanding activity which has always claimed its attention is the prevention of smuggling of every character. In recent years this phase of service has extended to the highly perilous and difficult work of preventing the entry into the United States of contraband liquors prohibited by Federal law.

All these activities, during his service as commandant, were supervised and directed by Admiral Billard; and the noteworthy character of his service was attested by his reappointments as commandant. Within the period of this supervision and direction Coast Guard problems assumed a greater magnitude and importance than ever before. This service has always had its ideals and traditions, similar to those which have always inspired our Army and Navy forces; and, like the Army and Navy, the Coast Guard in remaining true to its traditions and ideals has ever preserved its superb morale and maintained its high standard of achievement.

CHARACTER AND CHARACTERISTICS

Quiet and modest sailor though he was, Admiral Billard nevertheless possessed a rugged force of character. He knew how to obey and how to command. His professional and executive abilities were of the highest order; and it was inevitable that he should rise to chief command in the Coast Guard. His strong, genial, and sympathetic character invited and impelled friendship. Officers and men throughout the service loved and were loyal to him. His discipline was of a character wise and efficient, rather than stern or arbitrary. Under his administration the service rose, perhaps, to the highest point of effective achievement attained in all its history.

In the discharge of his important duties Admiral Billard literally wore himself out. One of the latest tasks which came to him—and one which singularly appealed to his ardent and sympathetic nature—was that of supervising the search by the Coast Guard fleet in the Atlantic waters to find the Lindbergh baby and the dastardly kidnapers that have written into American history one of its most tragic and sinister pages.

A little more than 58 years of age at his death, his life would doubtless have been substantially lengthened except for the overwhelming burdens which he undertook to bear. In all truth, he spent himself for the public good. And now, having achieved so much and gone at length to his final reward, he deserves and will receive the enduring gratitude of the Nation he loved so well and whose interests he so faithfully and effectively served.

TREASURY DEPARTMENT TRIBUTE

The Coast Guard, in peace times, is an activity of the Treasury Department (but in time of war it operates as a part of the Navy). In consequence, a period of mourning for Admiral Billard, by direction of the Secretary of the Treasury, Hon. Ogden L. Mills, has been directed for a period of 15 days, beginning May 18. During that time all ships and stations of the Coast Guard are directed to display half-mast colors, and all officers to wear official mourning. In addition, the Secretary addressed to the Coast Guard a tribute to Admiral Billard, in the following language:

> In the passing of your beloved Commandant, I wish to pay the highest tribute to his noble character and unselfish and devoted service to the Coast Guard and Nation, which he has served continuously since 1894. Since 1924, he has been Commandant of the Coast Guard during its period of greatest expansion and development of its highest efficiency. He was not only a sailorman in every sense of the word, but was an executive of the highest order. Through his death the country loses an invaluable public servant.

AN IRREPARABLE LOSS

Mr. Speaker, I know that the many friends of Admiral Billard, in both branches of Congress, who, during the years of his service as Commandant of the Coast Guard, like myself, have been thrown into intimate contact with him, and have come to appreciate his splendid character and service, feel as I do, that in his death, the Nation which he so long and honorably served, has sustained an irreparable loss. All these, too, I am sure, join with me in giving expression to sentiments of the most earnest sympathy for his devoted and sorrowing helpmate, and the others of his family, because of the great bereavement which has come to them.

And now, in hallowed Arlington, the Nation's Valhalla, the dust of our beloved friend shall sleep through the years to come, while his knightly spirit shall go marching on; and so long as our flag may grace the sky the memory of his life and deeds shall constitute an inspiration of the noblest character to those who shall follow after him in the service in which he so long and so splendidly wrought.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.) the House adjourned until to-morrow, Friday, May 20, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, May 20, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Hearings, Mansfield bond issue bill for rivers and harbors.

MILITARY AFFAIRS

(10 a. m.)

Hearings, emergency officers.

INSULAR AFFAIRS

(10 a. m.)

Samoa Islands.

FOREIGN AFFAIRS

(10.30 a. m.)

Hearings, World Court.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia; without amendment (Rept. No. 1375). Referred to the Committee of the Whole House on the state of the Union.

