

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 16, 1932

The House was called to order at 12 o'clock noon by the Speaker pro tempore [Mr. RAINEY].

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

We draw near to Thee, our Father, in humble confidence and with the courage of true love. As these are inspired by Thee, be pleased to accept our thanksgiving and praise. As we look back, how often have we been confused by the dark and the inscrutable things which surged about us; now we know that they were ways of mercy; gracious Lord, we thank Thee. Clothe us with just and righteous judgment and make known Thy counsel to us for our obedience and guidance. Come with us; walk with us upon the sea, in the twilight and on the shore. Wherever there is need, give the divine supply. Bless our homes that they may be as the gates of heaven. Unto Thy holy name be eternal praises. 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 agrees to the amendment of the House to the amendment of the Senate No. 76 to the bill (H. R. 7912) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes."

That the Senate recedes from its amendments Nos. 13, 16, 17, 21, 22, 29, 53, 61, 67, 68, and 69 to said bill.

That the Senate further insists on its amendments Nos. 14, 15, 30, 56, and 82 to said bill.

That the Senate further insists on its amendment No. 77 to said bill, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McNARY, Mr. JONES, Mr. KEYES, Mr. KENDRICK, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1523. An act for the relief of certain tribes or bands of Indians in the States of Washington, Idaho, and Montana; and

S. 2340. An act to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children.

ROCKY MOUNTAIN NATIONAL PARK, COLO.

Mr. EVANS of Montana. Mr. Speaker, by direction of the Committee on the Public Lands, I ask unanimous consent to recommit the bill (H. R. 11895) 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, to the Committee on the Public Lands.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. LA GUARDIA. Reserving the right to object, was the bill reported out to the House?

Mr. EVANS of Montana. Yes. It was reported by the committee to the House. The author of the bill desires to change the bill or drop it entirely.

Mr. LA GUARDIA. Anything that goes back to the Committee on the Public Lands is all right.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PENDING RELIEF MEASURES

Mr. KELLER. Mr. Speaker, I ask unanimous consent to address the House not to exceed five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, I regret exceedingly that it is necessary for me to leave the Capitol to-day and go to Denver and relocate my wife, who has been an invalid for many years. I regret it exceedingly also on this further account: At the present time there are pending some measures of very great importance. Permit me to say to the House that up to the present we have spent most of our time in this entire session in attempting to modify or palliate our present conditions. I am very hopeful, and I trust that hope may be shared by my colleagues, that we may now, during the last part of the session, get down to doing the things that are absolutely necessary to take us out of our present condition.

Among the important matters pending there are three, in my judgment, that we ought not by any means to overlook. We ought not consider adjourning until these three measures are provided for. The first one is that we shall supply an abundance of direct relief to prevent starvation in this country.

The second is that we ought to provide a far-flung program of public improvements, in order to give labor to no less than 1,000,000 men.

Third, we ought to pass the farm bill now put forward by the farm organizations. In my judgment, I do not believe we ought to consider adjournment until at least these three measures have been passed by this body and the other body and have become law.

I want to pair to the best advantage I can in favor of all these bills. In closing permit me to suggest that I am hopeful that our conference committee on the economy measure may leave in the vocational-training provision as the House passed it, because the House voted practically unanimously in favor of that, and I trust the House will not recede from that position.

Mr. Speaker, I thank you, and I shall return as soon as possible.

TRANSOCEANIC MERCHANT AIRSHIP SERVICE

Mr. RAYBURN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of the bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present. This bill will be contested, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present. The point of order is sustained.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

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

[Roll No. 98]

Abernethy	Crisp	Hull, Morton D.	Parks
Aldrich	Crowe	Hull, William E.	Patman
Allgood	Crump	Igoe	Patterson
Arnold	Davis	Johnson, Ill.	Peavey
Bachmann	De Priest	Johnson, S. Dak.	Pratt, Harcourt J.
Beck	Dominick	Johnson, Wash.	Pratt, Ruth
Beedy	Doughton	Kahn	Reid, Ill.
Bland	Douglas, Ariz.	Kemp	Rogers, N. H.
Bloom	Doutrich	Kennedy	Sanders, N. Y.
Boland	Drane	Kunz	Snell
Boylan	Estep	Lambeth	Stalker
Brand, Ga.	Fernandez	Lamneck	Stokes
Brand, Ohio	Finley	Lankford, Va.	Stull
Browning	Flannagan	Lea	Sullivan, Pa.
Buchanan	Foss	Leavitt	Swanson
Buckbee	Freeman	Lehlbach	Taylor, Tenn.
Bulwinkle	Garber	Lewis	Tierney
Busby	Gasque	McMillan	Tilson
Byrns	Gibson	McReynolds	Treadway
Cannon	Gillen	Manlove	Tucker
Cavichia	Goodwin	Mitchell	Warren
Chase	Hancock, N. C.	Milligan	Watson
Christgau	Hare	Murphy	Whittington
Clark, N. C.	Hastings	Nolan	Williams, Tex.
Clarke, N. Y.	Hawley	Norton, N. J.	Wood, Ind.
Cooper, Tenn.	Horr	Owen	Yon
Corning	Houston	Palmisano	

The SPEAKER pro tempore. Three hundred and twenty-three Members have answered to their names, a quorum.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas [Mr. RAYBURN] that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8681.

Mr. RAYBURN. Mr. Speaker, quite an interest has developed in this measure. There is some opposition. There were only 30 minutes on a side provided under the rule. More time than this is demanded by men who seriously want to discuss this question, and, therefore, pending the motion to go into the Committee of the Whole, I ask unanimous consent that time for general debate be extended 30 minutes with a division of the latter 30 minutes the same as for the original hour.

Mr. LA GUARDIA. Mr. Speaker, the cotton and the wheat bill will come up right after this bill. It is a pressing need. I am in favor of the gentleman's bill. An opportunity will be given Members to speak under the 5-minute rule, and we already know the gist of the bill. I hope the gentleman will not press his request.

Mr. CELLER. Mr. Speaker, reserving the right to object, I, too, want to supplement what the gentleman from New York has stated with reference to the wheat and cotton bill, which, to my mind, is of paramount importance. Time is growing short. We may be forestalled from getting a final vote on any conference between the House and the Senate in case they disagree.

I hope the gentleman will not insist in asking for more time.

Mr. LA GUARDIA. Let us find out if there is any opposition to the cotton and wheat bill which is coming up this afternoon.

Mr. CELLER. That is next.

Mr. LA GUARDIA. It is next on the list.

Mr. GREEN. Mr. Speaker, will the gentleman from New York yield to me? I understand the Rules Committee has reported a rule for the consideration of an amendment to the Reconstruction Finance Corporation act whereby the Department of Agriculture will be permitted to make loans to farmers for planting crops this summer and fall which may be harvested as late as 1933. Is it contemplated to bring up this rule for the consideration of the House in the near future? I am deeply interested in this measure and hope it will pass.

Mr. O'CONNOR. Yes; that will come up very soon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8681.

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 consideration of the bill H. R. 8681, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the further reading of the bill will be dispensed with.

There was no objection.

Mr. RAYBURN. Mr. Chairman, I yield at this time 25 minutes to the gentleman from Alabama, and ask unanimous consent that he may use that time himself or yield it, as he sees fit.

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

There was no objection.

Mr. HUDDLESTON. Mr. Chairman, may I inquire of the gentleman from New York [Mr. PARKER], who is to control the remainder of the time, how he desires to use it?

Mr. PARKER of New York. I shall follow the example of the gentleman from Texas. I yield 10 minutes to the

gentleman from Wisconsin [Mr. STAFFORD] and 15 minutes to the gentleman from Alabama [Mr. HUDDLESTON] to use if he wishes.

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, this bill contains three provisions.

First, it applies the admiralty law to airships flying over the sea just as now that law applies to ships sailing on the sea. This is necessary for a number of reasons, but chiefly in order to determine the rights and liabilities of airships. Otherwise insurance companies will not insure them.

Second, it contains a provision that permits American airships to make contracts with foreign airship companies—for example, the German Zeppelin Co.—for the mutual use of their terminal facilities, their docks, and also permits them to stagger their schedules, so that an equal number of airships that the two companies might own should be going in opposite directions at certain times in the week and thereby give the maximum efficiency in service. This provision is thought necessary by lawyers, because it was felt that any attempt to make a contract like this without specific statutory authority might infringe the antitrust laws.

The third provision of the bill is this: It gives to the American airship companies the right to bid for the carriage of mail in the same manner and according to the same terms as is now provided for surface ships. In short, no airship company could at the present time carry mail without a contract or without permission of the Postmaster General so to do. This simply fixes the same maximum rate for compensating airships as now prevails in regard to surface ships. These are the three provisions of the bill.

My reasons for urging the passage of the measure are several: First, it will do more to enable the people of the United States to extend their foreign trade than any other single thing we could do. We can make the journey to London in 2 days or a little better, as compared with the 6, 7, or 8 days the best ships now take.

Obviously, the nation that has the most expeditious means of transportation and communication will be the most likely to extend its trade faster than any other nation. At the present time the German Zeppelin Co. has completed 4 of 10 scheduled trips from Friedrichshafen to Pernambuco, South America, the scheduled time being 4½ days as compared with 16 days on surface ships.

Does it take any diagram, does it take any great explanation, to see the advantage that that nation must have in the extension of its trade with foreign countries over those nations which do not have that means of transportation? Why, my friends, with this means of transportation available it would be possible to take fully authorized representatives of commercial companies, who could not otherwise take the time, across to Europe in a couple of days, bring them back in a couple of days, and finish the trip in a week, and probably conclude a contract right there and then, where otherwise it might be necessary to carry on negotiations for weeks and months in order to conclude such a contract.

So, my friends, the chief reason for urging the passage of this bill is that it will do more to expedite the extension of our trade—and certainly we need foreign trade at present—it will do more to help us extend our foreign trade than any other one thing we can do to-day.

There is another reason. This, in my opinion, will do much to increase the business of the steamship lines. To show that I am not mistaken about that, the late Captain Dollar was very much interested in the promotion of these transoceanic airship lines. Why? For the simple reason that he felt that if we had some quick means of going over to the Orient, and prominent representatives of commercial houses in the United States could go to the Orient, or any place else, for that matter, for the purpose of getting business it would mean increased cargoes and increased revenues for the steamship lines. It seems to me he was entirely right, and he was perfectly willing to invest his money in such an enterprise.

It is an ideal way for the transportation of passengers. The people of the world have not yet come to realize just how really satisfactory is this method of transporting passengers from one part of the world to the other. Under ordinary circumstances a man is likely to become seasick on a surface vessel, but I am told by those who have had experience and who have been given to seasickness on surface vessels, and who have traveled across the Atlantic Ocean on the *Graf Zeppelin*, that it is really a very delightful experience. In fact, one who had been a passenger on the *Graf Zeppelin* told me he had not the slightest feeling of seasickness, and, moreover, that during the whole voyage you could hardly tell you were moving unless you could pick out some ship on the horizon to tell whether or not you were moving. This man also told me that during the whole time of the trip—and there were storms—there was not a time when he could not balance a teaspoon on the edge of his coffee cup in the dining room of the *Graf Zeppelin*.

Now, my friends, that, it seems to me, points a finger to the future method of rapid transportation.

But there is another reason. You can make the trip across the oceans with this type of transportation more safely than you can on surface ships. Why? For the simple reason that instead of going head on into a storm, which the fixed channel requires a surface ship to do, airships may take their charts, which are prepared for them every few hours of the day, and take advantage of these storms and these winds in order to expedite their passage across the ocean, as was done by Doctor Eckener when he came back from Japan to California in three and a half days. He simply availed himself, by scientific means, of the help of the storms.

But there is another reason, my friends. We have talked a great deal during this Congress and we have voted for some rather unusual measures to abolish unemployment. Now, my friends, the Goodyear Zeppelin Co., at Akron, Ohio, now employs, roughly speaking, 1,000 of the most highly skilled and technical men in the United States. They not only have a corps of very efficient engineers, who have been gathered together after a most painstaking and careful search, but they have highly trained, technical workmen who work under these engineers.

At the end of this year the second ship for the Navy, namely, the *Macon*, will have been finished. If we are not to be allowed to go on and manufacture commercial ships, this thousand of the best skilled help in the United States will be walking the streets with the already existing millions of unemployed looking for some means of earning a livelihood. So when these folks tell us they want to encourage new enterprises, here is an enterprise already started and this enterprise only asks for the privilege of carrying, on fair terms, passengers, express, and mail. They can carry the passengers and express without the consent of anyone, but they must have the consent of the United States Government to carry the mail. Why should they not have that privilege? Why all this balderdash about a subsidy? There is not a contract let to a star-route man, to a railroad, or to a steamship line that does not involve exactly the same principle. Is there any particular reason why these people, if they build their own ships and risk their own money, should not be allowed to come in on at least equal and fair terms with everybody else and say, "We will carry your first-class mail for you"? I can see none whatsoever.

My friends, there was a statement made in the minority report that to me seems only astounding. It is stated there that the cost of one of these airships is about three and a half million dollars. This will probably be so after they have reached a production basis; but in addition to that you have docks, which cost as much, if not more, so that if you are only using one Zeppelin from here to the Orient the total investment would be about \$6,000,000, as I recall it.

They undertake to make the House believe that the total cost of operations, which is between \$11,000,000 and \$12,000,000, would be borne by the mail. The Postmaster Gen-

eral must find that any contract he makes is in the public interest; but if we charge 25 cents a letter on that long trip from California to the Orient, three times as far as across the Atlantic, the average income would almost be the total amount that it costs to operate the ship for a year. This would not be fair, because passenger and express revenue should pay their just share of the cost of operation. It would not, therefore, be fair under the circumstances to charge even that much for the mail; but if it were necessary, I think anybody would be more than glad to pay 25 cents extra for the special-delivery service he would get in this way. If they did charge this, it would bring about \$10,000,000 of revenue, which, it seems to me, would be far more than ample to pay any expense assumed in hiring the space in the dirigible.

The Goodyear Zeppelin Co., which is the chief bidder in this country, although there is another concern under contemplation at Detroit, has already invested three and a half million dollars in terminal docks and other facilities for building ships at Akron. The city of Akron has spent \$2,000,000 for an air field to encourage the lighter-than-air industry. The Guggenheim Foundation has spent \$350,000 in a laboratory to experiment with lighter-than-air craft, and has brought the leading lighter-than-air engineer all the way from a technical school in California to Akron to work there. [Applause.]

Mr. PARKER of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I have listened attentively to the argument advanced to-day, as well as when the rule was presented for consideration by the principal sponsor of this legislation, and all that I can glean from his argument is that we should vote a subsidy to this private enterprise that wishes to take the initiative in establishing a passenger dirigible line between New York and England.

The gentleman from Ohio [Mr. CROSSER] cites the case of Germany having established a line from Germany to Pernambuco. I am informed by the Foreign Mail Service of the Post Office Department that this is a most irregular service. Also that France maintains a service from some point in Africa, namely, Dakar, over to Argentina, which is likewise not a very regular service, requiring seven days from Paris to Buenos Aires.

It is sought to extend the provisions of the White Act to this service of dirigibles across the ocean. What is the basis for our voting a subsidy or a subvention to the steamers plying between here and Europe and other foreign ports? It is to provide an auxiliary for the Navy in case of need. Get clearly in mind that these vessels that receive this subsidy are obligated to carry the entire mail that may be offered to them.

Mr. GOLDSBOROUGH. About 4 pounds a trip, and they get about \$1,000,000 for it.

Mr. STAFFORD. For the fastest steamers they receive \$12 a nautical mile for every mile traveled, but they are obligated to carry the entire amount of foreign mail that may be offered.

Now, what is proposed by the bill under consideration? The argument is that we wish to have fast transportation of transoceanic mail. In competition with whom? Not in competition with any existing like service, because there is none such. The American public has the advantage of the fastest line of steamers, whether flying the American flag or a foreign flag, and our Post Office Department utilizes the *Bremen* and the *Europa* under the German flag, and other ships flying the flags of other countries, and with only one idea in mind, the quickness of dispatch of the mail between here and foreign ports and vice versa.

The bill under consideration purposes to give \$12 a nautical mile, as is provided as the maximum amount in the White subsidy bill, for a dirigible which, as he says, is capable of going across the ocean and returning in one week. The distance is 3,000 miles, or a round trip of 6,000 miles, and if they make a round trip once a week that one ship would entail an obligation upon the Government of \$3,744,000 during the year.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. HUDDLESTON. I want to call the gentleman's attention to a fact which he has perhaps overlooked. The maximum amount that may be paid is \$35 a nautical mile.

Mr. STAFFORD. If it is \$35 a nautical mile, then it is three times the \$12 basis which I used, or we would pay for one ship going across and back on an average of once a week, instead of \$3,744,000 a year to support this private industry that needs work out here in Akron, three times that amount, or nearly \$11,000,000.

Mr. PARSONS. The \$35 is for a round trip.

Mr. STAFFORD. Then I am in error in my figures.

Thirty-five dollars for a round trip would make \$5,000,000 for one ship for the year.

Mr. KELLER. For how long?

Mr. STAFFORD. Going back and forward once a week. We would pay for a ship out of the Treasury of the United States \$5,000,000 unnecessarily, because the mail is now being carried and privileged to be carried in fast-moving ships which are not costing the Government one cent more than we are paying under the subsidy, and this is trying to take additional money out of the Treasury.

But that is only one objection. We have had some examples of the way the Post Office Department has been spending money in paying for transportation of foreign mail. We have a foreign mail air service from Miami going down the west coast twice a week and going down the east coast to Brazil once a week, that costs the Government \$7,000,000, and the revenue is only one-fifth of that amount.

Oh, the argument is, we are increasing foreign trade. How ridiculous. There is no legitimate demand from American merchants trying to have a faster service.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. STAFFORD. I yield to the protagonist for high tariffs.

Mr. COOPER of Ohio. Is the gentleman from Wisconsin trying to leave the impression with the House that the Postmaster General would sign a contract for carrying this mail that would cost the Federal Government \$5,000,000 a week?

Mr. STAFFORD. Five million yearly for a round trip weekly service by one dirigible. I am stating what we might have imposed on us under this authorization. He has signed contracts for the transportation of mail from Miami to South American countries, a needless expense of \$7,000,000 annually, and the revenue is only one-fifth of that sum. That is not justified, because there is no competition existing in the foreign service. I am opposed to this policy of authorizing the Postmaster General, whether he be Republican or Democrat, to have the right to stick his hand into the pockets of the people of the United States for a preferred service, even though the proposal for the preferred service emanates from the State of Ohio.

Mr. PARSONS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. PARSONS. Is not it a fact that the air mail subsidy amounts to about \$35,000,000 annually above the revenue?

Mr. STAFFORD. There is no justification for having such a service established.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GOLDSBOROUGH. How does the gentleman from Wisconsin distinguish between the air mail subsidy and the mail subvention?

Mr. STAFFORD. Because the mail subventions provide an auxiliary in having vessels available as an addition to the Navy in time of war. That is the theory of Great Britain, that the fast-going subsidized steamers will be of value in time of war. It is the opinion of some members of the War Department subcommittee of the Committee on Appropriations, and of some members of the Committee on Military Affairs, these large balloons are vulnerable, notwithstanding the statement made by the gentleman from Ohio that they are filled with helium and are invulnerable.

[Here the gavel fell.]

Mr. HUDDLESTON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SHALLENBERGER].

Mr. SHALLENBERGER. Mr. Chairman and gentlemen, I am one of the three members of the Committee on Interstate and Foreign Commerce who signed the minority report. I want to state briefly to the House my reasons for objecting to this bill, especially at this time.

Of course, the gentleman from Ohio [Mr. CROSSER] names the bill "A measure to promote international trade and travel throughout the air," but, in my judgment, the proper name for the bill, as presented to the House and in the hearings, would be "A bill to promote and enlarge the deficit in our Post Office Department."

I have here a statement, prepared by the Post Office Department, showing the expenditures, revenue, and deficit of our postal funds for the past fiscal year.

Total expenditures.....	\$803,893,287.80
Total revenues.....	657,348,088.08
Deficit.....	146,545,199.72
Revenue credits:	
Penalty matter, other than that of Post Office Department, including registration.....	\$9,886,456.00
Franked matter—	
By Members of Congress.....	723,671.00
By others.....	128,970.00
Second-class matter, free in country.....	704,579.00
Free matter for the blind.....	132,161.00
Publications exempt from zone rates.....	392,495.64
	11,968,332.64
Expense credits:	
Aircraft service.....	\$17,167,501.04
Differential favoring vessels of American registry.....	\$18,911,474.60
	\$36,078,975.64
Total revenue and expense credits.....	48,047,308.28
Net deficit.....	98,497,891.44

(It will be noted that subsidies for air and ocean vessels mail service equaled about one-third the net deficit.)

The total postal expenditures were over \$803,000,000 and the total revenues of the Post Office \$657,000,000, leaving a total deficit for the Post Office Department for the past year of \$146,545,199. The loss in subsidies paid the aircraft service above the receipts and the differential favoring the vessels of American registry amounts were as follows: For the aircraft service \$17,167,501, and for the differential favoring American vessels under this present bill, \$18,911,000, or a total deficit of \$36,078,975.64. If this bill becomes a law, the deficit, because of mail subsidies to private corporations, will be much greater in the future as a result of its provisions.

In the first place, gentlemen, it was made very plain to the committee that the proponents of this bill, the Goodyear Co., would not undertake the construction of these ships or enter into the foreign service without this subsidy contract from the Post Office Department. Mr. Hunsaker, the man who has the construction of these ships in charge, so stated, and Mr. Keating, the lawyer who represented the airship people, made practically the same statement. The bill, it will be noted, provides a period of three years before the Government will be required to begin to pay the subsidy under a contract. That provision is not for the benefit of the Federal Government, but it gives the airship people three years to construct their ship after they have secured a satisfactory contract from the Government, otherwise they will not undertake the construction of the ships. It is contended by the gentleman from Ohio, Mr. CROSSER, and others, that this subsidy contract is comparable to those given ocean-going ships. But the capital invested in airships is much less than in first-class ocean steamships, and the subsidy to airships possible under this bill is very much greater than that to ocean liners of the first class. This was brought out in the hearings before the committee.

*Subsidies paid for fast mail service.

Mr. Hunsaker, of the Goodyear Co., stated that under the present law, referred to by the gentleman from Wisconsin [Mr. STAFFORD], \$12 a nautical mile is the maximum that can be paid to ocean-going ships. Class 1 ocean ships must show a speed of at least 24 knots an hour in ordinary weather to entitle them to a subsidy of \$12 per mile. But this bill proposes to go much further than that, as Mr. HUDDLESTON has pointed out, and provides that airships in class 1, under the terms of this bill, can be paid up to \$35 a mile, or \$350,000 for a 10,000-mile trip to and from the Orient. This is three times the subsidy the *Leviathan* is paid for carrying ocean-going mail, and the *Leviathan* cost five or six times as much as one of these airships to construct it. Let us figure \$5,000,000 for the construction of one of these first-class airships. There are nine ocean-going ships that are fast enough, we were told, to qualify for class 1; and the United States has only one, and that is the *Leviathan*, a ship costing a sum that would build five class 1 airships. Yet it is proposed to pay this airship three times as much subsidy as we pay the ocean-going ships; and the question is raised, Does the Goodyear Co. demand \$35 per mile as a subsidy? The gentleman from Michigan [Mr. MAPES] brought that out. Mr. Hunsaker testified at page 40. He first admits that they are not bound to carry any kind of mail or any given amount. He states that if they carry but 1 pound they expect to be paid the full subsidy of \$35 per mile. He also states that ocean ships now receiving the full subsidy sometimes carry only one letter per trip, and that there are some freight steamers he believes that are receiving subsidies for transportation of the mail. Mr. MAPES asked:

Would you want the department to make a contract to pay \$35 a mile for the carriage of mail?

Mr. HUNSAKER. Regardless of the poundage?

Mr. MAPES. Regardless of the poundage; whether there is one letter or any number.

Mr. HUNSAKER. Yes, sir; these are mileage contracts, and it means that the department has leased or owned the capacity; and they can use it fully or not, depending on how they route their mail and on what mail is available.

In other words, all they have to do is to carry one letter in order to receive this enormous subsidy. The airship company can not lose. The contract is ironclad and for 10 years in time. As Mr. CROSSER has already stated to you, the Goodyear Co. has built the *Akron*, and they are soon to finish the *Macon*. The Government has paid for the *Akron* and owns it, and they are going to pay for the *Macon* and own it. In my opinion, they are of very little public value; they are only naval toys, so far as war service is concerned. For commercial uses they doubtless have great prospects for the future. The United States Government will own the *Akron* and the *Macon*, but this bill proposes a subsidy that in a short period of time will pay for the ships contemplated, and a private company will own them, together with a fat subsidy contract that may easily cost the United States a hundred million of dollars in the 10-year life of the contract.

My friend Mr. STAFFORD perhaps got a little mixed in his figures, but the graft possible in this bill is so great that it is difficult for anyone to understand it. Mr. Hunsaker said that every time an airship would make a trip from New York to Paris and return, the \$35 per mile subsidy would earn \$63,000 each way or \$126,000 for the round trip. If they made 50 trips a year they would earn \$6,300,000, or more than the highest estimate of the total cost of the airship. Mr. Keating, who represented the company, also stated that on a round trip to the Orient, which is 12,000 miles, at the rate of \$35 a mile, a class 1 airship would earn \$420,000 for every trip it makes under such a contract. In other words, it is plain that so far as the gross investment in these ships is concerned, it will be paid for by the Government in subsidies in a year or at least in less than two years.

I am not in favor of paying this tremendous subsidy above that which we now pay the ocean-going ships. I do not think we are warranted in paying that additional amount of money. Perhaps the proponents of this bill value these ships so highly because they may be able to fly high enough

to get over the tariff wall that has been built between this country and other nations. Because of trade and tariff barriers our ocean-going vessels now have hardly enough business remaining to warrant their efforts to keep the American flag still flying upon the high seas of the world.

Mr. LINTHICUM. They can not get over this tariff wall, I do not care how many airships you have.

Mr. SHALLENBERGER. I maintain that this bill makes possible too great a drain upon the Public Treasury. At the proper time I shall offer an amendment providing that instead of paying \$35 a mile we pay \$12 or \$15, something comparable with that which we pay the great ocean-going vessels now, ships that have five times the amount invested in them and render a great deal more valuable service to the country.

We had testimony before the committee showing that these airships can earn a great deal of money in passenger traffic. Mr. Hunsaker pointed out that they would have capacity for 80 passengers. If they only take 50 passengers, at \$500 per passenger, that is \$25,000 per crossing, and every time they make a round trip they can earn \$50,000 in passenger fares. Mr. Hunsaker says they expect to make an initial charge of \$1,000 a passenger and they expected to get it for a while at least. The *Graf Zeppelin* charged \$2,000 a passenger, and they had a long waiting list of people who wanted to ride on that ship.

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

Mr. PARKER of New York. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, there has been more juggling of figures here to-day than I have ever seen in this House. As a matter of fact, the postage rates will be so adjusted as to cover the contingencies mentioned, and I believe this is one bill that will give the Government a chance to make some money. I am satisfied that the real result in the end will be a profit to the Government on this service.

There has been a great deal of talk about these airships being toys. Well, you know there were gentlemen in their day who said that railroad trains were toys, and then those who said that automobiles were toys, and not long ago they said that airplanes were toys. Believe me, those Zeppelins that came over and bombed London during the war were not toys, or if toys they were pretty dangerous ones, as they killed hundreds of people. As a matter of fact, I think crossing the ocean on a lighter-than-air ship of the type of the *Akron* is safer than crossing it on a surface ship. I have taken a trip on the *Akron*, and so have other Members of this House. It rides more comfortably and I think it is actually safer than an ocean-going boat. On the trip to the Pacific coast the *Akron* was not in any difficulty from the storms at any time. They did have to go over high mountains, which they would not have to do in crossing the ocean.

Because of the altitude, they automatically released some helium. Most of it was valved out, however, in an effort to descend rapidly when three inexperienced soldiers on the ground unfortunately got hauled up by a sudden shift in air currents in the hot valley that sent the *Akron* several hundred feet off the ground. These men became confused and failed to let go of the ropes in time. With regular docks and landing facilities such accidents would not occur. One of the benefits of this legislation is that new and additional terminal facilities for airships will be built by private capital, providing in itself much needed employment, and, best of all, without any expenditure on the part of the Government, millions of dollars will go into wages for construction work now, when employment is so needed. The fantastic story, incidentally, about the *Akron* being in difficulty in a storm over Texas on its westward trip and signaling its distress to the ground with flashlights from the airship arose from somebody's imagination and a lack of understanding of the situation. At no time was the *Akron* in distress, nor did it send out distress signals. Air-commerce regulations require airships to use intermittent running lights, and it was the periodic flashing of these navigating lights that created

the impression on the ground that flashlights were being used to signal from the *Akron*.

Actually, the crew were most comfortable and safe, and merely as a matter of precaution, Commander Rosendahl decided to cruise around during the night rather than go into the mountain country during the storm at night. There was no hurry and no reason to push on then. Had it been urgent, or in war, there would have been no hesitation in proceeding on its course, even in the storm. It was merely extra precaution with valuable Government property.

The storm, and incidentally one of the most severe that could be encountered, was in no way a barrier to the trip and offered no more hazard to the airship than a similar storm would to a surface vessel. It was, in fact, an excellent test and proof of the practical value and airworthiness of a big airship.

There is no possible expenditure under this bill for at least three years, so that it is not a question of adding to the present deficit; but it does mean that during those three years when employment is so badly needed, private capital will be brought out of hiding or inactivity and put into normal trade, because it will go into wages. What we need is to get capital into new enterprises. It means that the Goodyear Co. and perhaps others who will build these ships in the meantime, on a chance to bid for a contract, will employ many hundreds of people. Their money will go into circulation. That is the one thing we need to-day.

I have flown to South America and back through Central America, and I want to tell you that air service has materially improved and increased American trade in those countries. It gives us a chance to compete with European countries on the matter of service, both in sales service and the service of equipment on machinery and parts, that the European countries can not give. It has made a material change. The total deficit on air mail can not be charged up as a total loss, because against that is the increase in general American trade that heretofore has gone to other countries, to say nothing of improved international good will.

The next great development is in the air, of course, whether it is in war or in peace. The next great scene of activity is the Orient. The next great trade center to be developed is in the Orient, and that is where speed will be highly essential. It is important for us now to start the development of a type of transportation that will permit us to compete for trade in China with the rest of the world and particularly European countries. It is not the intelligent thing to wait until we are actually in competition with other lighter-than-air ships. The smart thing to do is to take the initiative. That is in keeping with the real American spirit. The thing for us to do is to prepare now for the future and be there first and not get there afterwards, when the trade has already been diverted into other channels.

The *Akron*, built out of Government funds, is a perfectly practical ship in peace or in war. That is now demonstrated. This bill provides the cheapest possible way for us to aid national defense—to get further development in lighter-than-air ships done privately. Otherwise, we will be forced to do it out of appropriations directly for the War and the Navy Departments. But in this way private capital will make scientific advancement in lighter-than-air ships, which the Navy and Army will profit and benefit by in their future operations.

There are so many benefits as well as possible savings from this plan that it should be undertaken. The answer to the question with reference to the deficit is that if the Budget is not in a condition to stand such contracts, they will not be made at that time, and the rate of postage can always be adjusted to a point to take care of whatever is necessary to spend for carrying the mail on these ships.

The maximum authorized rate per mile based on speed, identical with rates now being paid surface ships, is a protection to the Government, and at the same time places airships in a fair competitive position with surface ships.

The amount the Government, through the Post Office Department, safeguarded by the necessary approval of the Appropriations Committee and the Congress, may see fit to pay for the proposed service can be determined by the Government based on its consideration of: First, what revenue it may likely receive from extra postage; second, its value to the people of the United States in the development of foreign trade, the national defense and the continuance of a new industry seeking to establish itself in these times of depression. The mail-carrying capacity of a transatlantic airship is 20,000 pounds. If all of this capacity were used at a surcharge of 10 cents per letter, the Government would get \$80,000 per trip. If only one-half of this capacity were used the return would be \$40,000 per trip.

The cost of operating the airship must be recovered by selling its services for carrying passengers, express, and mail. Each service can be expected to pay whatever it is worth. No one can now tell how much these services can be sold for. Only experience in operating can determine this, and this experience can only be gained after private capital has expended many millions of dollars in building airships and terminals. Before setting up this operation, a price for passenger rates must be set up, also a price for express, also a price for mail. If any of these rates are too high or too low they will be adjusted in light of experience. The price the Government may pay will be determined by what the Government may figure its worth to the American people and by that standard only. In this determination the Government will, of course, take a risk with possibilities of gain or loss. The operator will take a greater risk because if the public will not become passengers or send express, the venture will be a failure, and the Government does not pay and the private millions invested in the enterprise will be lost.

If it fails, the Government loses nothing. If it succeeds, it is possible that the Government will make money out of its contract with the operator.

We must realize that we are not and can not longer remain isolated in matters of world trade, travel, and communications. No matter how much we might like to remain so, world progress will not permit it. Therefore it is incumbent upon us to keep pace with developments, and the wise thing is to lead not follow. The seed we sow to-day we will harvest to-morrow. I hope and urge that this bill will pass. [Applause.]

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

Mr. HUDDLESTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, every year there goes forth to the country a statement explaining the poor business showing of the Post Office Department and Congress is usually blamed for the deficit. These figures are at times misleading. Again they are the result of juggling the facts, and sometimes the postal policy law, which was enacted some few years ago, is entirely forgotten.

Some years ago we passed an act to separate from the actual postal charges, charges such as subsidies that should not be made against the Post Office Department appropriation. Nevertheless, the Post Office Department is held responsible for these losses, although they were all brought about by an authorization of Congress. This bill will be another charge against the Postal Department. It will increase that deficit, and we, in turn, will be required to increase either the cost for the use of the Postal Service, or we will be required to further decrease the salaries of the personnel in the Post Office Department.

This legislation, like every other measure introduced to promote a new and epoch-making method of transportation, will have its friends and its foes, and from the light of experience and history we know that those who disapproved such legislation in the past were in the course of years humiliated by the results attained.

So, while I will not take a positive position against this bill, because I know that within a few years air transportation of this kind will be as popular as rail or motor trans-

portation is to-day, still I believe we should have in mind that this will be another charge against the Post Office Department and that it properly should be made a charge against the Treasury Department.

Before air mail contracts are entered into under the provisions of this act the Post Office and Post Roads Committees of the House and Senate ought to be given some jurisdiction in the matter. This action, in my judgment, as carried out by the provisions of this bill, will be a usurpation of the authority of those committees.

The making of any air mail contracts for the transportation of United States mails overseas by airship at this time may be a deterrent factor in the uniform and proper development of the American dirigible industry. We should be sure that we neither discriminate nor show favoritism in the matter.

We have similar bills before our committee, and I am, of course, in favor of the general proposition. However, I think it ought to be properly safeguarded before it is adopted and some authority and discretion should be left with Congress. We give the same subsidy and the same privileges to foreign airships that we do to American airships, according to the provisions of this bill. I favor the principle of the bill, but I believe it should be amended. Such contracts as these should require the approval of Congress.

[Here the gavel fell.]

Mr. PARKER of New York. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, I agree with the principle just expressed by my friend the gentleman from New York [Mr. MEAD], chairman of the Post Office Committee, and yet, in line with that principle, I favor this bill and believe it should be enacted into law.

The bill carries out a consistent purpose which is older than our Constitution. It is the use of the Post Office Department to encourage and develop new industries. In 1784 the Continental Congress passed an act granting special rates of payment to stage-coach companies in order to encourage that means of transporting passengers between the villages and towns of the country. The post riders could carry the mails, but Congress subsidized the stage-coach companies for public benefit. Therefore there is nothing new about this proposal. It is simply an old-time program of the Post Office Department in carrying out the policy of encouraging new industries.

I agree with what the gentleman from New York [Mr. MEAD] has said about the cost. He stated clearly facts which should be remembered by every Member of this House. By the act of June 3, 1930, we specifically exempted from the Post Office balance sheet the charges for the air mail and merchant marine subsidies. We took out the cost of the franking and penalty privileges and other services of the kind. Thus, the figure given by the gentleman from Nebraska [Mr. SHALLENBERGER] of \$146,000,000 as the postal deficit is misleading. The net deficit was \$98,000,000. These other charges are for congressional policies for the encouragement of new means of transportation and other nonpostal activities.

It is said this bill should have been considered by the Post Office Committee, and we have had under consideration dirigible bills for the last four years. Taking the view that this bill provides for an extension of the merchant marine law, it logically comes from the Committee on Interstate and Foreign Commerce. As to cost, I believe the bill provides a way to make the service self-supporting after its establishment.

The carriage of 10,000 pounds of first-class mail is provided for under this bill. There is an average of 45 letters to a pound of mail. Under this measure the Postmaster General may establish any rate he desires. It is well within the limits of possibility to say he might fix a surcharge of 20 cents per letter, which would mean a total return of \$11.25 a pound. It is possible, therefore, to have a return of \$111,000 for a shipment of that poundage of mail. The total maximum cost under this bill will be less than \$100,000.

So I say there is the possibility this service will become self-supporting after it has proven its value. Certainly we should not hesitate to encourage a brand-new industry, which will set men to work, which will speed up delivery of mail in regard to foreign trade, and which will give us an advantage in speedy transportation over other countries. At the present time France is paying far more in subsidies in proportion to its air mail than is the United States. France not only pays a direct subsidy to aircraft companies carrying mail to her foreign possessions and to foreign countries but she allows the company to keep every penny of the postal revenues received. In this bill the postal revenues received go into the Treasury and are used to help pay the cost.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. HOGG of Indiana. What would be the objection to inserting in the bill an amendment which would provide that the expenditure for any arrangement the Post Office Department might make to carry out the provisions of the bill should not be larger than the revenue received.

Mr. KELLY of Pennsylvania. I am sure my friend knows that when we start experimenting with this service, there is bound to be a loss for a time. The Pan American Airways Co. has an investment of \$18,000,000, which has been used in the foreign air mail service of the United States. It has never paid a penny of dividend and yet it has rendered a great public service. The amount of mail carried shows an increase of 500 per cent over what it was at the start, and the revenues are almost as much greater. The money spent by the Government has been a most profitable investment and nothing we have done has increased to such a degree the friendly relations with our neighbor nations in Central and South America.

At the beginning of this kind of new service there is bound to be a considerable gap between income and outgo, but my belief is that there will be a continual lessening of that gap and in time this service can be made self-supporting.

Mr. HOGG of Indiana. I understand, however, that there was testimony presented or representations made that the income would be greater than the cost to the Government.

Mr. KELLY of Pennsylvania. No; I do not believe that would be so at first, because it will take time to prove to our business interests the value of speed and security. However, this measure should be enacted as a forward-looking measure, in line with modern progress. [Applause.]

[Here the gavel fell.]

Mr. HUDDLESTON. Mr. Chairman, I had hoped, when control of my committee shifted to my side, that I would be relieved thereafter of further performing the function of "his majesty's opposition." But it transpires that the present minority has abdicated their function so far as this bill is concerned, so that it devolves upon me to come back to my previous duty of pointing out why this measure should not be passed.

This is a typical special-interest bill. There is no public demand whatsoever for it. No public authority has asked for its passage or has appeared before the committee. It originated with the Goodyear Co., which conceived the idea that they would be able to get financial support for their merchant-airship development if they could get a profitable Government contract. If this bill is not passed they will build no ship. If this bill is passed—yet the company is unable to get this subsidy from the Post Office Department; is unable to get the Postmaster General to enter into the contract that is provided for—there will be no ship built. It will merely be a vain gesture in which we have indulged.

These gentlemen conceived the idea of getting this bill passed through Congress, not as a measure of public importance and not for the purpose of providing against unemployment, but as a means of securing profits for themselves in their industry. Although I have evidence that they have been very active in seeking to elicit support for the bill, I have received only two communications from what

you might call outside sources in behalf of it—they were from a couple of fine gentlemen in my district who were interested in a helium development and had been asked to write to me. They want to sell some helium, and, therefore, they are interested in this proposal.

It is a typical special-interest bill. No public interest is to be served or can possibly be served otherwise than in the development of a private industry, if that be a public interest. No responsible officer of the Government has advocated the passage of this bill. It was referred to the Secretary of Commerce. He made no reply. It was referred to the Postmaster General, who, in reply, took occasion to say:

that while we interpose no formal objection to the passage of the measure proposed, I deem it my duty to state clearly that our failure to make such objection must not be construed as committing the Post Office Department now or at any future time to a policy of dispatching the mails across the Atlantic or Pacific by lighter-than-air ships.

We come therefore to the House with hearings carrying only the testimony of those who expect to reap profits out of this proposal, and without any adverse interest having been heard, and without being supported by any responsible officer of the Government.

I am opposed to subsidies of any and all kinds. I trust I may continue to maintain my political fortitude and integrity to the extent that I may vote against all such measures in the future as I have always done in the past. Therefore I am opposed to this measure from the standpoint of principle.

I am merely performing a duty which I feel is imposed upon me in presenting the opposition to this bill. I feel that Members of the House are entitled to know what it means; and let me say to you that I doubt if any who are not on the committee, even after the debate you have heard, fully understand the significance of this bill. Perhaps you will understand but little if any better when I have finished my remarks. Nevertheless, I will at least have the consciousness that I have attempted to tell you something of what this bill means.

The poison in this bill is in subdivision (a) of section 1—the first and main dose of poison. By that provision we legislate with reference to the merchant marine act. You may read this bill yet not have the slightest idea of what it means; you may go even farther and read the merchant marine act and still not get any clear idea of what that provision of the bill means.

Yet that is the heart of the bill. That is what gives the Postmaster General authority to make a contract. There is where the subsidy is carried. Under that provision of the bill the Postmaster General is authorized to make contracts, binding upon the United States Government, for periods of 10 years each, and binding our Government to pay as much as \$35 a mile one way upon an indefinite number of lighter-than-air postal contracts that he may choose to enter into establishing routes across the sea. There is no limit upon the number of these routes which may be established. We may have 3 or 4 to Europe; 1 or 2 to Africa; 2 to South America; 3 to the Orient, and so on. There is no limitation whatever upon that. Under that provision the Postmaster General may agree to pay up to \$35 a mile for every one of these routes, no matter what its length may be.

It is, say, roughly speaking, about 3,500 miles to Paris. The Postmaster General is given the power under this measure to make a contract binding the Government for a period of 10 years to pay for every trip that one of these vessels may make from here to Paris \$122,000. For 50 trips a year you can see that the expenditure upon that one route would amount to over \$6,000,000.

If we may conceive that the Postmaster General would enter into contracts establishing routes as I have mentioned, it may possibly transpire that this service will cost the Government up to \$100,000,000 a year. And the amazing thing about this is that despite this enormous outlay, it does not follow necessarily that as much as a single letter shall be carried on a single route. Of course, I will not say this will

transpire. I merely point out to you what are the possibilities of this bill, and these are the possibilities. The contracts provided for do not require the carriage of any particular amount of mail nor any mail at all. Let me also say now, while I think of it, that every piece of mail sent through the air will be taken away from the mail which would otherwise be carried by our surface ships. I know of no reason to think that there would be any increase in the mail because it is carried in this fashion. And what we are now paying in subsidy to seagoing ships will not be reduced a penny.

Gentlemen take refuge behind the fact that this bill does not award a contract; that it is a mere authorization. In reply, I say this as a matter of principle: That the Congress should not authorize any officer of the Government to enter into a contract which Congress would not itself enter into if it were advised and had sufficient facts before it to enable it to act. The Congress can not shelter itself behind the faults of an officer whom it has clothed with authority to do that which he has done.

The responsibility is upon Congress, and Congress, when it authorizes contracts to be made, should surround them with such safeguards as to make it impossible that it shall be an improvident contract. The Congress should make it impossible that the Government should be beaten and defrauded by a contract, whether in good faith or otherwise.

In authorizing an agent to make a contract the principal is always chargeable not merely with legal but with moral responsibility for the contract which the agent makes within the scope of his employment, and the most that the principal can expect as between him and the agent is that the agent shall exercise his discretion in good faith; but as between outsiders, the responsibility, both legal and moral, extends to the full limit of the authority conferred upon the agent.