Mr. ARENTZ: Committee on the Public Lands. S. 3711. An act to authorize the adjustment of the boundaries of the Chelan National Forest, in the State of Washington, and for other purposes; without amendment (Rept. No. 1376). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the District of Columbia. H. R. 9557. A bill to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution; without amendment (Rept. No. 1377). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. H. Res. 227. A resolution to authorize public inspection of pay-roll records of the disbursing officer of the House of Representatives; without amendment (Rept. No. 1378). Referred to the House Calendar.

Mr. BLACK: Committee on the District of Columbia. H. R. 12115. A bill to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes; with amendment (Rept. No. 1380). Referred to the Committee of the Whole House.

Mr. O'CONNOR: Committee on Rules. H. Res. 229. A resolution for the consideration of 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. 1382). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. S. J. Res. 41. A joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof; without amendment (Rept. No. 1383). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 8013. A bill to amend the act of the Legislative Assembly of the District of Columbia creating the office of steam-boiler inspector for the District of Columbia; with amendment (Rept. No. 1384). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the District of Columbia. H. R. 11638. A bill to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; with amendment (Rept. No. 1385). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 11642. A bill to amend sections 15a and 19a of the interstate commerce act, as amended, and for other purposes; with amendment (Rept. No. 1386). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 11643. A bill to amend section 5 of the interstate commerce act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; without amendment (Rept. No. 1387). Referred to the Committee of the Whole House on the state of the Union.

Mr. EATON of Colorado: Committee on the Public Lands. H. R. 11895. A bill to authorize the President, in his discretion, to make certain adjustments in the eastern boundary line of Rocky Mountain National Park in the vicinity of Estes Park, Colo., and for other purposes; with amendment (Rept. No. 1388). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. H. R. 8119. A bill for the relief of Jennie Bruce Gallahan; without amendment (Rept. No. 1379). 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. SWANSON: A bill (H. R. 12170) to provide that the workmen's compensation law of any State may apply, within such State, to employments in interstate commerce; to the Committee on the Judiciary.

By Mr. CULLEN: A bill (H. R. 12171) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H. R. 12172) to authorize the acquisition of land for a mail service airport in the city of Chicago; to the Committee on Public Buildings and Grounds.

By Mr. SCHNEIDER: A bill (H. R. 12173) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. HOWARD: A bill (H. R. 12174) to authorize the use of Minnesota Chippewa tribal funds to purchase certain land as wild rice harvesting camp site, and for other purposes; to the Committee on Indian Affairs.

By Mr. KLEBERG: A bill (H. R. 12175) to grant allowances for quarters and subsistence to retired enlisted men of the Army, Navy, and Marine Corps while in Army or Navy hospitals; to the Committee on Military Affairs.

By Mr. O'CONNOR: Resolution (H. Res. 229) for the consideration of 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; to the Committee on Rules.

By Mr. RAYBURN: Resolution (H. Res. 230) for the consideration of H. R. 11642, a bill to amend sections 15a and 19a of the interstate commerce act, as amended, and for other purposes; to the Committee on Rules.

Also, resolution (H. Res. 231) for the consideration of H. R. 11643, a bill to amend section 5 of the interstate commerce act, as amended, relating to the consolidation and acquisition of control of carriers by railroads, and for other purposes; to the Committee on Rules.

By Mr. FULLER: Joint resolution (H. J. Res. 392) to promote patriotism by providing that all officers and employees of the United States and the District of Columbia shall know the national anthem; to the Committee on the Judiciary.

By Mrs. PRATT: Joint resolution (H. J. Res. 393) relating to publications for the blind; to the Committee on the Library.

By Mr. STRONG of Kansas: Joint resolution (H. J. Res. 394) providing for financing sales of wheat and cotton in foreign markets; to the Committee on Banking and Currency.

By Mr. KENNEDY: Joint resolution (H. J. Res. 395) to repeal the national prohibition act; to the Committee on the Judiciary.

By Mr. CRISP: Joint resolution (H. J. Res. 396) extending for one year the time within which American claimants may make application for payment, under settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission; to the Committee on Ways and Means.

By Mr. KARCH: Joint resolution (H. J. Res. 397) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BURDICK: A bill (H. R. 12176) for the relief of Maj. Clarence H. Greene, United States Army, retired; to the Committee on Military Affairs.

By Mr. CABLE: A bill (H. R. 12177) granting an increase of pension to Lillie E. Chambers; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 12178) granting an increase of pension to Alma E. Lacock; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 12179) for the relief of T. D. Randall & Co.; to the Committee on War Claims.

By Mr. GRIFFIN: A bill (H. R. 12180) for the relief of John J. Coyne; to the Committee on Military Affairs.

By Mr. HADLEY: A bill (H. R. 12181) for the relief of Hjalmar Krogh; to the Committee on Claims.

By Mr. HOPKINS: A bill (H. R. 12182) granting an increase of pension to Laura D. Spangler; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 12183) authorizing the Secretary of War to award a congressional medal of honor to Col. Oliver P. M. Hazzard; to the Committee on Military Affairs.

By Mr. KLEBERG: A bill (H. R. 12184) for the relief of Russell O'Neill; to the Committee on Naval Affairs.

Also, a bill (H. R. 12185) for the relief of R. H. Keene; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H. R. 12186) granting a pension to Marie Weed; to the Committee on Invalid Pensions.

By Mr. LANKFORD of Georgia: A bill (H. R. 12187) for the relief of H. B. Arnold; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 12188) conferring jurisdiction in the Court of Claims to hear and determine the claim of George B. Gates; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 12189) granting an increase of pension to Mintie Martz; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 12190) for the relief of the legal representatives of the late Alvina Schallhorn; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 12191) granting an increase of pension to Margaret Gallacher Simpson; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12192) for the relief of John H. Morse; to the Committee on Claims.

Also, a bill (H. R. 12193) for the relief of John P. Seabrook; to the Committee on Naval Affairs.

By Mr. WEST: A bill (H. R. 12194) granting an increase of pension to Sophia Jane Fuller; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12195) granting an increase of pension to Mary A. Cowgill; 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:

7814. By Mr. BARBOUR: Petition of residents of Patterson and Patterson Colony, Stanislaus County, Calif., relative to reducing Federal expenditures; to the Committee on Economy.

7815. Also, petition of residents of the seventh congressional district of California, who are borrowers from the Federal land bank, urging the amendment of the Federal farm loan act to provide extensions of time for maturity of loans, etc.; to the Committee on Banking and Currency.

7816. By Mr. BEAM: Memorial of the City Council of Chicago, Ill., memoralizing 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.

7817. By Mr. BOLAND: Petition of Charles Dorrance, of Scranton, Pa., and some 55,000 other citizens of Pennsylvania, favoring a protective tariff against the free importation of coal; to the Committee on Ways and Means.

7818. By Mr. COYLE: Petition of Charles Dorrance, of Scranton, Pa., and some 55,000 other citizens of Pennsylvania, favoring a protective tariff against the free importation of coal; to the Committee on Ways and Means.

7819. By Mr. CRAIL: Petition of board of directors of the Chamber of Commerce of Alhambra, Calif., petitioning Congress for the immediate working out of a balanced Budget with only such increase in taxes as may be necessary, coupled with the most stringent economy in governmental expenditures; to the Committee on Ways and Means.

7820. Also, petition of board of directors of the Chamber of Commerce of Alhambra, Calif., requesting Congress to enact legislation to regulate hauling by trucks and busses so as to protect the public; to the Committee on Interstate and Foreign Commerce.

7821. Also, petition of Mary Flynn and many other residents of Los Angeles, Calif., petitioning Congress to legalize and tax beer to help balance the Budget; to the Committee on Ways and Means.

7822. By Mr. KELLER: Resolution of the city of Chicago, passed by the city council thereof, petitioning the Congress to pass a $5,000,000,000 bond issue to put men to work; to the Committee on Ways and Means.

7823. By Mr. LINDSAY: Petition of Eppinger & Russell Co., creosoting works, New York City, urging reduction in governmental expenditures; to the Committee on Economy.