If we do not intend that the Postmaster General shall establish these routes, 10 or 20 routes extending to the remotest corners of the world, upon a basis of \$35 a mile and at an expenditure of somewhere between \$50,000,000 and \$100,000,000 a year, without a penny of benefit being derived by the Government—if we do not intend that the Postmaster General shall do this, then we have no right to give him authority to do it.

The argument has been made in behalf of this bill that it merely puts airships upon an equality with the surface-going vessel and enables them to make contracts on the same basis as the surface-going vessel.

This argument, of course, is made in good faith, but it is highly misleading. The joker in it is this: The rate of payment is based upon speed. The speed capacity of the surface-going vessel is about 35 miles an hour, which makes the maximum for a surface-going vessel about \$17.50 per nautical mile. But the speed capacity of an airship is about 70 miles per hour, so that the limit of payment at the same rate is \$35 per mile, or twice that which could be paid to any surface-going vessel.

The talk about competition is absurd. All you have to do is to put a speed limit in the request for bids and you exclude all the surface-going vessels. In short, you insure, by the passage of this bill, that only one concern in the country can bid on this contract, and that is the Goodyear Co., a concern which has not got a ship and does not need to have a ship until after the contract is awarded. All it has to do is to agree to build a ship within the three years before the contract shall begin.

This is a bill for the benefit of the Goodyear Co. It should be so labeled. It should be so recognized; and those who take the responsibility of voting for it shoulder the responsibility of voting a subsidy of nobody knows how much in amount to this particular concern for the purpose of enabling them to carry on this enterprise. This is what the bill means. This is why I can not vote for it.

When we were in the war everything that was brought in, in the way of a job, was "to help win the war." Everybody who had a selfish interest drew the cloak of patriotism around him and was helping to win the war. That same

spirit has passed on to us with the time and the emergency, the same argument has been adapted to the existing conditions, and again that same situation confronts us.

Now it is "unemployment." The idle by millions are walking the streets, hundreds of thousands of starving women and children are reaching out their hands for bread. Now they are capitalizing the humane sentiments which must arise in every heart in the face of such a situation; and we find similar selfish interests pulling the cloak of patriotism around them and saying, "We want to aid the unemployment situation."

If we had an entirely different situation, in which unemployment did not figure, some other highly patriotic reason would be found—"We want to expand our foreign trade," or "We want to nourish the prosperity of the country."

I have never known a selfish interest to come to Congress and put its case squarely on its merits and say, "We want you to pass this measure in order that we may make some money."

The thought crowds upon me that we are now reaping the awful fruit of policies of which this measure is a part. These processes of pseudo-socialism, of which Karl Marx would be ashamed, because they socialize for the benefit of a few instead of the welfare of the multitude. We are suffering from the fruits of such policies now.

Instead of going recklessly forward along this course, which has brought us to the brink of ruin, we should about face and go back to the practice of real individualism so that there might be opportunity for private initiative, free from governmental interference, free from governmental control, and free from governmental subsidies. [Applause.]

If this country is to survive it will be on the initiative of the individual citizen, and his hope to reap the fruits of his labor. It is not by going forward with governmental favors in subsidies or artificial trade barriers, which has brought ruin on the country.

If these people want to make money with airships, let them build them on their own responsibility. If conditions justify airships, we will have airships; we do not need to take this industry and swaddle it with funds from the public Treasury. It is by so doing that we have brought down upon ourselves and on our country the consequences from which we now suffer. Let every man and every business stand on its own feet. Give every man a fighting chance. Take the hand of the Government off business and off enterprise and off the individual. Take the hand of the Government out of the taxpayers' pocket. Let him who would ride pay for the horse. [Applause.]

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

Mr. PARKER of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, it seems to me that the efforts of the gentleman from Alabama [Mr. HUDDLESTON] should be directed toward the repeal of the merchant marine act and not to an amendment to that act to make it in keeping with the times in which we are living and the only hope that we may have from repairing the mistakes that are being made in the administration of that law. I am willing to concede a great many of the conclusions drawn by the gentleman from Alabama. He states that the grant of air mail contracts will take mail from the surface ships. Of course it will, just as the steamships took mail from the sail ships. Of course it will. At the time of the construction of the first paddle wheel the United States had the greatest merchant marine in the world, built in this country, manned with American crews. With the development of steam and the steamship this country insisted upon the sail ship, so that in one generation we were far behind in a merchant marine. If we delay now and continue to pour millions of dollars into subsidies for surface ships, other countries will have the supremacy in air transportation. The gentleman from Alabama refers to the average speed of surface ships of 35 miles an hour. I do not know whether he said 35 miles or 35 knots. I say that there is not 1 per cent of the ships to which we are paying subsidies that has a speed of 35 miles an hour. Yet I hear no protests from

the gentleman from Alabama when the appropriation bill comes before us for the payment of these subsidies. The difference between the subsidy paid to a surface ship under the merchant marine act and the amendment herein provided is that we pay a lot of money to a surface ship for carrying a little mail, while here we will pay a little money for carrying a lot of mail.

I can name line after line, and I have testified to it before the committee, of ships going out on regular trips carrying one pound of mail. I have named the ships; I have named the line; I have not only appeared before the committee upon it, but I laid these facts upon the desk of the President of the United States. What does this do? It simply amends the law to bring airships under the provisions of the merchant marine act. The gentleman says that none of the adversaries appeared before the committee. Of course not, because the bill is open. Any one who can qualify may obtain the benefits of the bill. There is no opposition to the bill. The gentleman says that it will benefit the Goodyear Co. Of course it will. There is no question about that. The Goodyear Co. is the only company in this country to-day that has successfully built a dirigible of the size and qualifications required under the present bill. Let us be frank about it. Of course, they will have the benefit of it, but at least the ship will carry the mail, and the demand for mail on airships will be such that the Post Office will save money. Why? For this reason. I say, and no one can contradict the fact that every week, every day of every week, there are ships leaving the port of New York receiving subsidies from the American Government for mail which they do not carry, but on the same day a foreign ship of higher speed is leaving the port, carrying mail for which we pay by poundage. Unless we keep up with the competition in air transportation we will find ourselves in a very few years in the same situation in which we were when we were compelled to pass the merchant marine act, when it was too late, and it has been badly managed.

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

Mr. LAGUARDIA. I can not now. The airship is not entirely in an experimental stage. Some gentlemen refer to it as a toy. That is silly. A ship of that size, being able to accomplish what dirigibles have up to date, we can not dismiss as a toy. We have succeeded in completing in this country the finest dirigible in the world, which is the *Akron*. The greatest authority in the world, and he is in a class by himself, Dr. Hugo Eckener, commander of the *Graf Zeppelin*, an engineer, says this of the *Akron*:

Having just completed a detailed inspection of the U. S. airship *Akron* at the kind invitation of the commandant of the naval air station, Lakehurst, I am anxious to express to you and your department my sincere congratulations upon the completion of this wonderful ship. A number of fundamental improvements over the conventional design, particularly the inside power plants and the swiveling propellers, besides a number of novel features, represent such a fortunate combination and are of such far-reaching importance that I fully understand the pride and satisfaction which her commander, her officers, and crew take in her. Furthermore, such performance data of the ship as have become known to me, together with the superb workmanship apparent in every detail, are so excellent that I am anxious to convey to you my admiration for this masterpiece of American engineering and draftsmanship.

Mr. Chairman, we pride ourselves in the development of the internal-combustion motors. I suppose every gentleman on the floor believes that we have advanced ahead of every other country in motor development. As a matter of fact, all this good workmanship that Doctor Eckener talks about would be useless were it not for the German motors that are on that ship. I wonder how many of the Members here to-day know that after we had built the *Akron*, and after we had shown the ability to construct that ship, we did not have the motors to put in it, and we had to go to Germany to get them.

The *Akron* to-day is equipped with Maybach motors. So that we must learn as we proceed in the development of aviation, and I for one do not want to see my country fall behind as it did with the steamship and as it surely will with the airship unless we do something. If we had not

subsidized the merchant-marine surface ships, if we had not adopted that policy, then I submit that some arguments presented by the gentleman from Alabama might be tenable.

Mr. WOODRUFF. Will the gentleman yield?

Mr. LAGUARDIA. Not just now. However, in the face of having adopted this policy, in the face of having subsidized surface ships, I say it is simply bringing this bill up to date to amend it, so as to make it possible that an airship may carry mail and receive the same advantages as the surface ships receive.

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

All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following provisions of the maritime law as now in force are hereby made applicable to foreign commerce by American-built airships registered under the air commerce act of 1926:

(a) Sections 404, 405 (b), 406, 407, and 409 to 413, inclusive, of the merchant marine act, 1928, relating to the ocean mail service; and

(b) Sections 4281 to 4287, inclusive, of the Revised Statutes and section 18 of the act of June 26, 1884 (23 Stat. 57), relating to the limitation of vessel owners' liability; and

(c) Sections 1 to 6, inclusive, of the act of February 13, 1893 (27 Stat. 445), commonly known as the Harter Act; and

(d) Section 15 of the shipping act, 1916, relating to foreign-trade agreements.

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

The Clerk read as follows:

Amendment offered by Mr. HUDDLESTON: Page 2, line 1, strike out lines 1, 2, and 3.

Mr. HUDDLESTON. Mr. Chairman, my amendment would eliminate from the bill the clause which enables the Postmaster General to make a contract for carrying the mails by these airships. It takes away the subsidy which is found in this bill. It removes the poison from this dose that is now tendered.

What I have said in opposition to the bill was addressed to the part which I now seek to remove, and is applicable to my amendment. I have nothing further to add.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the amendment. Of course, Mr. Chairman, to adopt this amendment would be unjust. I still have not come to the conclusion that the Postmaster General, simply because he is Postmaster General, will be a scoundrel. I think the proper assumption is that he is going to be honest and serve the interests of the American people.

I remember reading one time a quotation from a famous author in which he said:

He that sayeth there is no such thing as an honest man you can be sure is a rogue himself.

I make no personal application of that, of course, but cite it merely as a caution to those who are tempted to assume the "holier-than-thou" attitude.

Now, Mr. Chairman, is there any reason why this or any other means of transportation should not have the same right to carry cargoes, whether passengers, express, or mail, as any other kind of transportation? None whatsoever.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. CROSSER. I yield.

Mr. HOGG of Indiana. How much will this bill cost the Government?

Mr. CROSSER. This bill will not necessarily cost the Government a nickel. These ships will be built without a single penny of expense to the Government, whereas the steamship companies can borrow three-fourths of the value of their ships. They do not ask for a single dollar.

Mr. WOODRUFF. Will the gentleman yield?

Mr. CROSSER. I yield.

Mr. WOODRUFF. Is it not a fact that any money that is paid to these particular ships for carrying the mail will not be paid to some other ship for doing exactly the same thing, if these ships are built and authorized to carry mail?

Mr. CROSSER. Absolutely so. It seems to me so preposterous. One must have highly developed the love of the heroic rôle when he can picture himself with his back to the wall protecting the American people against a Postmaster General determined to place upon the Post Office Department all of the expense of operating one of these airships and let them carry 80 passengers and a great deal of express scot free. It is so ridiculous that it does not need to be further discussed. If we really believe that this country of ours should avail itself of the opportunity of taking a place in the front rank of the nations of the world in an effort to extend the trade of this country, if we have sense enough to avail ourselves of the advantage of the natural monopoly we have, namely, the helium of the country, located in Texas, Colorado, Kansas, and Utah, we could not give a moment's consideration to this amendment.

These people ask only that they be given an opportunity to bid to carry the mails at a fair rate of compensation. The rates named in the bill are merely the maximum or limit beyond which they can not go. They are the rates fixed by the marine act. As far as I am concerned, I would be perfectly willing to have said the Postmaster General may make a fair contract with these people for the carriage of the mail and let it go at that. We thought we were making doubly sure by putting it on the same basis as the merchant marine act puts the surface ships.

Mr. THATCHER. Will the gentleman yield?

Mr. CROSSER. I yield.

Mr. THATCHER. In the bill, is it intended that the right of the Postmaster General to exercise the power to make a contract shall be permissive or compulsory?

Mr. CROSSER. Altogether permissive. This does not do anything except permit the Postmaster General to make a contract for the carriage of the mail, if he considers it in the public interest. The minority report says that the supporters of the bill would not be interested in its passage if it did not permit the carriage of mail. Neither would it be desirable if it prohibited the carrying of passengers and express. Of course, they must be able to carry all three kinds of traffic in order to make it a success.

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

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

Mr. Chairman, the gravamen of the argument in favor of this subsidy is that it is for the expedition of the transportation of mail. Following the logic of that position, we should subsidize, or have subsidized, our transoceanic cables and our wireless, because the prime purpose of these utilities is communication.

It is known that under the subvention act we grant subsidies to various classes of steamers based upon their speed, the maximum being \$12 a mile. These steamers are obliged to carry all the mail that is offered, regardless of its tonnage, in addition to the mileage subsidy, and for this they get no return. They are paid for the carriage performed.

By this bill you are going to pay this private undertaking, this private establishment, \$35 a mile instead of \$12 a mile, for it is stated that it is possible under the provisions of the bill to pay \$35 a mile, to give employment to a private industry. For what? Not the carriage of the mail. Such an agency is already provided to-day.

The gentleman from Ohio says the law would not be abused by the Postmaster General. I say the Postmaster General has abused the air mail appropriation in establishing foreign-mail service from American ports to South American ports, and has expended millions and millions of dollars when the mail did not justify the expenditure.

This is an authorization without any limitation whatsoever. If the principle involved does not mean anything to the Democrat who is advocating this bill, it does mean something to me, because I do not believe in voting special favors to the special few.

Mr. PARKER of New York. Mr. Chairman, I move to strike out the last word.

Of course, you all recognize that the amendment offered by the gentleman from Alabama means he might just as well have moved to strike out the enacting clause. It means the absolute discarding of the purposes of the bill.

A great deal has been said about the rate being \$35 a mile and about there being no return to the Federal Government. Of course, that is possible, but at least we have got to concede that the Postmaster General is a man of ordinary ability; and, if he is, he certainly is not going to grant a contract at the maximum price and carry the mail for the minimum postage. That can not be. No sane man would ever make a contract of that kind.

Now, you talk about speed, about the use of dirigibles over the water. As the gentleman from New York said, about 15 miles an hour is the economical speed of a steamship. When you go beyond 20 miles an hour the cost of the increased speed is entirely too great to make it economical to build ships faster than about 15 to 20 miles an hour for a long trip.

With aircraft or lighter-than-air craft, the minimum speed will be about 60 miles an hour, and they are able to go up to a hundred miles an hour. In other words, the time of crossing the ocean will be reduced from five days to less than two days.

You all know the difference between freight and express. The steamship companies are not opposing this bill. They know perfectly well that the quicker transportation of mail will increase their freight business, for the reason that business men are in closer contact with their customers abroad.

The opposition talked about four or five lines to Europe and four or five lines to Africa. This is not the last Congress that is ever going to sit. If this law is abused some future Congress can change it. If any company should try to establish more lines than were practical, any honest and efficient Postmaster General would refuse to grant contracts. He would not grant any more contracts than were entirely practical.

I most sincerely hope the amendment of the gentleman from Alabama will be voted down, because, as I have said, you might just as well strike out the enacting clause.

Mr. REED of New York. Mr. Chairman, I move to strike out the last three words.

Solomon once said, "Where there is no vision the people perish."

We have to go back only a short time to 1907 when the Fulton celebration was being held in New York City. Thousands of people were there from all parts of the United States to witness a trial run of the old *Clermont*, which had been reproduced for that purpose. Thousands watched the old *Clermont* as it navigated with difficulty the current of the river. It provoked a great deal of merriment when this pioneer steamship was contrasted with the great, modern, palatial steamers in the harbor, equipped with every possible comfort and luxury from libraries to swimming pools. While the spectators were watching and noting the contrast and commenting on the great improvement and advancement that had been made in a hundred years, some one shouted, "Look" and pointed to the sky. Thousands of people looked and marveled, for there they saw Curtiss flying over the city.

Again drawing upon our imagination and going back to a time not long after the *Clermont* celebration, we read in great headlines that a ship in distress had sent out an S O S and how numerous ships had received the message and had ordered the pilot to turn back to aid a ship in distress—simply marking the advance that had been made in the field of communication.

One of the most powerful, one of the most logical arguments presented in the United States Senate, with reference to a mechanical invention, was made by Daniel Webster pointing out the impracticability of railroads. He said trains could never hope to attain a speed of more than 20 miles an hour, because if they did the friction would cause the rails to roll up behind the train.

So it is about time to stop and reflect upon the age in which we are living. All of these inventions came in as toys. Many people ridiculed them and characterized them as impractical. Some of these mere toys, such as the tele-

graph, the radio, the automobile, and the airplane, have literally put hundreds of thousands of men to work at high wages.

One of the needs of the hour is some new invention to take up the slack caused by the invention of machinery which has displaced so many men. The airship is not a toy anymore. It is here to stay. It has already circumnavigated the globe. Companies are running regular airship lines from Germany to other countries.

This is a nation of inventors; it is a nation of people who possess initiative; therefore it seems to me the time has come when we should at least lend encouragement to an enterprise that possesses such great potential possibilities. We subsidized our ships; we subsidized our railroads with public lands, with the result that through this aid and encouragement we brought convenience, prosperity, and happiness to the people as a whole and an abundance of prestige and national wealth as well.

I hope this amendment will be defeated; that we may by our vote encourage this new means of transportation. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) For the purposes of section 409 (a) and (b) of the merchant marine act, 1928, as hereinbefore made applicable, there is hereby established the following class for airships employed in mail service in foreign commerce: Class 1, airships capable of carrying 10,000 pounds of mail, with a suitable commercial load, a distance of 2,000 miles without refueling. The compensation for airships of class 1 shall be the same as that provided by section 409 (a) and (b) for vessels of class 1.

(b) Section 15 of the shipping act of 1916, as hereinbefore made applicable, shall be administered by the Secretary of Commerce: *Provided*, That the Secretary of Commerce shall not approve any agreement which prevents any person a party thereto from making a similar agreement with any other person or persons nor unless it relates to commerce between the United States or possessions or Territories of the United States and foreign countries.

(c) General average and salvage shall be payable with respect to airships of the United States engaged in foreign commerce, their cargoes and freights, in accordance with the maritime law with respect to general average and salvage.

With the following committee amendment:

On page 2, strike out all of lines 13 to 21, inclusive, and insert in lieu thereof the following:

"SEC. 2. (a) For purposes of section 409 (a) and (b) of the merchant marine act, 1928, as hereinbefore made applicable, there are hereby established the following classes for airships employed in mail service in foreign commerce: Class 1, airships capable of carrying 10,000 pounds of mail, with a suitable commercial load, a distance of 2,000 miles without refueling, and capable of maintaining in ordinary weather an air speed of at least 65 knots (74.85 statute miles per hour); and class 2, airships capable of carrying 5,000 pounds of mail, with a suitable commercial load, a distance of 1,000 miles without refueling, and capable of maintaining in ordinary weather an air speed of at least 55 knots (63.33 statute miles per hour). Compensation for airships of class 1 shall be the same as that provided by section 409 (a) and (b) for vessels of class 1. The compensation for airships of class 2 shall be one-half that provided by section 409 (a) and (b) for vessels of class 1."

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HUDDLESTON to the committee amendment: Page 3, line 15, after the words "class 1," insert: "*Provided*, That the contracts shall provide that compensation stipulated for shall not exceed such income as the United States shall derive from the mails which may be carried by airships."

Mr. HUDDLESTON. Mr. Chairman, the statement has been made that the Government would lose nothing by these mail contracts.

Mr. MAPES. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. MAPES. I am not sure as to the extent of the gentleman's amendment. It seems to me from the reading of

it that the limitation of the gentleman's amendment would apply only to the class 2 ships and not to the class 1 ships.

Mr. HUDDLESTON. No; it applies to all.

Mr. MAPES. The gentleman's amendment, then, is not a limitation upon the last sentence but upon the paragraph.

Mr. HUDDLESTON. Yes. The statement has been made that the Government will lose nothing by these contracts—in other words, that the mails carried will be sufficient to pay the contract price. The purpose of my amendment is to insure that. It will forbid the payment of anything in excess of what may be derived from the mails carried.

If we purpose to grant a subsidy and if that is our intention, then my amendment should not be adopted. If it is our purpose that this service shall be self-sustaining and derive its expense from the mails which may be carried, then my amendment should be adopted.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Alabama will concede that I for one am willing to call a thing by its right name. I say this is a subsidy. There is no doubt about it, because if it were not a subsidy and they were carrying the mail by poundage we would not need a bill. That is why I am opposed to the gentleman's amendment.

Mr. HUDDLESTON. But gentlemen have argued that it was not a subsidy and that it would pay its own way.

Mr. LaGUARDIA. It is a subsidy.

Mr. HUDDLESTON. All those who believe that way ought to vote for my amendment.

Mr. LaGUARDIA. It is a subsidy, because, I repeat, if it were not so, and if we paid for the mail carried, they would get a contract under the poundage system and the bill would not be necessary. I prophesy now that after the first trans-Atlantic airship is built, the demands for carrying the mail will be so great that succeeding ships will prefer to carry the mail on a poundage basis.

Mr. HUDDLESTON. The purpose of my amendment is to take away the possibility that we may spend all of this money and not have a single letter carried.

Mr. LaGUARDIA. That is not possible, although that is going on right now. I could name ship after ship and line after line getting subsidies for mail and carrying no first-class mail, and our only hope of extricating ourselves from the enormous cost and the demands brought about by the merchant marine act is to adopt this new system of transportation, where we will pay a subsidy and get service in return. If you are against the bill, then, of course, you should adopt the amendment offered by the gentleman from Alabama; but if you are in favor of progress and in favor of giving this new means of transportation the same treatment that is accorded obsolete surface ships, then I say vote down the amendment.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. SHALLENBERGER. Does the gentleman think the ship subsidies we have voted and are now paying have resulted in any benefit to the commerce of this Nation or its trade?

Mr. LaGUARDIA. The gentleman knows my position on that.

Mr. SHALLENBERGER. I think here is a good place to stop subsidies.