7824. Also, petition of Daniel Maltby Rugg, of Brooklyn, N. Y., urging reduction of Government expenditures; to the Committee on Economy.

7825. Also, petition of St. Louis Chamber of Commerce, St. Louis, Mo., favoring the passage of Senate bill 1525 and House bill 4537; to the Committee on the Post Office and Post Roads.

7826. By Mr. PARKER of Georgia: Petition of W. A. Davis and 228 other citizens and voters of Savannah, Ga., urging the repeal of the eighteenth amendment of the Constitution of the United States of America; to the Committee on the Judiciary.

7827. Also, petition of H. L. Scott, of Savannah, and 11 other citizens of Savannah and Atlanta, Ga., urging the passage of railroad pension bill, H. R. 9891, and voicing opposition to Senate bill 3892 and House bill 10023; to the Committee on Interstate and Foreign Commerce.

7828. By Mr. RAINEY: Petition of Henry C. Hawes and 30 citizens of Chicago, Ill., and vicinity, favoring House bill 6182; to the Committee on Ways and Means.

7829. Also, resolution of the Sangamon Post, No. 32, of the American Legion, Department of Illinois, Springfield, Ill., objecting to reductions in the appropriations for the Military and Naval Establishments; to the Committee on Appropriations.

7830. By Mr. ROMJUE: Petition of Chapter No. 140, Associated Master Barbers of America, St. Louis, Mo., and Local No. 102, Journeymen Barbers' International Union of America, St. Louis, Mo., pertaining to pending legislation; to the Committee on Economy.

7831. By Mr. RUDD: Petition of the Jamaica National Bank, Jamaica, N. Y., favoring the passage of Senate bill 4550; to the Committee on Banking and Currency.

7832. Also, petition of the St. Louis Chamber of Commerce, St. Louis, Mo., favoring the immediate enactment of Senate bill 1525 and House bill 4537, relative to kidnaping; to the Committee on the Post Office and Post Roads.

7833. Also, petition of the Gardner W. Taylor Lumber Co., New York City, protesting against the proposed duty on Canadian lumber; to the Committee on Ways and Means.

7834. By Mr. SHOTT: Letter from the Kipling Shoe Co., of Huntington, W. Va., protesting against the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7835. Also, memorial of the Huntington Manufacturers Club, of Huntington, W. Va., protesting against the present cost of government, and urging reductions in bureau costs and general expenditures in Government departments; to the Committee on Economy.

7836. Also, resolution of the Williamson Chamber of Commerce, Williamson, W. Va., protesting against the Romjue bill, H. R. 8576, and the Oddie bill, S. 4080; to the Committee on Labor.

7837. Also, letter and resolution of the Bluefield Better Service Club, Bluefield, W. Va., opposing as detrimental to the bituminous coal industry the passage of the Davis-Kelly

coal control bill; to the Committee on Interstate and Foreign Commerce.

7838. Also, resolution of citizens and taxpayers of Waiteville, Monroe County, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7839. Also, letter signed by J. H. Randolph, general manager of the Imperial Ice Cream Co., of Parkersburg, W. Va., opposing as detrimental to the bituminous-coal industry the passage of the Davis-Kelly coal regulation bill; to the Committee on Interstate and Foreign Commerce.

7840. Also, letter from H. A. Gallagher, general manager of the Milburn By-Products Coal Co., and resolution of the Milburn Safety Club, Milburn, W. Va., opposing as detrimental to the bituminous-coal industry the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7841. Also, letter from Luther O. Griffith, Griffith Lumber Co., of Huntington, W. Va., opposing the Davis-Kelly coal bill as detrimental to the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

7842. Also, letter from the executive vice president of the First Huntington National Bank Building, Huntington, W. Va., protesting against the passage of the legislation known as the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7843. By Mr. SMITH of West Virginia: Resolution of the Fayetteville District Political and Civic Club, of Fayetteville, W. Va., opposing the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7844. By Mr. STEWART: Resolution of the Morristown Chamber of Commerce, Morristown, N. J., favoring economy legislation, the balancing of the Budget, and approving the action of the Committee on Ways and Means in reporting adversely the bills providing for the payment of the soldiers' bonus; to the Committee on Ways and Means.

SENATE

FRIDAY, MAY 20, 1932

(Legislative day of Monday, May 9, 1932)

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

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

The PRESIDING OFFICER (Mr. FESS in the chair). The clerk will call the roll.

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

Ashurst	Cutting	Hull	Reed
Bankhead	Davis	Johnson	Robinson, Ark.
Barbour	Dickinson	Jones	Robinson, Ind.
Barkley	Dill	Kean	Sheppard
Bingham	Fess	Kendrick	Shortridge
Blaine	Fletcher	Keyes	Smith
Borah	Frazier	La Follette	Smoot
Bratton	George	Lewis	Stephens
Brookhart	Glenn	Logan	Thomas, Idaho
Bulkley	Goldsborough	Long	Thomas, Okla.
Bulow	Gore	McGill	Townsend
Capper	Hale	McNary	Trammell
Caraway	Harrison	Moses	Tydings
Cohen	Hastings	Neely	Vandenberg
Connally	Hatfield	Norris	Wagner
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Oddie	White
Costigan	Howell	Pittman	

The PRESIDING OFFICER. The Chair desires to announce that the Senator from Missouri [Mr. PATTERSON] is detained from the Senate on account of illness.

The Chair also desires to announce that the Senator from Michigan [Mr. COUZENS] and the Senator from Vermont [Mr. AUSTIN] are detained in committee meeting and that the following-named Senators are detained in the meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. NORBECK], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. CAREY].

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

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 PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

Mr. ASHURST presented memorials of sundry citizens of Phoenix and Tucson, Ariz., remonstrating against the imposition of taxes on the automobile industry, and favoring instead some form of general sales tax to be included in the pending revenue bill, which were ordered to lie on the table.

Mr. CONNALLY presented resolutions adopted by the voters' committee, Blum, Tex., opposing economy in veterans' legislation and the issuance of bonds or the imposition of taxation for relief purposes, and favoring the issuance of new currency for all relief measures, such relief to be "in the form of jobs and not charity," which were referred to the Committee on Finance.

Mr. TYDINGS presented resolutions adopted by the Men's Bible Class of the First Baptist Church, Baltimore, Md., favoring the adoption of measures to bring about the apprehension and punishment of the Lindbergh baby kidnapers and murderers, and also such measures as will prevent the repetition of crimes of this nature, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Maryland, remonstrating against the imposition of taxes on the automobile industry, and favoring the raising of revenue by some form of general taxation, which were ordered to lie on the table.

He also presented the petition of Nellie S. Watson, registered nurse, and several other doctors and nurses of Tacoma Park, Md., praying for the passage of legislation providing for the dissemination of contraceptive information (birth control), which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented memorials of sundry citizens of the State of New Jersey, remonstrating against the imposition of taxes on the automobile industry, and favoring some form of general tax be included in lieu thereof in the pending revenue bill, which were ordered to lie on the table.

He also presented the memorial of the Sons of American Revolution in congress assembled, remonstrating against any further reductions in the strength of the Regular Army or any curtailment in the training of citizen components of the Army, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the Morristown (N. J.) Chamber of Commerce, favoring the immediate passage of legislation effecting economy and retrenchment in Federal expenditures, and opposing the adoption of so-called bonus proposals at the present time, which were referred to the Committee on Appropriations.

He also presented resolutions adopted by the Kiwanis Club of Hammonton in the Chamber of Commerce of Newark, in the State of New Jersey, favoring the balancing of the Budget as far as possible by retrenchment in governmental expenditures rather than increased taxes, which were referred to the Committee on Appropriations.

Mr. WALSH of Massachusetts presented letters in the nature of petitions from 300 citizens of the State of Massachusetts, praying for the passage of legislation to balance the Budget, and also for the support of the President's economy program, which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 325 citizens of the State of Massachusetts, praying for retrenchment in governmental expenditures and the balancing of the Budget through taxation on some such basis as is offered by a general sales tax, which were referred to the Committee on Appropriations.