Mr. CROSSER. Mr. Chairman, I move to strike out the last word. The pending amendment is plausible but very unsound. It proposes to require the airship company to hold at the disposal of the American Government a certain amount of space and let the Government, if it sees fit, either refuse to let them have a cargo of mail or give them an insignificant cargo. In other words, the carrier could not possibly be sure as to having a cargo of mail.

If you were to allow the carrier to deal with the public directly, as it can do in regard to express, of course it could soon come to a conclusion as to what is or is not a fair rate for carrying each letter or each piece of mail.

To ask a private owner to furnish the space, to furnish the expensive equipment, and have no assurance that the Government will furnish a cargo that would pay him the cost of the service he gives in reserving such space, would

seem to me absolutely preposterous and unfair, and I, therefore, ask, in all justice, that this amendment be voted down.

Mr. HOGG of Indiana. Mr. Chairman, I rise to support the amendment of the gentleman from Alabama. I have sent a similar one to the desk.

For the past six months we have declared and heard in Congress and from our constituents that we balance the Budget. Personally I am of the opinion that this matter has been discussed altogether too long and that action to balance the Budget should have been taken months ago. I believe that all of us are in favor of balancing the Budget and of reduction of the expenses of government.

What are you doing here now? In plain language you are doing exactly what the gentleman from Alabama [Mr. HUDDLESTON] has said you are doing and what the gentleman from New York [Mr. LaGUARDIA] admits you are doing, namely, you are voting a substantial subsidy. You are putting another hole in the bottom of the United States Treasury. You are spending taxes of the public in a time of national distress.

It had been represented to me that this proposed law would not call for a subsidy. Personally I am not voting for this subsidy. We must diminish the subsidies already granted instead of creating more debts to pay.

All of us know that airships are past the experimental stage. The only thing permanent in this world is change. Advancement will come without another subsidy being voted from the United States Treasury. I believe it is my highest duty, as well as yours, to see to it that the tax burden of the American people is substantially lowered; when you vote against this amendment, you vote to increase taxes.

This amendment ought to prevail or the bill ought to be defeated.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. HOGG of Indiana. I yield.

Mr. COOPER of Ohio. Does not the gentleman realize that any air mail that might be carried on one of these airships will be taken from one of the ocean liners that is now receiving a subsidy, so this would not increase the cost any?

Mr. HOGG of Indiana. And the same subsidy would be paid to the liner that it receives now.

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The question was taken; and on a division (demanded by Mr. HUDDLESTON) there were—ayes 31, noes 65.

So the amendment was rejected.

Mr. SHALLENBERGER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SHALLENBERGER to the committee amendment: On page 3, line 11, after the period, strike out the balance of line 11, and all of lines 12, 13, 14, and 15, and insert in lieu thereof the following:

"The compensation for airships of class 1 shall in no case exceed \$12 per nautical mile and the compensation for airships of class 2 shall be one-half of that allowed airships of class 1."

Mr. SHALLENBERGER. Mr. Chairman, this amendment seeks to limit the amount of subsidy or pay for carrying the mail by airships to the same amount as that allowed to ocean-going vessels.

As I pointed out in my remarks at the beginning of this debate, the investment in the class 1 ocean-going ship is four or five times the cost of an airship. So it seems to me that in considering the condition of our Federal Treasury, our enormous postal deficit, and the tremendous tax bill just voted to meet the lack of money in the Treasury, we are not warranted at this time in paying a subsidy such as would be possible under the terms of the bill.

It will be noted by a reference to section 409 that I have used the language which provides the pay that shall be allowed to ocean-going vessels. There is a provision in the section following that which provides that under certain circumstances, where the speed of the vessel carrying the mail is greater than 24 knots an hour, additional pay of 50 cents a nautical mile may be allowed by the Postmaster General.

and it was shown throughout the hearings that the airship builders expect that they are to receive this additional compensation, or at least \$35 a mile. Under my amendment, Mr. Chairman, airships can be allowed \$12 per mile. For a 3,000-mile trip the pay would be \$48,000, and for a trip to the Orient it would be \$180,000 a trip. With cotton at 5 cents a pound and eggs 5 cents a dozen, I submit that \$50,000 a pound is enough for transporting mail to Europe.

I submit to the House that we are going to have something to explain to the people, after voting an increase of \$135,000,000 upon the people in postage increase for transporting our mail here at home and a 2-cent tax on every bank check we issue to make up our present deficit, when we provide in this bill that the Government may be required to pay hundreds of thousands of dollars for transporting one pound of mail or one letter to the Orient or to Europe.

So I submit, Mr. Chairman, we would allow sufficient subsidy under my amendment to pay them the very limit that is now possible to be paid to the fastest ocean-going greyhound upon the sea. It was demonstrated before the committee that these ships will earn in passenger carriage an amount almost equal to the amount I have offered in my amendment. So, in all fairness to the airship builders and the public, if we allow them the tremendous subsidy that is now allowed to the ocean-going vessels, we are granting the limit that can in all conscience be granted to the beneficiaries of this act.

Mr. CROSSER. Mr. Chairman, of course, this is the same thing, in another form, that was proposed in the last amendment.

The very purpose of providing the rule that was laid down in the merchant marine act was to enable the Postmaster General to procure the very fastest form of transportation possible.

It is admitted that 25 knots an hour is the maximum rate of speed commercially profitable for a surface vessel. This amendment proposes to pay the same rate provided for surface ships for carrying a load of 20,000 pounds of mail, which is about one-fifth of all the mail that goes from New York to Europe. If a vessel could have been built with the necessary speed, it would have been paid rates calculated according to its speed. But it has been found on calculation that to increase the speed of surface vessels 10 per cent, so as to successfully compete with the *Europa* or the *Bremen*, would cost \$60,000,000 for each ship, and, of course, that was out of the question.

Mr. LAGUARDIA. The surface ship gets the contract and borrows money to build the ship.

Mr. CROSSER. Yes; it borrows three-quarters of the price of the ship, and airship people do not ask a cent. I say instead of harassing the dirigible people we should give them every encouragement. I ask that the pending amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. SHALLENBERGER].

The question was taken; and on a division (demanded by Mr. SHALLENBERGER) there were 20 ayes and 50 noes.

So the amendment was rejected.

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

The Clerk read as follows:

Page 3, lines 2 and 3, strike out "2,000" and insert "2,500."

Mr. SWING. Mr. Chairman and members of the committee, I want to support this bill. I have heard a lot of arguments in favor of it to-day, and the talk about the fast carrying of mails between here and Europe and between the United States and the Orient are persuasive. I am interested in that. But if you are to have airships that can fly only 2,000 miles, where are you going to be when you run out of gas? [Laughter.]

I would like to start the mail on these lighter-than-air ships and have it arrive at some place, and to arrive at some place your ship will have to do better than 2,000 miles. That will not get you to Hawaii and it will not get you to Europe. So, my friends, if you are going to provide for

airships carrying the mail across the ocean, you must provide for ships that can go farther than 2,000 miles. [Applause.]

Mr. CROSSER. Mr. Chairman, we will accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SWING].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The Clerk read as follows:

SEC. 3. (a) As used in this act the term "foreign commerce" means commerce between the United States or possessions or Territories of the United States and foreign countries, or between the United States and possessions or Territories of the United States, or between possessions or Territories of the United States, or between foreign countries; the terms "United States," when used in a geographical sense, means the several States and the District of Columbia; and the term "possession of the United States," shall include the Panama Canal Zone.

(b) No air mail contract made pursuant to this act shall obligate the United States to any expenditure thereunder earlier than three years after the approval of this act.

(c) This act may be cited as the "merchant airship act, 1932."

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

The Clerk read as follows:

Page 4, line 16, strike out the period, insert a colon, and add the following:

"Provided, however, That all contracts awarded under the provisions of this act shall receive the approval of Congress."

Mr. LAGUARDIA. Mr. Chairman, I reserve the point of order.

Mr. MEAD. Mr. Chairman, in view of the attitude of the Department of Commerce, as well as the Post Office Department, in taking no decided or definite stand in favor of or against this legislation, coupled with the fact that we are attempting to legislate for a succeeding Congress and that we are reaching at least three years into the future, it occurs to me that at the time when a future Cabinet Officer is called upon to administer the provisions of the act, the Congress then in existence should have an opportunity and some authority to pass on the contracts. I still maintain that this legislation ought to be considered by the Post Office Committees of the House and Senate, and in view of the fact that they had no opportunity to consider or study it, and also because it is not exactly required at this time, we should have the power to review the contracts when the contracts are finally and ultimately entered into. I know as one Member of Congress that I shall support, if a Member at that future time, any fair and reasonable contract to promote this new method of transportation, and I do not believe anyone should be afraid to come before the Congress with a reasonable proposition. Therefore, I ask you to adopt the amendment I have offered in order that the Congress in session at the time might have an opportunity to review the agreement made by the department.

Mr. MAPES. Mr. Chairman, I rise in opposition to the amendment for the purpose of making an announcement. I have just been handed the result of the vote in the Chicago convention this afternoon upon the nominations for President and for the information of the House I shall read it:

Charles G. Dawes, 1; James M. Wadsworth, Jr., 1; Calvin Coolidge, 4½; Joseph I. France, 4; Senator BLAINE, 13; Herbert Hoover, 1,126½.

[Applause.]

Mr. LAGUARDIA. Mr. Chairman, I withdraw the reservation of the point of order.

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

The question was taken; and on a division (demanded by Mr. MEAD) there were—ayes 39, noes 55.

So the amendment was rejected.

The CHAIRMAN. Under the rule the committee will rise. Accordingly the committee rose; and Mr. RAINEY having resumed the chair as Speaker pro tempore, Mr. WOODRUM,

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. 8681, to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship, and under the rule he reported the same back to the House with sundry amendments.

The SPEAKER pro tempore. The previous question is ordered on the bill to final passage. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments. The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 110, noes 45.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present and I challenge the vote because there is no quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and ninety-eight Members present, not a quorum. The call is automatic. The Door-keeper will close the doors. The question is on the passage of the bill.

The question was taken; and there were—yeas 163, nays 146, answered "present" 3, not voting 118, as follows:

[Roll No. 99]

YEAS—163

Adkins	Cullen	Kemp	Ransley
Aldrich	Curry	Kendall	Rayburn
Allen	Dallinger	Ketcham	Reed, N. Y.
Andrew, Mass.	Darrow	Kniffin	Rogers, Mass.
Andrews, N. Y.	Delaney	Kurtz	Rudd
Arentz	Dickstein	LaGuardia	Schafer
Baldrige	Drewry	Larsen	Seeger
Bankhead	Eaton, Colo.	Lehlbach	Seiberling
Barbour	Erk	Lewis	Sirovich
Barton	Evans, Calif.	Lichtenwalner	Smith, Idaho
Bohn	Evans, Mont.	Lindsay	Smith, Va.
Bolton	Fiesinger	Linthicum	Smith, W. Va.
Bowman	Fish	Loneragan	Stewart
Brand, Ohio	Fitzpatrick	Luce	Strong, Kans.
Britten	Foss	McClintock, Ohio	Strong, Pa.
Brumm	Garber	McFadden	Stull
Burtness	Gifford	McGugin	Sullivan, N. Y.
Butler	Goldsbrough	McLaughlin	Sutphin
Cable	Goss	McLeod	Swanson
Campbell, Pa.	Greenwood	Maas	Sweeney
Carley	Griffin	Magrady	Swing
Carter, Calif.	Guyer	Maloney	Tarver
Celler	Hadley	Mapes	Thatcher
Chavez	Haines	Martin, Mass.	Timberlake
Chipherfield	Hall, Ill.	Martin, Oreg.	Tinkham
Clague	Hall, Miss.	Mead	Underwood
Clancy	Hancock, N. Y.	Michener	Vinson, Ga.
Cochran, Mo.	Hardy	Millard	Wason
Cochran, Pa.	Harlan	Montet	Watson
Cole, Iowa	Hartley	Moore, Ohio	Weeks
Cole, Md.	Hess	Mouser	Welch
Colton	Hoch	Nelson, Me.	West
Connery	Hollister	Niedringhaus	White
Cooke	Holmes	Norton, N. J.	Whitley
Cooper, Ohio	Hooper	Palmisano	Wigglesworth
Cox	Hope	Parker, N. Y.	Wilson
Coyle	Hull, Morton D.	Person	Wolverton
Crall	Jacobsen	Pittenger	Woodruff
Crosser	Jenkins	Polk	Wyant
Crowther	Jones	Prall	Yates
Culkin	Kelly, Pa.	Purnell	

NAYS—146

Almon	Carden	Doxey	Green
Amle	Cartwright	Driver	Griswold
Andresen	Cary	Dyer	Hall, N. Dak.
Bacon	Christopherson	Ellzey	Hare
Beam	Collins	Fishburne	Hart
Black	Condon	Frear	Haugen
Bland	Cross	French	Hill, Ala.
Blanton	Crowe	Fulbright	Hill, Wash.
Boileau	Davenport	Fuller	Hogg, Ind.
Boland	DeRouen	Fulmer	Hogg, W. Va.
Briggs	Dickinson	Garrett	Holaday
Brunner	Dies	Gavagan	Hornor
Burch	Dieterich	Gilbert	Howard
Burdick	Dominick	Gilchrist	Huddleston
Campbell,	Douglass, Mass.	Glover	Jeffers
Canfield	Dowell	Granfield	Johnson, Mo.

Johnson, Okla.	May	Romjue	Swick
Johnson, Tex.	Miller	Sanders, Tex.	Taber
Kading	Montague	Sandlin	Taylor, Colo.
Kelly, Ill.	Moore, Ky.	Schneider	Temple
Kerr	Morehead	Schuetz	Thomason
Kinzer	Nelson, Mo.	Selvig	Thurston
Kleberg	Norton, Nebr.	Shallenberger	Turpin
Knutson	Oliver, Ala.	Shott	Vinson, Ky.
Kvale	Oliver, N. Y.	Shreve	Weaver
Lankford, Ga.	Overton	Simmons	Williams, Mo.
Larrabee	Parker, Ga.	Sinclair	Williamson
Loofbourov	Parsons	Snow	Wingo
Lovette	Patman	Somers, N. Y.	Withrow
Lozier	Pettengill	Sparks	Wolcott
Ludlow	Pou	Spence	Wolfenden
McClintic, Okla.	Ragon	Stafford	Wood, Ga.
McCormack	Ramsayer	Steagall	Wood, Ind.
McKeown	Ramspeck	Stevenson	Woodrum
McSwain	Rankin	Summers, Wash.	Wright
Major	Reilly	Sumners, Tex.	
Mansfield	Rich	Swank	

ANSWERED "PRESENT"—3

Bacharach

O'Connor

Rainey

NOT VOTING—118

Abernethy	Cornling	Houston, Del.	Owen
Allgood	Crisp	Hull, William E.	Parks
Arnold	Crump	Igoe	Partridge
Auf der Heide	Davis	James	Patterson
Ayres	De Priest	Johnson, Ill.	Peavey
Bachmann	Disney	Johnson, S. Dak.	Perkins
Beck	Doughton	Johnson, Wash.	Pratt, Harcourt J.
Beedy	Douglas, Ariz.	Kahn	Pratt, Ruth
Bloom	Doutrich	Karch	Reid, Ill.
Boehne	Drane	Keller	Robinson
Boylan	Eaton, N. J.	Kennedy	Rogers, N. H.
Brand, Ga.	Englebright	Kopp	Sabath
Browning	Estep	Kunz	Sanders, N. Y.
Buchanan	Fernandez	Lambertson	Shannon
Buckbee	Finley	Lambeth	Snell
Bulwinkle	Flannagan	Lamneck	Stalker
Busby	Free	Lanham	Stokes
Byrns	Freeman	Lankford, Va.	Sullivan, Pa.
Cannon	Gambrill	Lea	Taylor, Tenn.
Carter, Wyo.	Gasque	Leavitt	Tierney
Cavichia	Gibson	McDuffie	Tilson
Chapman	Gillen	McMillan	Treadway
Chase	Golder	McReynolds	Tucker
Chindblom	Goodwin	Manlove	Underhill
Christgau	Gregory	Milligan	Warren
Clark, N. C.	Hancock, N. C.	Mitchell	Whittington
Clarke, N. Y.	Hastings	Mobley	Williams, Tex.
Collier	Hawley	Murphy	Yon
Connolly	Hopkins	Murphy	
Cooper, Tenn.	Horr	Nolan	

So the bill was passed.

The Clerk announced the following pairs:
On this vote:

Mr. Free (for) with Mr. Arnold (against).

Mr. Johnson of Washington (for) with Mr. Bulwinkle (against).

General pairs:

Mr. Rainey with Mr. Snell.
Mr. Crisp with Mr. Bacharach.
Mr. Ayres with Mr. Kopp.
Mr. Hastings with Mr. Johnson of South Dakota.
Mr. Byrnes with Mr. Bachmann.
Mr. McMillan with Mr. Manlove.
Mr. Collier with Mr. Connolly.
Mr. McDuffie with Mr. Hopkins.
Mr. Gambrill with Mr. Stokes.
Mr. Warren with Mrs. Pratt.
Mr. Buchanan with Mr. Chindblom.
Mr. Whittington with Mrs. Kahn.
Mr. Milligan with Mr. Beedy.
Mr. Yon with Mr. Leavitt.
Mr. Davis with Mr. Beck.
Mr. Williams of Texas with Mr. Doutrich.
Mr. Lanham with Mr. Lankford of Virginia.
Mr. Rogers with Mr. Tilson.
Mr. Douglas of Arizona with Mr. Murphy.
Mr. Tierney with Mr. Perkins.
Mr. Doughton with Mr. Reid of Illinois.
Mr. Tucker with Mr. Gibson.
Mr. Fernandez with Mr. Pratt.
Mr. Chapman with Mr. James.
Mr. Kennedy with Mr. Horr.
Mr. Cornling with Mr. Partridge.
Mr. Patterson with Mr. Carter of Wyoming.
Mr. Shannon with Mr. Lambertson.
Mr. Drane with Mr. Buckbee.
Mr. Parks with Mr. Christgau.
Mr. Disney with Mr. Nolan.
Mr. Gregory with Mr. Clarke of New York.
Mr. Allgood with Mr. Peavey.
Mr. Gasque with Mr. Golder.
Mr. Abernethy with Mr. Hawley.
Mr. Flannagan with Mr. Treadway.
Mr. Karch with Mr. Houston.
Mr. Brand of Georgia with Mr. Underhill.
Mr. Auf der Heide with Mr. Taylor of Tennessee.
Mr. Keller with Mr. William E. Hull.
Mr. Boylan with Mr. Goodwin.

Mr. Lamneck with Mr. Stokes.
 Mr. Busby with Mr. Sullivan of Pennsylvania.
 Mr. Mobley with Mr. Finley.
 Mr. Crump with Mr. Englebright.
 Mr. McReynolds with Mr. Robertson.
 Mr. Bloom with Mr. Estep.
 Mr. Hancock of North Carolina with Mr. Freeman.
 Mr. Lambeth with Mr. Eaton of New Jersey.
 Mr. Boehne with Mr. Nelson of Wisconsin.
 Mr. Mitchell with Mr. Johnson of Illinois.
 Mr. Cooper of Tennessee with Mr. Sanders of New York.
 Mr. Browning with Mr. Cannon.
 Mr. Clark of North Carolina with Mr. Gillen.
 Mr. Igou with Mr. De Priest.

Mr. BACHARACH. Mr. Speaker, I am paired with the gentleman from Georgia, Mr. CRISP, who is away on the funeral party. I voted "no"; but not knowing how the gentleman from Georgia would vote, I wish to withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

On motion of Mr. CROSSER, a motion to reconsider the vote by which the bill was passed was laid on the table.

The doors were opened.

AMENDMENT OF REVENUE ACT OF 1932

Mr. RAGON, from the Committee on Ways and Means, presented a privileged report on the resolution (H. J. Res. 435) to amend the revenue act of 1932, which was referred to the Union Calendar and ordered printed.

Mr. RAGON. Mr. Speaker, I ask unanimous consent to consider the joint resolution (H. J. Res. 435) in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. STAFFORD. Reserving the right to object, what is the matter under consideration that is included in the resolution? Is this another amendment of the revenue act, and what is the purpose of the resolution?

Mr. RAGON. The situation is that the Treasury Department finds there are some large oil concerns in this country, refining corporations, which have selling agencies under different incorporations. The Treasury Department finds that millions of gallons of gasoline, in order to avoid payment of taxes, have been turned over to these selling agencies. In all there are about 60,000,000 gallons of gasoline which, unless this measure is passed and made effective by the signature of the President before the 21st day of this month, will be avoiding the taxes, and there will be a loss in taxes to the Government of \$17,000,000. The bill provides that where they have impounded only 25,000 gallons or less of gasoline, the amendment that is presented now will not be effective.

With reference to lubricating oil the bill provides that where it has been impounded in an amount above 1,000 gallons, the one who holds the oil shall pay the tax instead of the refiner.

Mr. STAFFORD. In the amendment agreed to the other day it was sought to reach those sales which were negotiated before June 21 but for delivery afterwards. This is to reach the manipulations that are going on to avoid the tax, as far as gasoline and oil are concerned?

Mr. RAGON. That is true.

Mr. BACHARACH. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. BACHARACH. This was a unanimous report from the Committee on Ways and Means, both Republicans as well as Democrats voting for it.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the resolution be read for information.

The SPEAKER pro tempore. Without objection, the Clerk will report the resolution.

There was no objection.

The Clerk read as follows:

House Joint Resolution 435

Resolved, etc., That section 617 of the revenue act of 1932 is amended by adding at the end thereof a subsection to read as follows:

"(d) There is hereby imposed on gasoline sold by the person (other than the importer thereof or a producer of gasoline) having title to such gasoline on June 21, 1932 (if such person had title on that date to 25,000 or more gallons of gasoline), a tax of 1 cent a gallon, except that under regulations prescribed by the

commissioner with the approval of the Secretary the tax shall not apply in the case of sales to a producer of gasoline."

Sec. 2. Section 601 of the revenue act of 1932 is amended by adding at the end thereof a subsection to read as follows:

"(d) There is hereby imposed upon lubricating oils sold in the United States by the person (other than the manufacturer or producer thereof) having title to such lubricating oils on June 21, 1932 (if such person had title on that date to 1,000 or more gallons of lubricating oil), a tax at the rate of 4 cents a gallon, to be paid by such person."

Sec. 3. Section 620 of the revenue act of 1932 is amended by inserting after "tube," the following: "or lubricating oils taxable under section 601 (c) (1)."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas that the resolution be considered in the House as in the Committee of the Whole?

Mr. LINTHICUM. Reserving the right to object, I would like to ask the gentleman whether this has anything to do with the tariff which was placed in the tax bill?

Mr. RAGON. Not a thing in the world.

Mr. CHINDBLOM. It has this to do with it: The imported gasoline would escape the excise tax, aside from the tax (or duty) on importations, and the oil would also escape its excise tax in certain cases if this resolution is not passed. It happens that most of the gasoline and oil here involved comes from fields outside of the United States. This legislation would place everybody on the same basis and give all persons who are interested in this business an opportunity to operate on the same terms and under the same handicaps with reference to taxation.

Mr. LINTHICUM. How does the gentleman feel about it? I am absolutely opposed to this tariff proposition.

Mr. STAFFORD. This is to reach the tax dodgers.

Mr. CHINDBLOM. This was a unanimous report from the Committee on Ways and Means, and I was present in the committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RAGON. Mr. Speaker, the only reason I take time to explain this is because the gentleman from Pennsylvania [Mr. Watson], desires to ask a pertinent question, which everybody in the country is interested in. That is the chief reason. There is one particular feature that I did not explain a moment ago.

I now yield to the gentleman from Pennsylvania.

Mr. WATSON. I would like to know if a transportation company or any other industry that has bought an unlimited amount of oil for its own use previous to June 21, and which does not sell oil, will be required to pay the tax on that oil?

Mr. RAGON. No; I do not think so. The purpose of the bill is merely to catch those parties who, knowing that the bill will become effective on June 21, have gone out and made contracts for a great supply of gasoline and lubricating oil to the different selling agencies, and thereby the producer or importer evades that tax.

Mr. DYER. I will say to the gentleman, if he will permit, that it should apply to everybody who is buying gasoline and oil in large quantities to evade the tax.

Mr. RAGON. That is true, but I do not think it would be held that a railroad company which happened to have a stock of oil on hand was trying to evade the tax, for, as the gentleman knows, they are obliged to carry large stocks all the time. They would not be subject to the tax unless they resold the oil.

Mr. WATSON. Many are obliged to have a reserve of 500,000 gallons.

Mr. LINTHICUM. The gentleman talks about evading the tax. How about those who are doing it to evade this iniquitous tariff tax?

Mr. RAGON. I do not know about that. The tariff is not involved, I may say to the gentleman.

Mr. DYER. That will be taken care of at the Democratic convention in Chicago.

Mr. RAGON. The tariff is not involved in this matter. Section 620 of the revenue act is amended by inserting the words "or lubricating oils taxable under section (c) (1)."

I did not explain this to the gentleman from Wisconsin a while ago, because I was interrupted on every side. It is simply a proposition that the taxes on all lubricating oils shall be paid by the producer.

Under the law that we passed the other day, as to lubricating oils that were sold to individuals or companies for the purpose of being mixed or blended with other things, only that part of the oil which was sold to this individual was taxable. The individual had to pay the tax, and therefore it compelled the Government, at a great administrative cost, to go to about 3,000 different retailers and blenders of lubricating oil. Therefore this makes the tax payable by the refineries and causes the Government to have to deal with only about 100 persons.

Mr. DYER. In other words, if the gentleman will permit, it is strictly a sales tax, is it not?

Mr. RAGON. I have stated just how it applies.

Mr. BACHARACH. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. BACHARACH. I know the gentleman wishes to be accurate in his figures. We were told this morning that the Government would have to deal with about 300 persons. The gentleman made the statement that it was 100.

Mr. RAGON. I believe the gentleman from New Jersey is correct.

Mr. STAFFORD. To what extent will the revenues be effected by change in the mechanism of making the collection?

Mr. RAGON. I am glad the gentleman mentioned that. On gasoline we would lose approximately \$17,000,000.

Mr. STAFFORD. I am referring to the method of collecting the tax on oil, instead of collecting it from the blenders, collecting it from the refineries.

Mr. RAGON. That and the lubricating-oil feature. This tax amounts to about \$15,000,000. I have not divided it.

Mr. STAFFORD. So far as the new method of collection on oil is concerned, would it add to the revenues of the Government or decrease them?

Mr. RAGON. No; I would not say it would add to them; but we give the Government an efficient method of collecting the tax. Otherwise they would lose much of the tax, because they would have to get down to these small fellows to collect it.

Mr. SABATH. And it will bring about economies?

Mr. RAGON. Yes.

Mr. BACHARACH. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. BACHARACH. The gentleman made the statement that we would only have to see 300 persons to collect the tax, provided this bill was passed.

Mr. RAGON. Yes.

Mr. BACHARACH. If this amendment should not be passed, it would require seeing about 4,000 persons?

Mr. RAGON. I think the figure is 3,000, to be correct.

Mr. VINSON of Kentucky. I might suggest this comes from the Treasury in an effort to collect the tax.

Mr. RAGON. Yes. The Treasury estimates if we do not pass this amendment 60,000,000 gallons of gasoline alone will escape taxation on June 21.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

WAGES FOR LABORERS AND MECHANICS EMPLOYED BY CONTRACTORS AND SUBCONTRACTORS ON PUBLIC BUILDINGS

Mr. CONNERY. Mr. Speaker, I call up conference report on the bill (S. 3847) to amend the act relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 3847 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to S. 3847, and agree to the same with amendments as follows:

Page 1, line 10, strike out "the Canal Zone."

Page 1, line 11, strike out "or Territories."

Page 2, lines 1, 2, strike out "the Canal Zone."

Page 2, line 3, strike out "or Territories."

Page 2, line 6, strike out the comma after the word "States" and insert in lieu thereof the word "or."

Page 2, line 7, strike out ", or the Panama Canal."

Page 2, lines 15, 16, strike out ", or the District of Columbia, respectively."

Page 3, lines 8, 9, strike out "or the Commissioners of the District of Columbia, respectively."

Page 3, lines 11, 12, strike out "or the Commissioners of the District of Columbia, respectively."

Page 3, lines 13, 14, strike out "or the District of Columbia, respectively."

Page 3, line 16, strike out "or the District of Columbia, respectively."

Page 3, lines 21, 22, strike out "or said commissioners, respectively."

Page 4, line 1, strike out ", if the contract be with the United States, or to the credit of the District of Columbia if the contract be with the District of Columbia."

And the House agree to the same.

WILLIAM P. CONNERY, Jr.,

R. A. GREEN,

ROBERT RAMSPECK,

RICHARD J. WELCH,

W. F. KOPP,

Managers on the part of the House.

JESSE H. METCALF,

WALLACE H. WHITE, Jr.,

ROYAL S. COPELAND,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House have held full conference with the managers on the part of the Senate on the bill S. 3847. We have agreed to the Senate wishes to strike out all reference to the Canal Zone and the Territories. These references were eliminated because of an objection by the Secretary of War that the administration would be exceedingly complicated and expensive, and that it would be necessary for the Secretary of Labor to open labor offices in Panama, for which no appropriation is provided. The rate of wages of the great majority of Government employees in the Canal Zone is fixed by the governor in conformance with the provisions of the Panama Canal act of August 24, 1912. The Governor of the Canal Zone has recommended that no legislation be enacted by Congress which seriously affects the operation of the canal and the construction of allied projects until a committee of Congress has visited the canal and made a complete study of the effects of such legislation. Therefore, in view of the evident complications which would arise out of appliance of this act to the Canal Zone and the Territories, the managers on the part of the House thought it wise to agree to the Senate proposal.

The managers on the part of the House have also agreed to the Senate proposal to eliminate references to the District of Columbia and the Commissioners of the District of Columbia where these references are not compatible to the purpose of the bill. These words were written in in the House of Representatives at a time when the bill provided that contractors on public works and buildings should be reimbursed for increased wages, and that the Government should reduce the contract price by the amount of any decrease in wages. Some projects are constructed by the Dis-

trict of Columbia out of funds belonging to the District of Columbia, and consequently the bill was amended so that rebates might be paid directly to the District. However, the section providing for these rebates was stricken from the bill, and in order to correct the language the House managers have agreed to the Senate proposals to eliminate the various references to the District Commissioners and the District of Columbia.

WILLIAM P. CONNERY, Jr.,
R. A. GREEN,
ROBERT RAMSPECK,
RICHARD J. WELCH,
W. F. KOPP,

Managers on the part of the House.

Mr. CONNERY. Mr. Speaker, the Senate conferees agreed to all the amendments placed in the bill by the House. In addition the Senate conferees wished to strike out the provisions which included the Panama Canal and the Territories in the bill. That was done because they felt it would be too expensive to carry out the purposes of the bill in the Panama Canal and the Territories. A letter was received from the Secretary of War objecting to those provisions and it was believed by the conferees of both House and Senate that the Secretary of Labor would be forced to place an office of the Department of Labor at the Panama Canal and that they would be obliged to send a representative of the department to the Territories, Alaska and Hawaii. So the House conferees agreed with the Senate conferees in taking out those provisions of the bill.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 261, providing for the consideration of House Joint Resolution 418, a joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

The SPEAKER pro tempore. The gentleman from New York calls up a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 261

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 418, a resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

That after general debate, which shall be confined to the resolution and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment the committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'CONNOR. Does the gentleman from Indiana desire any time?

Mr. PURNELL. Does the gentleman intend to use any time on the resolution?

Mr. O'CONNOR. Just a few minutes.

Mr. PURNELL. I think the House is familiar with the resolution. I have no desire to use all of 30 minutes, but I will ask the gentleman to yield me some time, and I will endeavor to yield it all back.

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman 30 minutes. This is a resolution for the consideration of a House joint resolution which donates an additional 40,000,000 bushels of wheat to the Red Cross or such other organization as it shall designate for distribution. There is a new departure in the resolution. It donates 500,000 bales of cotton for distribution, to be made into cloth. The important feature of this resolution is that the wheat may be ex-

changed for other foods. As I understand it, the experience of the Red Cross was—as the Committee on Rules was told—that in the big cities they had difficulty in handling the wheat donated in March, and even the flour made from the wheat. Under this resolution the wheat may be exchanged for food of all kinds and the cotton may be exchanged for cloth.

The Agricultural Committee did have in mind offering some amendments to this resolution, but I understand the committee has withdrawn the same and that there will be no substantial amendments offered to the resolution which will interfere with this wheat being exchangeable for food. Those more familiar with the wheat and cotton conditions will explain the resolution in detail.

Mr. HOLMES. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HOLMES. In other words, the Red Cross will be allowed to sell this wheat?

Mr. O'CONNOR. No; exchange it.

Mr. STAFFORD. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. STAFFORD. Did the committee receive any testimony as to how the former 40,000,000 bushels of wheat donated to the Red Cross had been administered?

Mr. O'CONNOR. The figures are given in the report; but, as I understand, they have distributed about 25,000,000 bushels, about half of which went to livestock. They have on hand 15,000,000 bushels, which they expect will not last later than September 1. The distribution was made in every State of the Union.

Mr. GILCHRIST. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. GILCHRIST. I rise for information concerning the shipment of some of this wheat. I am for this resolution, and I am for the distribution of the wheat.

Mr. O'CONNOR. May I suggest to the gentleman that I might not be able to answer his question, and it would be better for the gentleman to wait until we go into the Committee of the Whole House on the state of the Union for the consideration of the resolution? Then those familiar with all of these conditions will undoubtedly answer the gentleman's question.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 418, authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

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 consideration of House Joint Resolution 418, with Mr. WOODRUM in the chair.

The Clerk read the title of the House joint resolution.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the joint resolution be dispensed with.

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

There was no objection.

Mr. JONES. Mr. Chairman, this resolution is somewhat similar to the one passed a few months ago which provided for the distribution of 40,000,000 bushels of wheat through the American National Red Cross. Twenty-five million bushels have been distributed under that resolution, some of it going into every State of the American Union. A report has been prepared and will go in the RECORD showing the manner in which distribution was made. Many fine reports from all over the country show the good results of this distribution.

The pending measure provides for making available 40,000,000 bushels of additional wheat and 500,000 bales of cotton.

The report of the Red Cross shows they have enough wheat on hand to last until about September 1. Congress will meet again in December. The stabilization corporations of the Farm Board have these commodities on hand. They are gradually eating themselves up in storage, insurance, and other carrying charges.

We are all familiar, through reports, with the distress existing in America. I do not believe any finer disposition could be made of these commodities, which the Government has through these stabilization corporations, than to make this distribution. This will not only feed the hungry, but will get these commodities off the market and prevent them from continuing to be a drug on the market. I believe the commodities in the hands of the stabilization corporations should be disposed of and then I think the program of direct buying and selling under Government supervision, through stabilization corporations, should be ended. [Applause.] If we can get proper disposition of the commodities they have on hand, I do not think there will be any disposition to keep that program from being ended, and that part of the act which provides for them repealed. The time is late and I see no reason for further discussion.

Mr. ANDRESEN. Will the gentleman yield?

Mr. JONES. For a brief question.

Mr. ANDRESEN. Does the gentleman propose to offer the committee amendments that were approved in the committee providing for feed for livestock in areas where they may have crop failures?

Mr. JONES. I propose to offer the amendment which provides for feed for livestock in the 1932 crop-failure areas.

The other amendment was adopted after I had appeared before the Rules Committee, and the amendment was not disclosed to the Rules Committee. It is regarded by them as a substantial amendment, and they would not permit the measure to be brought up if I insisted on offering this as a committee amendment. I must keep faith with them. I do not feel at liberty to offer that amendment. I have talked with all but three of the members of the committee, and I may state that I called up the American Red Cross and they said there would be very little wheat exchanged for commodities other than those into which wheat went as an ingredient.

Mr. ANDRESEN. If the gentleman will yield further, I may say in connection with the other amendment which was agreed to in committee—

Mr. JONES. Yes; it was agreed to in committee.

Mr. ANDRESEN. It provided that the wheat should be exchanged for other food where a substantial portion of that food was of flour.

Mr. JONES. Yes.

Mr. ANDRESEN. And the same provision was adopted as to the exchange of cotton for cloth or for other goods where a substantial portion of the goods were made of cotton. So both commodities were treated in the same way, and unless we adopt the amendment relating to wheat it means we will still have our wheat surplus upon the American market, that it will not help agriculture, and that the farmers will have to bear the entire burden.

Mr. JONES. I have kept faith by not offering either wing of the amendment. While in sympathy with the purposes of both, I was not at liberty to offer either. If the gentleman wishes to oppose the bill, that is his privilege.

I will simply state that the American Red Cross has handled this matter in every State of the Union and has exchanged it for food products, largely those into which flour went, and they will do this again. If you go to putting restrictions around them, it will prove a handicap. They found they were handicapped, especially in the cities, because of restrictions, and this was an effort to give them full leeway so that the best possible results might be accomplished.

As to the committee amendment, it was not disclosed to the Rules Committee, because it was adopted after I appeared before that committee. I found, after talking with various members—and I am sorry I did not get to see the gentleman—that as the bill could not come up otherwise,

it would be better to have it offered in this way than to have the whole bill killed, and I had to make this concession. It was my own fault to a considerable degree, because I did not go back to the Rules Committee after our committee had adopted that amendment.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. JONES. For a question; yes.

Mr. STRONG of Kansas. Does the same provision about exchange apply to cotton?

Mr. JONES. It does, as is provided in the bill itself. However, an amendment will be offered, I understand, to make it so that wheat can only be exchanged for food products and cotton for clothing products.

Mr. COLTON. Will the gentleman yield?

Mr. JONES. Yes.

Mr. COLTON. I want to know if the charges that are necessary to be paid before this wheat and cotton are released will be paid from the revolving fund furnished the Farm Board, or will there be a special appropriation for that purpose?

Mr. JONES. There is an authorization for payment of what the commercial banks hold against these commodities and carrying charges up to the time when the Red Cross makes a requisition for it.

Mr. COLTON. And that will be paid out of a special appropriation.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. JONES. Yes; for a question.

Mr. VINSON of Georgia. I wish the gentleman would advise the committee why they did not dispose of all the cotton on hand instead of only 500,000 bales.

Mr. JONES. I wish that might be done. However, when we pass this measure the amount covered by it will be tied up subject to storage charges and other costs. It is definitely allocated. A considerable amount is covered by this measure. We will be back here in December, and, if this plan works out, we can take care of the rest of it at that time.

I decline to yield further.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I have no disposition to stand on the floor and oppose any measure for the relief of destitution or distress. But I believe it ought to be called to the attention of the House that so far in this session Congress has done very little, if anything, for the relief of agriculture; and there is some question in my mind that in passing this bill we may, instead of doing something for the farmer by giving the Red Cross the surplus wheat, be doing something to him.

On the 3d day of March the House passed a bill donating 40,000,000 bushels of wheat to the Red Cross, and the price of May future in Chicago on that date was 62 cents. The price of July futures for wheat in Chicago yesterday was 50 cents. Wheat has gone down 12 cents a bushel since we started giving it away.

Now, we may expect that as soon as we start giving this wheat away it is not going to help the price.

It is true that there has been a great deal of destitution relieved by the donation of this wheat, and I think some benefit might accrue from the donation of this amount of wheat. But I want to call attention to the fact that this bill differs from the preceding bill, in that this bill takes wheat that is not needed for destitution and donates it to the Red Cross and says that organization may trade it for other food. The entire theory on which we can justify giving away this wheat is that it is needed to relieve distress. In passing this bill we are giving away wheat that is concededly not needed because we are asked to give authority to the Red Cross and other agencies to trade it for beef-steak or bologna or anything in the way of food.

Mr. CELLER. Will the gentleman yield?

Mr. HOPE. Yes.

Mr. CELLER. I have been in touch with the Red Cross and not one bushel was exchanged except for flour, which comes from the wheat. They have asked that this might be done only in the big cities.

Mr. HOPE. Would the gentleman have any objection to an amendment providing that it might be exchanged for flour and bread or other products of wheat?

Mr. CELLER. That would do no good in the cities, because they have not the means whereby to bake flour into bread. The large bakeries are opposed to the Red Cross exchanging this for bread. We want to take the flour and have it exchanged for the ordinary foodstuffs, like dry groceries and breakfast food.

Mr. HOPE. The statement of the gentleman is an illustration of what I pointed out. We are going to take wheat out of the stocks of the Farm Board and ask the miller to mill it at cost, without profit to him, and then take the wheat and trade it for some other food supply, and thus sell it in competition with the farmer's wheat and the miller's flour. It does not seem to me that a transaction of that kind can work for the benefit of the farmer, because we are certainly taking some wheat that is not needed and selling it in competition with him. [Applause.]

[Here the gavel fell.]

Mr. HAUGEN. Mr. Chairman, I yield two minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman, I want to take two minutes' time to call attention to one provision that may meet the inquiry of some Members here. Why, I think you will ask, is it necessary to make an additional appropriation of wheat when the report shows a balance of 15,000,000 bushels still on hand for distribution by the Red Cross?

The report of the Red Cross is to the effect that the amount on hand will last approximately to September 1. We will not have an opportunity to act upon this additional allotment before December, and consequently this additional amount is made available; but, calling attention to lines 3 to 7, on page 2 of the bill, this additional allotment is to be used only in case the request has the approval of the President of the United States, and he asks such an allotment shall be made. That places in the hands of the President the power to meet any situation that might possibly arise before Congress convenes in December. It seems to me this is a wholesome provision, and I hope there will be no serious opposition to it.

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, for the information of the committee, I will state that farm prices are still going down, unemployment is increasing, and winter is coming on. We have millions of hungry and naked people to-day. In the meantime we have millions of bushels of wheat and around 13,000,000 bales of surplus cotton that are hanging around the necks of farmers of this country like a millstone. When the President of the Red Cross came before our committee he stated that he had just as many demands for cloth and clothing as he did for food and food products.

I regret very much that the committee did not report the resolution authorizing 1,000,000 bales of cotton, as introduced by me. I am sure it will work to a wonderful advantage for all concerned if this cotton is turned over to the Red Cross as outlined in the resolution. First, we have in mind clothing needy people who are out of work and out of money. In the next place, it will give to cotton mills that are now shutting down, extra work which will enable them to keep their employees working. However, I contend that until something is done to give farmers a fair price for their products all Congress has done will not relieve the serious economic situation that now exists. Until relief is granted to agriculture it is my opinion that under my resolution we have a wonderful opportunity to get rid of this surplus wheat and cotton.

Mr. HAUGEN. Mr. Chairman, I yield one minute to the gentleman from Kansas [Mr. HOCH].

Mr. HOCH. Mr. Chairman, I ask unanimous consent to proceed for one minute out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOCH. Mr. Chairman, it is a pleasure to announce to the House that word has just been received from Chicago, from the Republican Convention, that that convention by

an overwhelming vote, has renominated for Vice President of the United States, a distinguished Kansan, a distinguished American, Hon. Charles Curtis, of Kansas. [Applause.]

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN. Mr. Chairman, no one can say very much in two minutes regarding this bill. The membership of the House will recall on the 1st of March last we appropriated 40,000,000 bushels of this wheat, and that up to this time already 25,000,000 bushels of that wheat have been disposed of. If we go upon the theory that we would appropriate no more, we would not have left exceeding 3,000,000 bushels of wheat per month from now to the 1st of December. I am of opinion that neither under the provisions of this bill, nor under the provisions of any other bill which we are likely to pass, should we make it possible for the Red Cross or any other organization to use this wheat for any purpose except in exchange for wheat products. As relates to cotton, the Red Cross should be permitted to use it only for exchange of cotton goods. That is the legitimate purpose and the purpose which I have in mind in supporting this legislation. I think we have done a good piece of work in wheat distribution so far, and I would regret very much to see any other method pursued than the one which I have outlined, because we might thereby bring down on the Red Cross organization criticism which would inure to its injury and to the injury of the Congress.

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

Mr. LARSEN. Yes.

Mr. BURTNES. This question is not asked in any critical sense, but I note the language of the bill with reference to cotton includes not only cloth but also wearing apparel.

Mr. LARSEN. An amendment has been prepared to take care of that. Under the provisions of that amendment, if adopted, the purpose that I have outlined will be carried into effect.

Mr. HAUGEN. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, the Government wheat which has been distributed in my city, a city of 2,000,000 people, with six or seven hundred thousand people in acute distress, has been a godsend. It has been distributed in the nature of bread and flour products to hungry children in the schools.

Many families would be absolutely hungry and in danger of starvation if it were not for this flour, because our public and private welfare funds have been exhausted. Just last Monday it was estimated by John C. Cowan, chairman of the distribution committee, that the amount of these bread products distributed to starving people amounted to tens of thousands of dollars. We look for more acute distress this fall and winter. We need more flour and wheat products. I hope the bill will pass.

Mr. HAUGEN. Mr. Chairman, I yield two minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, in May there was shipped to Cheyenne from Chicago a large amount of wheat at 41 cents per hundredweight freight. At that same time in Cheyenne wheat was selling for from 30 to 35 cents a bushel. I am in favor of this legislation. I voted for it before; but if that sort of thing continues, it would seem to me that some one ought to be privileged to discover why so much freight is paid when they can buy the wheat there for about that same price laid down.

Mr. FULMER. Mr. Chairman, if the gentleman will yield, I might say that shipping the flour to that same point would cost exactly the same amount that the wheat cost. They have a mill and wheat transit rate that would permit them to ship wheat to that point, mill it into flour, and ship it out just as cheaply as if sent there in flour in the original instance. Therefore it did not cost any more.

Mr. GILCHRIST. I know where there is a large amount of wheat at a closer point that might have been available. I call the attention of the House to that fact.

Mr. FULMER. But the freight on the wheat did not amount to any more than the freight on the flour would that you would have had to ship to that point.

There was quite a lot of this wheat shipped to South Carolina and milled by the mills in South Carolina for the benefit of the labor and the benefit of the mills, and we did not lose one dime by doing it rather than shipping the flour.

Mr. GILCHRIST. I am glad to have some explanation of it.

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

Mr. JONES. Mr. Chairman, I yield one minute to the gentleman from Connecticut [Mr. LONERGAN].

Mr. LONERGAN. Mr. Chairman, on May 24 I introduced House Joint Resolution 403, which has been merged with the pending resolution. Flour has been distributed to each of the 48 States and to the District of Columbia. In the short time I have I can only give the totals. There were 1,964,894 barrels of flour. There were 2,423,367 families assisted. There were 220,079 tons of stock feed approved.

Mr. Chairman, I ask unanimous consent to include in my remarks the figures for the States, as I have only given the totals.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

FIGURES GIVEN BY MR. MARKHAM, OF THE FEDERAL FARM BOARD, JUNE 15, 1932

Eighty-eight million five hundred thousand bushels of wheat actually held in elevators on June 1 and in transit; 350,000,000 to 450,000,000 bushels estimated in private elevators; 51 cents a bushel present market price; \$13,200,000, or 15 cents a bushel, is present carrying charges of Federal Farm Board per year.

Statement of Government-owned wheat distribution to close of business June 9, 1932

	Number of families expected to be assisted by flour	Number of barrels flour approved	Number of families expected to be assisted by stock feed	Number of tons stock feed approved
Alabama.....	45,455	60,116		
Alaska.....	1,590	971		
Arizona.....	17,681	10,014	175	50
Arkansas.....	30,181	22,349		
California.....	114,599	65,336	600	300
Colorado.....	22,560	16,688	2,205	2,780
Connecticut.....	31,893	20,315		
Delaware.....	4,000	1,200		
District of Columbia.....	3,814	1,252		
Florida.....	28,546	27,708		
Georgia.....	64,090	59,914		
Idaho.....	18,353	12,682	19,303	17,908
Illinois.....	164,204	72,956		
Indiana.....	78,584	61,432		
Iowa.....	26,833	20,000	3,574	6,871
Kansas.....	16,462	12,354		
Kentucky.....	54,398	58,214		
Louisiana.....	31,685	24,625		
Maine.....	14,255	14,670		
Maryland.....	18,970	22,565		
Massachusetts.....	63,060	47,219		
Michigan.....	113,194	90,627		
Minnesota.....	41,375	33,540	9,735	11,676
Mississippi.....	54,711	28,159		
Missouri.....	53,497	28,935		
Montana.....	20,990	23,576	17,984	23,804
Nebraska.....	18,356	17,788	8,858	11,587
Nevada.....	3,844	3,590	3,110	5,519
New Hampshire.....	6,375	8,781		
New Jersey.....	67,616	43,993		
New Mexico.....	9,627	8,903		
New York.....	93,208	71,530		
North Carolina.....	42,110	48,790		
North Dakota.....	19,669	19,924	31,083	45,132
Ohio.....	153,009	158,763		
Oklahoma.....	85,109	69,972		
Oregon.....	19,181	9,847	2,065	1,070
Pennsylvania.....	273,908	283,614		
Rhode Island.....	16,676	15,015		
South Carolina.....	30,291	28,960		
South Dakota.....	35,059	38,088	40,866	56,530
Tennessee.....	42,680	55,485		
Texas.....	78,590	55,861		
Utah.....	91,240	32,799	33,774	27,456
Vermont.....	7,378	6,727		
Virginia.....	28,370	26,075		
Washington.....	55,607	28,287	1,994	3,337
West Virginia.....	38,114	48,845		
Wisconsin.....	67,252	51,705	684	555
Wyoming.....	4,667	4,135	4,410	5,504
Total.....	2,423,367	1,964,894	180,420	220,079

Total number of bushels wheat—
Voted to Red Cross..... 40,000,000
Committed to date..... 25,305,211

Uncommitted to date..... 14,694,789

NOTE.—Families expected to be assisted represent those families for whom wheat has been requested by Red Cross chapters through the filing of applications for Government-owned wheat.

THE AMERICAN RED CROSS,
Washington, D. C., June 10, 1932.

Hon. AUGUSTINE LONERGAN,

House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN LONERGAN: In accordance with your telephone request of yesterday, June 9, you will find attached a statement giving you the information for which you asked pertaining to wheat distribution and the families benefiting by this distribution.

I trust that this statement embodies all of the information which you desire.

Sincerely yours,

JAMES L. FIESER, Acting Chairman.

Mr. JONES. Mr. Chairman, I yield the balance of my time to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, I do not believe that any legislation has passed this body since I have been a Member of it that has done more good than the bill that was passed a short time ago which gave 40,000,000 bushels of wheat to feed the hungry of our land. When that bill came to our committee it came as a Senate bill, introduced by Senator NORBECK, to relieve five States out in the West which had had a drought. It was the wisdom of our committee that that should be broadened so that it might be made to apply to the entire United States. I offered an amendment in the committee to strike out everything after the enacting clause and insert the language that we placed in the bill, and every Member of this Congress that voted on that except two, as I remember, voted for it.

The present bill is simply carrying that plan farther. There are only 15,000,000 bushels of wheat left now to last until September. It will soon be gone. Then will come the fall season when our people will be in greater distress than they are now, and we ought to vote for this. I would vote twice that much. There is a greater principle back of this than taking care of the price of wheat or the price of cotton. This is saving lives, and they are going to suffer if we do not take care of them. I say that any man who votes for this will not have the criticism of any man who has the spirit of humanity in him that he should have.

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

Mr. HAUGEN. Mr. Chairman, it has been stated that this wheat is not needed and therefore we are donating it. On the contrary, it is very much needed. It is needed to maintain the market, as provided in the declared policy of the Farm Board act. That is, to maintain advantageous domestic markets.

The board bought 329,000,000 bushels of wheat. For what purpose? To remove the surplus from the market, to give the wheat grower the benefit of the tariff. The wheat cost 81 cents a bushel. Wheat can be bought to-day for 49 cents a bushel. As a result of donating 40,000,000 bushels of wheat a few days ago, the price has gone down to the lowest point it has been in a number of decades. It was 49 cents yesterday, and, as was stated by the gentleman from Kansas [Mr. HOPE] it has dropped 12 cents because of the donation of the 40,000,000 bushels, some weeks ago.

Now, the unfortunate thing about donating the 40,000,000 bushels is the fact that it is donated at the expense of the wheat growers, and if the wheat growers are satisfied I take it that we should take no exception; but it also affects the price of corn. Wheat is to be substituted for corn and used as feed, thereby depressing the price of corn. If there is any doubt about it, let me quote a member of the Farm Board, so that we know exactly what we are doing. I quote from Mr. Denman. He makes it clear—

Mr. FULMER. Will the gentleman yield?

Mr. HAUGEN. I yield.

Mr. FULMER. We did not use any cotton before, and cotton has been declining ever since.

Mr. HAUGEN. Oh, that is right, but we know why wheat has declined, and the gentleman will find out, if the 500,000 bales are placed on the market, why cotton will decline. The gentleman has not yet had that experience, but after he has had that experience, he will have the same experience as the wheat growers and the corn growers in the past.

If we want to do the charitable thing, why not save the Treasury the expense of this costly wheat? This wheat cost \$36,000,000. It can be bought on the market for less

than \$20,000,000, and the market for both wheat and corn will not be depressed.

Let me read what Mr. Denman said. Mr. Denman makes it clear that—

Any amount taken out would affect the market. It will be done solely at the expense of the revolving fund. To obtain this wheat we would have to purchase other wheat to pay off the loan for the amount of wheat let out, thus reducing the amount of money left for loans to the cooperatives.

As stated in the hearings, the cost of the wheat to the board was 81 cents a bushel. The funds were depleted \$36,000,000, at the expense of the Federal Treasury, and reduced the funds available for loans to the farmer \$36,000,000, thus not only crippling the Farm Board to the extent of \$36,000,000, but also reduced the funds available for loans to aid the farmers in marketing their commodities.

Had Congress appropriated \$20,000,000—the value of the wheat at the time it was turned over—instead of donating 40,000,000 bushels of wheat—which cost the Federal Treasury \$36,000,000—and had the Red Cross used the money to buy wheat, corn, or other feed, it would not only have left the funds of the Farm Board intact, but would have maintained the advanced price of wheat, and stimulated the price of corn, and the gain to the farmers would have been millions of dollars in price received for their commodities. Unfortunately, since the wheat was substituted for corn, corn was sold at the lowest price in 30 years. May corn is 30 to 31 cents at Chicago. Sensational reports of heavy crop failures have resulted, as is usual, in speculators advancing the price of wheat recently.

The aim of representative farm groups and friends of the farmers and Congress for a number of years has been to redeem the platform pledges of the major parties to place the farmer on an equality with industry and labor—in other words, to restore a parity between prices of agricultural commodities and the products of industry and labor.

It is needless to say that the three and a half billion dollars deficit for the two years can not be reduced by depleting the Federal Treasury \$36,000,000 when \$20,000,000 would have done the job better and without injury to the corn grower, nor can the farmer be bettered by thus lowering the price of his commodities.

The donation was not only at the expense of the Federal Treasury of \$36,000,000 but at many times that amount to the producers, unless the 40,000,000 bushels donated are replaced by the purchase of 40,000,000 bushels to take it off the market, as suggested by Mr. Denman. In short, donating the wheat instead of cash not only defeated the purpose of the act but killed the goose that laid the golden egg. [Applause.]

The CHAIRMAN. All time has expired.

The Clerk will read the bill.

The Clerk read as follows:

Resolved, etc., That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, at any time prior to August 1, 1933, to the American National Red Cross, and any other organization designated by the American National Red Cross, 40,000,000 bushels of wheat of the Grain Stabilization Corporation and 1,000,000 bales of cotton of the Cotton Stabilization Corporation, for use in providing food, cloth, and wearing apparel for the needy and distressed people of the United States and Territories. Such wheat or cotton shall be delivered upon application therefor, but only upon the approval of the President of the United States, and in such amounts to each organization as the President may approve.

With the following committee amendment:

Page 1, line 8, strike out "1,000,000" and insert "500,000."

Mr. LA GUARDIA. Mr. Chairman, I rise in favor of the committee amendment.

Mr. Chairman, I just want to say one word to my friends representing farming districts. There has not been a measure brought before this House in the last 10 years, for the benefit of agriculture, that I did not vote for, and in one or two instances I was the only man from the East who did vote for it.

Now, the relief provided in this resolution means life to thousands of people in my city. This wheat at the present time is held by the Farm Board and it was purchased by

public funds. My State contributed to that public fund just as much as any other State, if not more.

It has been said that this wheat will be taken out and put into the market. Certainly it will. It is said that it will affect the sale of flour. Of course, it will. It is only temporary. The use of this wheat can not affect the price of wheat. Let us be frank about these things. As long as that wheat is in existence it is bound to have a permanent, constant depressing effect upon the price of wheat. The quicker it is consumed the better for the wheat grower.

When the 40,000,000 bushel resolution was before us I attempted to offer a modest amendment which I prepared after consulting every member of the Committee on Agriculture and gentlemen from the farming districts, to permit the processing of wheat into flour and flour into bread.

But, Mr. Chairman, it did not work out in the city. Of the 40,000,000 bushels authorized by the previous resolution New York City did not get one pound. My colleague, the gentleman from New York [Mr. Celler] and I literally went down on our bended knees to ask the Red Cross to construe the previous resolution so we could use this flour for food. I pointed out when the previous resolution was before us that we have not the facilities in the tenement-house districts for baking. The cost of gas is very high. We are up against a local condition in converting flour into bread. We do not want individual recipients to exchange the flour. That surely would not be wise.

The mechanics of the exchange are simply these: That the wheat is delivered to the Red Cross. The Red Cross changes it into flour and delivers it to the established charitable organizations of New York City, the C. O. S., the A. I. C. P., the United Hebrew Charities, the Catholic Charities, and I think the Salvation Army.

Now, it may be they may use this for bread. It may be they may use this for other flour products, but in the event, Mr. Chairman, that it is necessary to save a family to give them a little coffee, tea, and sugar that they may require, all we ask is to make this law sufficiently broad to permit such an exchange.

I have come before this House time and time again not only this session but the previous session pleading for help, asking for relief of the unemployed. The gentleman from New York [Mr. Fish] and myself appeared before the Agricultural Committee. We asked for this wheat then, last session. We were laughed at and ridiculed at the time. They said we were pessimistic, that everything would be all right.

I am not overstating it when I tell you that distress in the big cities is growing and almost beyond control.

What will the people of our city think, knowing that 40,000,000 bushels of wheat were authorized, that a great deal of it went for feed—and you have a right to use it for that—but when they ask for bread they can not get it?

Now, please, gentlemen, do not be too technical in this instance. Give us a chance to take this wheat that we are handing out for distribution and use it for food within the intent of this resolution.

I ask you to cooperate with us in this instance. [Applause.]

The CHAIRMAN. The question is on the committee amendment.

The amendment was agreed to.

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

The Clerk read as follows:

Amendment by Mr. JONES: Page 2, line 2, after the word "for," insert a comma and the following: "and in providing feed for livestock in the 1932 crop-failure areas."

Mr. JONES. I do not think I care to make any statement about the amendment.

Mr. STAFFORD. Will the gentleman yield?

Mr. JONES. If an explanation is desired I will be glad to make it. This particular amendment was suggested by the American National Red Cross. It was included in substance in the previous measure and it provides that in some of the 1932 crop-failure areas they may use wheat for feed purposes in order to save the livestock. They only used it in

sections of very great distress, and it provided a wonderful service in those sections.

I do not think there is any objection to the amendment from the committee.

Mr. STAFFORD. Will the gentleman yield further?

Mr. JONES. I yield.

Mr. STAFFORD. I understand the purpose of the gentleman's amendment is to carry into effect a like provision for the 1932 crop-failure areas as was provided in the last act for the 1931 crop-failure areas?

Mr. JONES. Exactly.

Mr. STAFFORD. To what extent has the wheat been used for this purpose up to date?

Mr. JONES. There was a considerable percentage. I have not the figures here.

Mr. STAFFORD. After we authorize the taking over of this additional 40,000,000 bushels of wheat how much wheat will be left in the possession of the Farm Stabilization Corporation?

Mr. JONES. At the present time there is around 94,000,000 bushels in the hands of the Government. This bill would take an additional 40,000,000 bushels and would leave, in round numbers, 54,000,000 bushels. They have gradually disposed of some of it. These figures are approximate.

Mr. STAFFORD. As for the cotton, it was testified this morning before the special committee investigating Government competition with private industry that there are 1,300,000 bales of cotton in the possession of the Government.

Mr. JONES. Correct.

Mr. STAFFORD. Which the Government has bought at high prices and is holding at great loss.

Mr. JONES. That is correct.

Mr. STAFFORD. By this bill it is proposed to take 500,000 of the 1,300,000 bales of cotton. Is there any proposal before the Agriculture Committee that would dispose of the other 54,000,000 bushels of wheat, which are a drag on the market, keeping down the price of wheat, and dispose of the other 800,000 bales of cotton which have a like effect?

Mr. JONES. There are a number of measures of varying types pending before the committee, but it is rather difficult for a busy committee to take away the management from those who are in charge of the disposition of these commodities.

Mr. STAFFORD. The only prospect of disposing of them ultimately is to do as we are doing to-day—give them to the Red Cross.

Mr. JONES. No; that is not exactly correct. They have tried to dispose of them. I am hoping that if this is adopted the remainder of the wheat may be kept entirely off the American market until there is a materially better price.

Mr. STAFFORD. If the gentleman will permit, I am willing to do this so as to remove its potential effects from the market in keeping down the price of cotton and wheat.

Mr. JONES. I think at least no one can gainsay the advantage and advisability of this action.

Mr. FISH. Will the gentleman yield?

Mr. JONES. Yes.

Mr. FISH. Following up the statement of the gentleman from Wisconsin, when the bill was first under consideration, the original bill, there were still 200,000,000 bushels of wheat in the hands of the Grain Stabilization Corporation. The gentleman has just stated that that corporation now has on hand 94,000,000 bushels; and when this bill is passed, there will remain 54,000,000 bushels. Can the gentleman state for the information of the committee what happened to the other 100,000,000 bushels in the last few months?

Mr. JONES. The board announced the policy of selling not to exceed 5,000,000 bushels per month. At the time the previous bill was passed they only had 146,000,000 bushels on hand. They had had more than 200,000,000 bushels, but it had been gradually disposed of; they have sold some abroad. As I have stated, they announced the policy of disposing of not to exceed 5,000,000 bushels a month.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I rise in opposition to the amendment for the purpose of inquiring of the gentleman

from Texas if he knows how many millions of bushels of wheat under the last bill went for the feeding of livestock in these drought-stricken areas?

Mr. LONERGAN. I will say to the gentleman that I procured those figures from the Red Cross, and they will be placed in the Record.

Mr. JONES. The gentleman will find those figures in the report. The report shows how many millions of bushels of wheat were used in that way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I move to strike out the last word. With all the earnestness of which I am possessed, I desire to supplement the remarks made by the gentleman from New York [Mr. LaGuardia]. The previous bill, approved March 7, 1932, authorized the distribution of Government-owned wheat to the American National Red Cross for relief of the poor and distressed to the extent of 40,000,000 bushels.

In the distribution the Red Cross has rendered a fine service and has rescued many families from starvation. The following clipping from the New York Times shows clearly the extensive relief made possible by the first 40,000,000 bushels of wheat:

RELIEF FLOUR GOING TO 10,000,000 NEEDY—RED CROSS AIDS IN ALL STATES WITH 40,000,000 BUSHELS OF WHEAT VOTED BY CONGRESS—PENNSYLVANIA TOPS LIST—250,701 FAMILIES HELPED THERE, WITH 92,959 IN NEW YORK—SUPPLY MAY LAST THROUGH SUMMER

WASHINGTON, May 28.—More than 10,000,000 persons are receiving flour from the Red Cross out of the 40,000,000 bushels of Farm Board wheat voted to it by Congress for distribution among those in need, the Red Cross announced to-day.

Applications for 1,703,813 barrels of flour for 2,224,701 families in 2,672 Red Cross chapter jurisdictions have been approved. About three-fourths of the 3,072 counties in the United States asked for such aid, and flour is being distributed in all States, the District of Columbia, and Alaska.

The largest distribution is for Pennsylvania, where 250,701 families are to be aided. Illinois is second with 151,621 families. In New York State 92,959 families are listed; in New Jersey, 63,921; and in Connecticut, 29,773.

Applications for 218,000 tons of livestock feed have been approved for 178,647 stock owners.

The total requisitions have consumed 23,718,177 bushels of the 40,000,000, flour orders totaling 12,818,177 bushels and livestock feed 10,900,000.

Officials estimate that if the flour distribution continues at the present rate, the remaining wheat may last through the summer.

The distribution began on March 7, and already some communities have sent in a second order. This, the Red Cross said, was caused by underestimation of needs in the first order, the extension of relief, or to increased unemployment.

Requirements by States for flour and feed and the number of families aided are shown in this table:

State	Families aided by flour	Barrels of flour approved
Alaska	1,310	781
Alabama	40,318	44,377
Arizona	14,721	8,234
Arkansas	22,325	16,395
California	101,267	87,975
Colorado	21,470	15,633
Connecticut	29,773	18,013
District of Columbia	3,814	1,252
Delaware	3,000	600
Florida	23,885	24,106
Georgia	88,642	53,371
Idaho	14,459	10,587
Illinois	151,621	63,404
Indiana	73,974	51,975
Iowa	23,748	17,295
Kansas	13,955	9,801
Kentucky	47,676	43,786
Louisiana	22,047	17,238
Maine	13,282	13,630
Maryland	18,827	10,217
Massachusetts	62,420	44,277
Michigan	112,026	88,770
Minnesota	39,148	31,331
Mississippi	46,412	22,982
Missouri	50,231	26,449
Montana	20,765	22,941
Nebraska	18,115	17,553
Nevada	3,499	3,332
New Hampshire	5,952	6,885
New Jersey	63,921	40,193
New Mexico	9,062	8,203
New York	92,959	62,433
North Carolina	36,935	39,942
North Dakota	19,619	19,566

State	Families aided by flour	Barrels of flour approved
Ohio.....	149,917	148,795
Oklahoma.....	76,883	62,922
Oregon.....	18,875	9,667
Pennsylvania.....	250,701	223,411
Rhode Island.....	15,976	14,115
South Carolina.....	23,268	19,270
South Dakota.....	34,559	36,966
Tennessee.....	35,152	40,563
Texas.....	75,480	52,898
Utah.....	85,829	29,368
Vermont.....	6,967	6,077
Virginia.....	25,298	23,332
Washington.....	41,087	22,597
West Virginia.....	31,552	38,033
Wisconsin.....	65,852	49,491
Wyoming.....	4,157	3,731

In the large cities, however, like New York, although the law permitted exchange of wheat for flour—the cost of processing and milling to come out of the wheat—the local chapters of the Red Cross could do nothing with the flour. When the Red Cross brought the flour to the poor in Brooklyn and New York City, they found these wretched, impoverished families did not have the fuel or the money to purchase gas or electricity or the ingredients for baking in order to convert the flour into bread. The flour was simply useless under such conditions. Thus the needy, the poor of New York had to go without. Just think of it, granaries bursting with grain and yet the poor of the cities starve. That was and still is intolerable. We did all in our power to persuade Judge Payne, the head of the American National Red Cross, and we did all within our power to persuade the Solicitor General of the United States, Judge Thacher, who is the counsel of the Red Cross, to interpret the previous bill to permit the American Red Cross through its local chapters, particularly in the large cities like Chicago, St. Louis, Boston, and New York, to exchange flour for food, like potatoes, bread, and dry groceries, sugar, and coffee. However, we could not get these gentlemen to budge one inch in the interest of the poor people in those large cities. In justice to them I must say they desired to do so but felt constrained to deny our request because of the rigid terms of the bill.

The Red Cross had, however, persuaded the large wholesale grocers and bakers and the large chain-store operators to take this flour and give other food in return, but before effecting the exchange Judge Payne asked us to get an amendment to the statute giving him that power of exchange.

We went to the Agricultural Committee and asked for enabling legislation. The committee were considering a bill for a second 40,000,000 bushels. We persuaded the gentleman from Texas, Chairman MARVIN JONES, to write into the second bill the right to exchange the wheat or flour for other food. The bill is now before you. The amount of other food that will be exchanged will be comparatively trifling in amount, yet you will be doing genuine charity to the poor and distressed of my city. In New York, or rather Brooklyn, the Red Cross will and has distributed through the following agencies: The Salvation Army, the Brooklyn Bureau of Charities, St. Vincent de Paul Society, the Association for the Improvement of the Condition of the Poor, and United Jewish Aid Societies—I am an officer of the latter organization.

Dire distress, bitter poverty, stalks the land. Relief is imperative. Otherwise I shudder at the consequences of failure to succor the needy, the halt, the lame, and the feeble. Private charity has spent itself. Public charity, governmental charity is necessary. You must pass this bill. In New York City the emergency unemployment relief committee has been doing a fine job under the benevolent and wise guidance of Harvey D. Gibson. This organization is the central distributing agency of the Red Cross in the five boroughs of New York. It in turn coordinates and works with all the local borough charity societies. The emergency unemployment relief committee has raised millions of dollars

for the idle. But the work and the need seems unending. Governmental help is imperative. This bill will greatly help.

Mr. FISH. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. FISH. Why did not your charitable organizations bake the flour and make it into bread?

Mr. CELLER. It costs almost five times the cost of the flour to bake it into bread, so it was utterly impossible to do that. The cost, which must come out of the wheat, was prohibitive. However, some of the wheat was baked into bread, gratis, by some of the bakers.

Mr. HOPE. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. HOPE. I am in sympathy with the gentleman's position, but does not the gentleman think that an amendment which would limit the exchange to flour, bread, or products of wheat would be sufficient to give him the relief which he desires?

Mr. CELLER. No; it would not.

Mr. LA GUARDIA. Let me suggest to the gentleman that Judge Payne will keep these exchanges down to the minimum.

Mr. CELLER. The gentleman is correct. As the gentleman suggests, Judge Payne, of the American National Red Cross, will keep this exchange down to a minimum. He will, so far as it is within his power, have the exchanges confined to bread, to crackers, to cakes, to pies, if you please, to breakfast foods, and to all those commodities of which wheat is an essential and substantial part. But he must not be limited to products of wheat. I will say to the gentleman that I am sure you can rely upon my word and rely upon the word of Judge Payne in that respect, because he is in charge of this charitable distribution through his local chapters all over the United States, that he will, so far as is humanly possible and consistent with proper alleviation of distress, confine exchanges to wheat products.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. LA GUARDIA. New York City, on a population basis, would have been entitled to a distribution of 5 per cent of the total of the first 40,000,000 bushels of wheat voted for. Five per cent of 40,000,000 bushels is 2,000,000 bushels. Yet New York City did not, because it could not use the flour, get anything at all to speak of. It is entitled to the fair consideration which the pending bill will give. It should receive not only its share of the second 40,000,000 bushels of wheat in the form of food but its share of the first 40,000,000 bushels as well. Upon this I shall insist. I hereby serve notice upon the Red Cross as to this.

The Red Cross did not want to give flour to individuals, and let them run to the grocery stores, where it would be traded in at a ridiculously low exchange rate. That is what we prevented for you.

Mr. CELLER. That is what would happen. The family in their misery possessed of a bag of flour would run to the nearest grocer and exchange it. The cupidity of many tradesmen might cause the poor family to become the victim of a sharp bargain.

I am aware that the Members from the wheat States are fearful lest the exchange privilege will in effect defeat the purpose of the bill, which is to relieve distress and at the same time reduce by consumption the quantity of wheat in the country. If flour is exchanged for coffee or sugar, the sugar and coffee is consumed but the wheat remains. That is true. But to do a great good, let us do a little harm. There is never a perfect solution or a perfect answer. In practice, even if you give the New York poor family the flour, they would not, could not use it. They would sell or exchange it. The flour would, in any event, remain unconsumed. Let the Red Cross make the exchange.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

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

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

The Clerk read as follows:

Amendment offered by Mr. UNDERWOOD: Page 1, line 6, after the words "Red Cross," strike out "and any other organization designated by the American National Red Cross" and insert in lieu thereof the following: "To the governors of the several States, Commonwealths, and Territories of the United States, and any other organization designated by the American National Red Cross, or the governors of the several States, Commonwealths, and Territories of the United States."

Mr. UNDERWOOD. Mr. Chairman, I have offered this amendment for the purpose of asking the chairman a question. I would like to know what objection the gentleman's committee has to making this wheat available to the governors of the several States, Commonwealths, and Territories of the United States as well as to the American Red Cross.

Mr. JONES. I will state to the gentleman that after investigation the committee reached the conclusion it was better to have the responsibility in one central organization. This organization has the authority to utilize, and it has exercised the privilege of utilizing, many local organizations in administering the provisions of the old act. The American National Red Cross has the confidence of everyone and has done such a fine piece of work, generally speaking, that I think it would be a mistake to divide the responsibility and probably induce disputes between different organizations.

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

Mr. UNDERWOOD. I yield.

Mr. CLANCY. There were a few months ago 10,000,000 bushels of wheat in Canadian elevators, mostly in Ontario, and I would like to ask the chairman of the committee what has become of that American wheat in Canadian elevators?

Mr. JONES. I am sorry I can not tell the gentleman, but I am sure if he will call up the Farm Board they will give him the information.

Mr. CLANCY. But the point is that the rental or storage of this wheat in Canada is a very large item, amounting to about two and a half million dollars a year, and it is also true that as we dispose of this wheat we cut down the total amount of \$28,000,000 which we are paying for storage and carrying charges in American and Canadian elevators.

Mr. JONES. I am sure the storage is no more in Canada than it is here.

Mr. UNDERWOOD. Mr. Chairman, I do not desire to take up the time of the committee. In view of the statement of the distinguished chairman I will withdraw my amendment.

I am going to support this measure authorizing the distribution of 40,000,000 additional bushels of Government-owned wheat and 500,000 bales of cotton for the purpose of providing food, cloth, and wearing apparel to relieve the distressed people of the United States. This resolution provides that the wheat, cotton, or produce thereof may be milled, processed, or manufactured into or exchanged for flour, food, cloth, or wearing apparel. The value of this wheat and cotton now on hand is being gradually eaten up by interest, storage, and insurance charges. The humanitarian thing to do is to make it available to the American people for relief purposes. By so doing we will help the farmer in removing this surplus and in extending relief to human misery.

My bill provided for the distribution of 50,000,000 bushels of wheat, and, further, provided for a different method of distribution. I proposed to utilize the governors of the States, who, in turn, will utilize the American Legion, the Veterans of Foreign Wars, and other patriotic, charitable, and relief organizations, and the Red Cross.

The widespread unemployment and business depression still holds our country in its grasp. The situation demands the most serious and thoughtful consideration of Congress and every patriotic American citizen. These are abnormal times. A crisis is here. The very foundation of our Government and social order is tottering and in danger. The situation is as serious as any war in which our country has engaged.

In tragic times like these no one desires to load unnecessary burdens or responsibilities either on individuals or the Nation. However, we must face the realities of the present. Careful study and thoughtful consideration has been given to the situation. Legislation for relief based upon careful thought and consideration has been proposed. Bills have been passed that have brought some measure of relief, and others are pending. Congress has endeavored to stabilize industry, agriculture, and commerce.

Objections have been made to certain legislation on the ground that it was a "dole," meaning that the measures looked to the public as distinguished from private aid. The charge of "dole" and "pork" legislation must be squarely met. American citizens must not starve while we quibble over words. Emergency measures to bridge the unparalleled distress resulting from the unemployment situation have been and must be passed by Congress. Help has gone to the afflicted of other lands. Local resources have been exhausted. States, cities, municipalities, political subdivisions, charitable and relief organizations are no longer able to cope with the situation.

Under normal conditions, in a democratic form of government such as ours, we should rightfully rely upon those organizations to care for our destitute American citizens who are suffering from want, privation, and hunger. Radical and unusual situations all rightfully go for reversal of beliefs. Words and slogans damning and beclouding the true purposes of legislation should not cause us to neglect our duty to mankind. The total number of people needing relief is greater now than it ever has been before. Savings have been exhausted, friends and relatives borrowed from; credit is gone; and the man or woman who never before has been out of a job is "up against it." Federal assistance is necessary. Measures that will provide employment until the wheels of industry move again are urgent and necessary. Our people must work. That is the cure for unemployment.

I have supported and will vote for any measure, Republican or Democratic, that will help provide employment or relief for existing conditions. Many times direct aid has been given for the needs of our peoples and the peoples of other lands. We have many precedents to prove this. The wheels of industry must move again. Our people must work, but until they do, they can not and must not starve. I have voted for measures in this Congress that I would not support in normal times or under ordinary circumstances, but the cry of needy men, women, and little children for help constantly in our ears must not go unheeded. If it does, we will fall into national disgrace and dishonor.

Our Government does not owe its citizens a living, but it does owe them the opportunity to make a living. We can no longer ignore the crying need. Our people deserve recognition and assistance. Hunger has caused many a revolution and revolt. Gentlemen, we do not want these conditions added to the distress we now have. It is a stain on our society that people have to resort to hunger marches and strikes in order to picture their plight.

The greatest Leader of all time taught us "to love one another" and "feed the hungry." Now is the time to express our willingness to care for those in need.

Conditions have arisen which demand prompt and vigorous public action in order to prevent millions of worthy but destitute American citizens from further suffering actual want, privation, and hunger.

The emergency is so pressing that immediate action by the Government and an emergency appropriation from the Federal Treasury are urgent and necessary. I am quite sure that we would all prefer that private benevolence provide relief for this terrible situation. However, the excellent and worthy work of our relief organizations must be supplemented and aided by an emergency appropriation from our Federal Treasury for the relief of such a crisis as now confronts us.

I am not unmindful of the steps taken and action contemplated by our Government to relieve these sad and deplorable conditions. But we owe this immediate duty to our people in order to relieve millions of men, women, and little

children now on the verge of starvation. We have boasted about our prosperity. To argue that we are not able to expend a few millions for food for our needy and destitute is unreasonable, untenable, and not in keeping with our past or the humanitarian spirit of our great Nation. This must be done at once to prevent the pangs of hunger from causing the spread of revolutionary and bolshevistic doctrines.

We have spent billions of dollars for war. In times of peace we spend millions for our Army and Navy to secure and perpetuate the cause of liberty and free government. Can we not afford to spend a few millions under the general welfare clause of our Constitution—a strikingly smaller amount to relieve destitution and suffering among our own citizens? We must not hesitate in the face of evident distress, grief, and destitution. It is no time to quibble or argue. Delay may prove more costly. It might endanger our Government and institutions. Measures proposed and those which I have supported provide the direct way that relief and help can be given to innocent and suffering men, women, and babes, who are in no way responsible for existing conditions. The American people have always heeded the call of suffering humanity at home and abroad. Under the general welfare clause of our Constitution, we have made many appropriations of this nature. Many times we have helped the suffering peoples of other lands. The great heart of America has never failed to respond to a plea for help in time of need and distress. Many times we have appropriated money for the relief of distress of those at home and abroad. We have many precedents for this act.

Our Government has gone to the aid and help of the starving women and children in Belgium, France, and other States. We have appropriated \$20,000,000 for the relief of the people of Russia. At the close of the war we gave our suffering allies \$100,000,000. Austria received over \$70,000,000 in food from our Government. Relief has been given to Germany, Ireland, India, Cuba, and China—to the suffering people of Italy and Japan. Under the guise of loans, which never have and never will be repaid, our Government has furnished millions of dollars in supplies and foodstuffs to foreign countries, aggregating the enormous sum of more than \$200,000,000, including advances made by the American Relief Administration and the United States Grain Corporation.

Mr. Chairman, our country is rich, great, and wealthy. We love and cherish our institutions, our ideals, our Government. We have passed and are going to pass measures to relieve distress and, we hope, hasten good times. Multitudes of men, women, and little children are suffering and will suffer during the winter unless we assist our private relief agencies by an emergency appropriation to help relieve the distress and suffering resulting from the widespread unemployment and business depression existing throughout the country. Let us help bring about a brighter day and help relieve suffering and sorrow in our land as we have helped to do in other lands. If Congress will vote this measure, I am confident that it will help bring hope and courage to millions of hungry or discouraged men, women, and children throughout the United States.

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

Mr. JONES. Mr. Chairman, if the gentleman will permit, I ask that all debate on this section and all amendments thereto close in five minutes.

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

There was no objection.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent to withdraw the amendment I offered.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. SABATH. Mr. Chairman, notwithstanding that the wheat which has been distributed by the Red Cross has not reached the places where it is most needed, I still believe that the Red Cross is in a much better position to distribute it than the governors of the respective States.

Mr. LARSEN. If the gentleman will yield, the gentleman from Ohio [Mr. UNDERWOOD] has withdrawn his amendment.

Mr. SABATH. I thank the gentleman for calling my attention to the fact. However, I want to supplement what has been stated by the two gentlemen from New York [Mr. LaGUARDIA and Mr. Celler] as to the need of this legislation.

The gentleman from Michigan [Mr. CLANCY] has stated that the people in the city of Detroit are in danger of starvation. What applies to Detroit applies to the great city of Chicago. In that city, in which the Republican Party holds its convention this very day, and which party had four years ago pledged four years of plenty, employment, and high wages, there are nearly 650,000 men out of employment, on whom another 1,500,000 lives depend. Mr. Chairman, I repeat, I have cooperated with and aided in and voted for every piece of legislation to relieve the farmers of the country, although the starving people in the city of Chicago have not received a bushel of this wheat or a pound of this flour, notwithstanding that it, like several other large cities in the United States, pays into the Federal Treasury more money in the form of revenue than a great many States.

I think it is manifestly unfair and unjust that the people in the cities and in the large centers of population who need the food most should be deprived of this relief, aid, and assistance.

Mr. PARSONS. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. PARSONS. Is it not a fact that the city of Chicago and the State of Illinois have already spent \$45,000,000 for relief purposes?

Mr. SABATH. The city of Chicago, Cook County, and the State of Illinois have spent approximately \$45,000,000 to relieve the poor, and they have appealed for a loan in order to continue this necessary relief. They have come before us because the banks whom we have aided by the creation of the Reconstruction Finance Corporation have refused to buy any of our State, county, or city bonds, or even anticipating warrants. They do not ask for gifts or donations. I repeat, all they desire is to secure a loan, for which the city is willing to give good security and positive assurance that it will be repaid, so that Chicago may feed its hungry and create employment for the unfortunate thousands who are out of work and in need of food.

Some of the gentlemen from the Wheat Belt object to the exchange provisions in this bill, fearing that wheat must be exchanged for other commodities. Personally, I feel that the benefits that the people of the large cities will derive are only infinitesimal as compared to those derived by the wheat growers.

I am pleading for the bill not only because it will supply a small amount of food and clothing to the needy of the cities but also because it will reduce the tremendous surplus of wheat and cotton now in the warehouses that appears to affect the prices of the other commodities.

I realize that it would have been much more prudent and wiser if the Farm Board had disposed of the wheat long before this. But at that time we were under the impression that men of experience and vision and men who had the interest of the country at heart would be appointed to this board that would enable us to market our surplus wheat and other commodities and give our farmers fair prices for their commodities. But, from what you agriculturists say, this board has been grossly incompetent, has exceeded its authority, and has abused the power granted to it by Congress. These gentlemen, instead of bringing about increases in the prices of commodities, have brought about increases in their own salaries and allowances to a degree not only vicious but criminal. As I understand it, one of these men is drawing \$75,000 annually and another \$50,000. No wonder the \$500,000,000 which we have voted for to relieve the farmer is fast disappearing.

Please remember, these men have not been appointed by the Democratic Congress but by a Republican President, who is entitled to all of the credit and glory for their great achievements in bringing about the 40 or 50 per cent reduc-

tion in the prices of all farm commodities, and this, as I have stated, notwithstanding the fact that Congress has voted \$500,000,000 in good faith to stabilize the prices of all farm products.

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

The Clerk read as follows:

Amendment of Mr. CONNERY to the Jones amendment: At the end of the Jones amendment, insert: "After the needs of human consumption have been taken care of in the opinion of the Director of the Red Cross."

The CHAIRMAN. The Chair will state that all debate on this section and amendments thereto is closed. The Chair would like to inquire of the gentleman from Ohio [Mr. UNDERWOOD] if he withdraws his amendment?

Mr. UNDERWOOD. I withdraw it.

The CHAIRMAN. Without objection, it is so ordered. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such wheat or cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this resolution such wheat or cotton or the products thereof, may be milled, processed, or manufactured into, or exchanged for, flour of any kind, bread, or other food of any kind, or cloth or wearing apparel; but such milling, processing, or manufacturing shall be without profit to any mill, organization, or other person.

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

The Clerk read as follows:

Page 2, line 12, after the word "wheat," strike out the words "or cotton," and at the end of line 12, add the word "or." In line 13, strike out the words "or manufactured." In line 14, strike out "clothing or wearing apparel," and insert in lieu thereof "cotton may be manufactured into clothing or wearing apparel or exchanged for other articles of clothing made of cotton."

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I am offering this amendment for the purpose of clarifying the language as written in the bill. Apparently under the present language you could trade cotton for wheat or wheat products, or trade wheat or wheat products for cotton or cotton clothing. This will leave the bill as intended, so you can trade wheat for flour, and so forth, and for other food products; or, as to cotton, you can trade cotton cloth for garments or other manufactured clothing made out of cotton.

Mr. HOPE. Mr. Chairman, I offer the following amendment as substitute for the Fulmer amendment.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the Clerk may read the paragraph as it would read if the Fulmer amendment were adopted.

The CHAIRMAN. Without objection, the Clerk will read. The Clerk read as follows:

SEC. 2. No part of the expenses incident to the delivery, receipt, and disposition of such wheat or cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this resolution such wheat or the products thereof may be milled or processed into or exchanged for flour of any kind, bread or other food of any kind, or cotton may be manufactured into cloth or wearing apparel or exchanged for other articles of clothing made of cotton; but such milling processes or manufacturing shall be without profit to any mill, organization, or other person.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas [Mr. HOPE] as a substitute for the amendment of the gentleman from South Carolina.

The Clerk read as follows:

Page 2, strike out, beginning with line 11, down to line 16, and insert in lieu thereof the following:

"In order to carry out the purposes of this resolution, such wheat or the products thereof may be milled, processed, or manufactured into or exchanged for flour of any kind, bread or other food or feed of which wheat or any by-product thereof is a substantial ingredient, and such cotton may be processed or manufactured into or exchanged for clothing and wearing apparel made

of cotton; that such milling, processing, or manufacturing shall be without profit to any mill, organization, or other person, and so far as necessary such wheat and cotton products may be used for immediate transportation, storage, and handling expenses in carrying out the purposes of this resolution."

Mr. BANKHEAD. Mr. Chairman, reserving the point of order, does the gentleman offer this as a substitute or as an amendment?

Mr. HOPE. Mr. Chairman, I offer this as a substitute for the amendment offered by the gentleman from South Carolina. This amendment does for both wheat and cotton what the amendment of the gentleman from South Carolina [Mr. FULMER] does as to cotton. In effect it provides that wheat shall not be exchanged for any other food product excepting flour, bread, or any other food or feed of which wheat is a substantial ingredient, and as to cotton it provides that it shall not be exchanged for any cloth or wearing apparel other than that manufactured from cotton.

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

Mr. HOPE. Yes.

Mr. MOUSER. Who is to determine the exchange value of this wheat or cotton that is to be exchanged for other goods?

Mr. HOPE. That is entirely up to the Red Cross.

Mr. MOUSER. In other words, you are to delegate that right to a Red Cross official to fix whatever value he may see fit and make any kind of a deal he may see fit, without any supervision whatever?

Mr. HOPE. That is true. The original bill does that, because it gives the Red Cross officials authority to trade for anything in the way of food or clothing. I am entirely sympathetic with the position of the gentleman from New York [Mr. CELLER], and I want to see them get some of this wheat and flour to relieve their destitute citizens, but I can not see any reason why they will not get the relief asked for if this amendment is adopted. This is not the only relief measure that Congress is going to pass. We are going to pass another relief measure before we adjourn, and it certainly is not asking too much to say that this wheat which is going to be given away here in competition with the wheat which is now coming on the market from the farms and fields of this country must be exchanged for a product of wheat, and the same thing is true of cotton. If we do not do that, we are going to have wheat exchanged for meat, canned goods, dried fruits, and almost every article of food. The result will be that we will not be doing what we intend to do, in giving flour to people who need it because they are destitute.

We will be giving flour to these organizations to trade for other products. The millers of this country have been most generous in milling this wheat free of all costs. The farmers of the country have not complained because to a certain extent this relief has been at their expense, the price of wheat has declined 12 cents since we started giving wheat away, but I think both millers and farmers of the country have a right to insist that the Government shall not give wheat away to be put on the market in competition with their wheat and flour. I can not see if this amendment is adopted that it is in any way going to interfere with relief of those destitute in our great cities. We will pass other relief bills, and these cities and States are going to be able to purchase other food supplies for the needy, and in all conscience and good faith toward the farmers of the country who are in just as poor condition as any people, this relief ought not to be at their expense.

Mr. O'CONNOR rose and was recognized by the Chair.

Mr. JONES. Mr. Chairman, will the gentleman yield until I make a request for unanimous consent?

Mr. O'CONNOR. Yes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 10 minutes.

Mr. LA GUARDIA. Reserving the right to object, the gentleman is opposed to this amendment?

Mr. JONES. Under the circumstances I shall oppose the amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes. Is there objection?

Mr. DYER. Mr. Chairman, reserving the right to object, does the gentleman from Alabama [Mr. BANKHEAD] propose to go on with any other legislation to-day?

Mr. BANKHEAD. We had hoped to take up the kidnapping bill this afternoon, but it is so late that I do not think it will be possible to do it, but that bill will be called up the first thing in the morning.

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

There was no objection.

Mr. O'CONNOR. Mr. Chairman, I shall not address my remarks so much to the merits of this amendment as I shall call the attention of the committee to what I consider a matter of fairness. This amendment should be defeated if for no other reason than that it would be most unfair to the Committee on Rules as representative of this House. The Committee on Agriculture appeared before the Committee on Rules and presented a picture to that committee of what they wanted in this bill, and they featured the fact that the products of wheat could be exchanged for all kinds of food. That is practically all they talked about. That is the bill that we reported out of the Committee on Rules. When the Committee on Agriculture came here to-day and proposed to put in a substantially different amendment, the direct opposite of the request made before the Committee on Rules, our Committee on Rules said to them, "If you are going to do that, we will just not call up the rule."

Mr. WILLIAMSON. Surely the gentleman does not take the position that any committee should refuse to report out a bill merely because it could be amended upon the floor of the House.

Mr. O'CONNOR. This is not a question of amending a bill on the floor of the House. It is an attempt to substitute an entirely different thing, a complete reversal of what was requested before the Committee on Rules. When the Committee on Agriculture decided to recommend an amendment it should have come back to the Committee on Rules and said that the bill that the Committee on Rules reported out was not the one they wanted. They had plenty of time to do it. This amendment is a complete change of front. I shall not call it "deceptive" in this instance, because the proposal to offer the amendment was disclosed this noon, and I asked the chairman of the Agriculture Committee to change his position. I understood he canvassed practically all of the members of his committee, and I spoke to most of the members of the Committee on Rules, who agreed with me and the chairman of the Agriculture Committee that it would be unfair to offer the amendment.

Whether or not you agree with the merits of this proposal, in addition to what was represented to the Rules Committee that would be done by this measure, in fairness to the committee and in the spirit of not having a committee misled, this amendment offered by the gentleman should be rejected.

Mr. HOPE. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. HOPE. The gentleman, of course, understands that this is not offered now as a committee amendment.

Mr. O'CONNOR. That does not make any difference. That is just an attempt at deception. The gentleman has a perfect right to offer it. I am appealing to the committee that the amendment should be rejected because it is a substantial change in a bill after the bill has been set up and pictured to the Rules Committee.

Mr. STAFFORD. Does the gentleman mean to say that the House is to accept only the ipse dixit of the Committee on Rules without modification by any germane amendment?

Mr. O'CONNOR. Not at all. Just the opposite. I am talking about fairness. There is no question of the germaneness of this amendment. The question is one of good faith.

Mr. STAFFORD. We knew nothing, when we adopted the rule, as to what assertion was made before the Committee on Rules. The bill is before us for amendment.

Mr. O'CONNOR. Oh, I explained the situation before the rule was adopted.

Mr. MOUSER. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MOUSER. If the gentleman states that this amendment is germane, what is there about the rule which gives the right to amend under the 5-minute rule, that goes beyond the spirit of the bill that was reported?

Mr. O'CONNOR. If this amendment were in the bill in the hearing before the Committee on Rules, it is doubtful if the rule would have been granted, because the question would have arisen, "What have you done to aid the big centers of population?" But the provision to take care of the cities was in the bill. It was, moreover, featured before our committee. I leave it to the gentleman from Michigan [Mr. MICHENER] if that was not the situation before our committee.

Mr. MICHENER. As a matter of fact, what the gentleman from New York is complaining about is that when a committee comes before the Rules Committee and asks for a rule to consider a specific bill, it is not fair to the Rules Committee which has considered a given bill, to have the legislative committee at a later date introduce an amendment which is entirely different from the bill contemplated by the rule.

Mr. O'CONNOR. That is exactly what I have in mind. I am not asserting any superior right of the Rules Committee. I am talking about fairness. We never had a rule before us for the consideration of a bill with this amendment.

Mr. BURTNESS. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BURTNESS. In the gentleman's reference to what has been done for the cities, surely the gentleman does not take the position that this bill, as it would stand if amended by the Hope amendment, is an agricultural bill or for the benefit of agriculture?

Mr. O'CONNOR. Oh, I heard the gentleman talk about this as a farmers' bill, a farm relief bill. We were always led to believe it was a bill to relieve starvation and distress.

Mr. BURTNESS. Oh, no.

Mr. O'CONNOR. Well, I am shocked; the gentleman now talks about it as a bill for the relief of the farmers. When we voted for the last bill to distribute 40,000,000 bushels of wheat we were told it was a bill to relieve starvation and distress.

Mr. BURTNESS. And so did I.

Mr. O'CONNOR. But the gentleman has been saying it is merely a farm relief bill.

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

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

Mr. Chairman, I do not want to become involved in any controversy over the question of whether or not the spirit of amity that ought to exist between the Committee on Agriculture and the Committee on Rules has been violated in any way. The explanation made by the gentleman from New York [Mr. O'CONNOR] is the first information I have had as to any special emphasis put upon certain features of this bill before the Committee on Rules, as a reason for or against its being reported.

However, I do not want to become involved in that, but I do want to call attention to the fact that the amendment proposed by the gentleman from Kansas, instead of broadening the provisions of the bill in any way, rather limits the bill. If the amendment of the gentleman from Kansas [Mr. HOPE] were adopted, it would not be as broad as the original proposition presented to the Committee on Rules, when the rule was filed.

Now, I want to go to the merits of the proposition for a moment and say that I believe this amendment is absolutely essential. I appreciate fully the arguments made by the

Representatives from the cities with reference to making the provisions as liberal as possible so that their needy people may be cared for. I am in complete sympathy with that, but I call attention to this proposition, that if this is opened up as wide as the original text provides, I think we are entering upon a very dangerous sort of proceeding. I think we will be establishing a precedent there that will rise to plague us in the days to come. Just as the gentleman from Kansas indicated, if it is proposed that wheat shall be taken and traded for any conceivable proposition that might be brought within the category of food, and it is not limited to the products that come from wheat, it seems to me we are entering upon a very devious and winding path.

Mr. McGUGIN. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. McGUGIN. As a matter of fact, what they are doing is not providing for the consumption of wheat but providing to use wheat as legal tender.

Mr. KETCHAM. That is it exactly. I have the greatest sympathy for the gentlemen from New York and I would do anything to make the application of this bill as wide as possible, but it seems to me we are going too far.

Mr. JONES. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. JONES. I talked to the American National Red Cross and they said in any event they would use practically all food made from wheat products, but that these restrictions handicapped them and made them investigate and endeavor to determine. I do not think there is any particular necessity for the amendment. The committee adopted the amendment after we had asked for the rule, and I do not think it is of enough importance to insist upon it.

Mr. KETCHAM. I simply want to say that I would not do anything that would violate in any sense the spirit of agreement that had been reached between the two; but I wanted to take this minute to point out what I deemed to be a dangerous precedent that is being established if we proceed with the bill as it is now written, and permit the Red Cross to trade wheat for any conceivable kind of food products. It seems to me that is an exceedingly dangerous thing.

Mr. CELLER. The gentleman is in error. The American Red Cross has said that they would do no such thing; that there would be very little, comparatively speaking, of this exchanged, and then only where it is absolutely necessary in the terrible situation existing in New York, Chicago, and other large cities.

Mr. SABATH. Where the flour can not be used directly.

Mr. KETCHAM. I only want to say in conclusion that, of course, I am interested in seeing as large a quantity of the wheat used as possible. I do not share the fear other members of the committee have that this is going to work an injustice on the farmers. In my own judgment, if you could get every single bushel of board wheat into the hands of the folks who need but can not buy it, and thus do away with it entirely, it would have a good effect upon the wheat market.

Mr. MOUSER. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Kansas [Mr. HOPE].

The Clerk read as follows:

Amendment offered by Mr. MOUSER to the Hope substitute amendment: Page 2, line 15, after the word "person," insert a comma and the following: "Provided, That the value of the wheat and cotton to be exchanged shall be determined by the local market value of such wheat and cotton prevailing in the section where the exchange is made."

Mr. JONES. Mr. Chairman, I make the point of order the amendment is not germane to the section.

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

The amendment provides for the exchange of other food products for the cotton and wheat which it to be distributed by the secretary or officials of the Red Cross. If that authority is given to them, certainly it is but logical that we should provide the standard by which the exchange shall be made.

Mr. JONES. I might not have understood the gentleman's amendment.

Mr. MOUSER. It seems to me the chairman of the committee ought to consent to this amendment, since it safeguards the exchange and insures that we get value received for that which we are donating for the benefit of the needy. We want the needy to get the value of this wheat and cotton, and we do not want anybody to manipulate it contrary to their interests. I think this amendment is essential.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. JONES. Mr. Chairman, I desire to insist on the point of order because the amendment would involve the determination of price, which is not involved in this connection. I think the American Red Cross can be trusted. Therefore I insist on the point of order.

The CHAIRMAN. The point of order is sustained.

The question is on the substitute amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 23, noes 60.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from South Carolina [Mr. FULMER].

The question was taken; and on a division (demanded by Mr. FULMER) there were—ayes 36, noes 16.

So the amendment was agreed to.

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent to go back to section 1 to offer an amendment providing for the use of 100,000 pounds of coffee which the Stabilization Corporation has at the present time. We might as well use this up while we are at it.

Mr. BANKHEAD. Mr. Chairman, I object.

The Clerk read as follows:

SEC. 3. In so far as wheat or cotton is donated to relief agencies by the Grain Stabilization Corporation or the Cotton Stabilization Corporation under this resolution the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the wheat or cotton delivered hereunder, less the current market value of the wheat or cotton delivered; and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act. To carry out the provisions of this resolution, such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes:

(a) For advancing to such corporations amounts to repay loans held by commercial or intermediate credit banks against wheat or cotton which would be released for donations under this resolution.

(b) For reimbursing each such corporation for its net equity in the wheat or cotton used for donations under this resolution, according to the current market value at the time of the donation.

(c) For meeting carrying and handling charges, and interest payments on commercial or intermediate credit bank loans, on or against wheat and cotton which would be released for donations under this resolution between the date of its approval and the delivery of the wheat or cotton to the American National Red Cross or other organization.

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

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

The Clerk read as follows:

Amendment offered by Mr. HART: Strike out all of section 3 and insert in lieu thereof the following:

"SEC. 3. In so far as wheat or cotton is donated to relief agencies by the Grain Stabilization Corporation or the Cotton Stabilization Corporation under this resolution the Federal Farm Board is authorized to cancel its loans to such corporation.

"To carry out the provisions of this resolution, such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purpose, but not in an amount that exceeds the market value of the wheat and cotton:

"For advancing to such corporations amounts to repay loans held by commercial or intermediate credit banks against wheat or cotton which would be released for donations under this resolution."

Mr. HART. Mr. Chairman, I am in favor of the purposes of this resolution. I subscribe to all the statements made by the two gentlemen from New York and those who are in

favor of relieving the needy. I am, however, opposed to section 3 because it provides more relief for the Federal Farm Board and their subsidiaries than it does for the needy. This resolution provides for the sale of 40,000,000 bushels of wheat and 500,000 bales of cotton and permits the Federal Farm Board to name their own price. It is true that it is stated in the language of the resolution that this price is to be the market price, but the Federal Farm Board, under this language, will decide what the market price is.

It is conceded that stabilization has been a failure. I think even its proponents will admit it has been a failure. I think it has been agreed even by the friends of the Federal Farm Board that they are no longer to enter any market in speculation or make any attempt to pile up farm commodities under the stabilization program. Therefore my amendment to this resolution simply provides for an authorization of an appropriation from the Treasury to pay the primary loans upon these two commodities, but it does not authorize the appropriation of one dollar from the Treasury to pay any equities which the Farm Board or any of their agencies may claim in this cotton or wheat.

If we adopt the language of this resolution, here is what we will do: First, we will take this cotton and wheat off the Farm Board's hands at their own price. We will pay them a price at which we could go out in the open markets of the country and buy these commodities. We are going to injure the farmers of these two commodities. There is no question about that. I am a large grower of wheat and have a good many thousand bushels of wheat upon my farm now unsold, yet I am in favor of this measure, but I do not desire to take money out of the Treasury in order to rehabilitate this institution, which has done untold damage to the farmers. I am in favor of distributing this wheat and cotton and getting it off the market. It has been a bad deal for the farmer and he must expect to suffer. I expect to take my part of the damage. All farmers throughout Michigan, I am sure, would subscribe to that. They understand that this stuff is hanging over the market and the sooner we get rid of it the sooner we are going to get better prices. On the other hand, I do not think they would subscribe to an appropriation from the Treasury which would increase this revolving fund for the purpose of going back into the market and creating the same situation from which we are now trying to relieve ourselves.

For that reason I have offered this amendment. It simply takes away this wheat and cotton from the Farm Board, pays the primary loans against them which they have borrowed from the intermediate credit banks and private banks but does not reimburse the Federal Farm Board for any equities they may have in it.

[Here the gavel fell.]

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

Mr. JONES. Will the gentleman yield in order that I may make a unanimous-consent request?

Mr. BURTNESS. Yes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes, 3 minutes to be allotted to the gentleman from Washington [Mr. SUMMERS] and 2 minutes to myself.

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

There was no objection.

Mr. BURTNESS. Mr. Chairman, I am in general agreement with the purpose of the gentleman from Michigan [Mr. HART]. The only trouble with his amendment is that it is meaningless, for his language does not in any way change the construction that must be placed upon the original language in the resolution itself. All the resolution provides as to reimbursement is the very thing which the gentleman from Michigan argues for, to wit, the payment of liens against the wheat or cotton.

I do not know whether I can be quite as liberal as is the gentleman from Michigan to burden the wheat farmers of

this country with the relief that is carried in this resolution. I intended to support this resolution when I came over here this afternoon. I assumed at that time that it was similar to the one passed some months ago. Also I agree with others that whenever the surplus that has been piled up in the show cases of the Stabilization Corporation can be eliminated both the producers and consumers of this country will be better off. I gladly join in relief for those in distress by providing wheat for food. But under the language of this resolution, as it now stands, and with the committee having refused to accept the Hope amendment, let us see what it actually proposes to do. As I construe it, the title thereof might well be substantially this:

To give relief to distressed people in the Nation at the expense of the wheat farmers thereof.

Possibly to that ought to be added the cotton farmers. I am not so sure, however, as to that because it may be that the Fulmer amendment has taken care of it so that it will not be at the expense of the cotton farmer. However, I am not certain, and I suggest the cotton representatives ought to look into that phase of it.

Let us, however, see what it does with reference to wheat. It says substantially this: We will donate 40,000,000 bushels of wheat to the Red Cross for the relief of those in distress. But what will the Red Cross do with it? That organization first arranges to grind it into flour on a sort of share basis.

The millers will retain a portion of it. I do not know whether the portion retained amounts to one-fourth or one-fifth or some other fraction, but a certain amount of it is retained in the hands of the miller to cover the cost of grinding. What happens because of that fact? Why, of course, it decreases to that extent the demand for wheat on the part of the millers. There can be no question about that. It also means that to the extent that consumption demand is met the market for flour is lessened.

Then, under the language of this bill, what further do you propose? You say, "Yes; you may take this wheat or the flour produced from the wheat turned over to the Red Cross and exchange it in turn for any other food that is needed." What will happen to that flour that is exchanged for other kinds of food? Why, of course, it stays in some grocery store and then enters into the competitive market. It will be sold to people who would otherwise buy and pay for flour produced from grain entering the market in the usual way, and you are proposing to do this now, at the beginning of a new marketing season, when the wheat crop from the Southwest will soon go upon the market, and the authority will continue throughout the marketing season. Do you wonder at my concern?

I see most of the men from the wheat States here ready to support this bill, just as I was ready to support it a few moments ago. If these provisions remain in the bill, as one representing one of the largest wheat districts in this country, I can not go back to my people and meet the charge that will be made and admit that I was willing to vote funds or property to relieve the distress of the people in the cities but that I did so at the expense of the wheat farmers of this country. Let us perfect it so as to carry out its laudable intent, but in such a way as not to reduce further the market price of wheat which is now way below the cost of production. [Applause.]

Mr. SUMMERS of Washington. Mr. Chairman, ancient Rome is said to have won her battles, conquered her enemies, and grown great on a ration of unground wheat. But I am persuaded that the simple, invigorating ration of whole wheat that vitalized the Roman soldier is not generally known to individuals and relief agencies to-day.

Well-cooked unground wheat is an ideal human food. It is loaded with calories, vitamins, and other essential elements. It is a rich, nourishing food available for all. At my own table we and our guests think the flavor equals or surpasses most breakfast foods now offered. In food value it undoubtedly surpasses them all. Could it be commercialized and sold in fancy cartons by the ounce instead of by the bushel, millions would demand it, as they now do tomato

juice, which was for ages a waste product. Certainly no man, woman, or child in America need suffer hunger while our wheat bins are bulging.

We process wheat to meet the cultivated demands of modern civilization. With every refinement we reduce its food value.

WHAT'S IN A WHOLE GRAIN OF WHEAT?

A food chemist tells us it contains, before the outer covering or "bran" is removed: Iron, for rich blood and rosy cheeks; fluorine, for clear vision and bright eyes, but especially for the armorplate enamel that protects the teeth from decay; calcium, for sound teeth, good digestion, and strong bones; silicon, for the nerves and luxuriant hair; phosphorus, that repairs and builds nerve tissue; potassium, that keeps the tissues young and elastic; sodium, that destroys poisons and is absolutely essential to health; magnesium, that combines with phosphorus, silicon, and fluorine to develop teeth and bones; sulphur, that works with silicon to make fine hair and nails that will not break; iodine, that defends the body against disease; manganese, that works with iron to keep the healthy red in the blood and to burn up poisons dangerous to the body; chlorine, that helps to make up the gastric juice, and without which there can be no "good digestion"; oxygen, nitrogen, hydrogen, and carbon, which make breathing. These 16 elements that make for the joy of living are all found in wheat.

To Mrs. Congressman James V. McClintic of Oklahoma, to Mrs. Summers, and to Mrs. Fred Rogers, of Colfax, Wash., we are indebted for the following recipes that have found favor in official Washington and elsewhere.

WHOLE WHEAT

Mrs. Summers suggests that 2 quarts of whole wheat be well washed with hot water and soaked for 12 to 24 hours. Place in a double boiler. Add water as needed. Cook three hours over a slow fire. Salt to taste while cooking. Serve hot or cold with milk, or with cream and sugar. Keep unused portion in refrigerator and serve cold or reheat from day to day as used. Reheating improves the flavor which may be changed at time of serving by the addition of any available fruit juice.

But wheat should not be considered a "breakfast food" only. With side dishes of cabbage, lettuce, or other green vegetables and whatever fruits may be available it becomes the base of a well-balanced ration for the heavy meals of the day. A noted food specialist of New York asserts that the brain worker or laboring man will maintain health, strength, and bodily vigor indefinitely on a wheat ration. As a physician myself I commend its wider use.

The criticism that it requires long cooking is overcome by cooking a sufficient quantity for several days' use at one time. Anyone who has two pans may improvise a double boiler by placing a thin strip of wood in the outer pan partly filled with water.

CHILI WHEAT

Mrs. Roger's favorite recipe is approximately as follows: Two pints well-cooked wheat, 2 tablespoons suet, 1 medium-sized chopped onion, ½ pound hamburger, ½ pint chopped celery, 1 small can tomatoes. Season. Bake in oven.

This is a delicious preparation that should tickle the palate of the most fastidious epicure. Unused portions may be fried like meat or potato balls.

To Mrs. McClintic, however, we are indebted for all the original and compiled wheat recipes that follow. She has popularized the use of unground wheat in Oklahoma and in the National Capital and is entitled to much credit.

ALL THE RECIPES CALL FOR COOKED WHEAT

Sort the wheat grains and wash thoroughly. Soak over night or allow a longer period of time for cooking. For each cup of wheat add 2 cups of water. Put on a very low fire in a tightly closed vessel on an asbestos mat. Cook slowly as possible for five or six hours; that is, until the grains are plump to the bursting point. Add 1 teaspoonful of salt for each cupful when wheat is fairly well done.

COFFEE SUBSTITUTE

When wheat is about half cooked, pour off liquid and serve with sugar and cream.

WHOLE GRAIN WHEAT GRIDDLE CAKES

One cup flour, 1 cup milk, 1 egg, 2 tablespoons fat, 2 teaspoons baking powder, one-half cup whole cooked wheat.

WHOLE-WHEAT MUFFINS

One cup sifted flour, one-half teaspoon salt, 1 cup cooked wheat, 1 egg, 2 teaspoons baking powder, one-half cup milk, 1 tablespoon melted fat.

Sift dry ingredients together, add the wheat, and mix thoroughly. Beat the egg, add the milk, stir into the dry ingredients. Bake in moderate oven about 30 minutes. Makes eight large muffins.

WHOLE WHEAT EXCELLENT SUBSTITUTE FOR NUTS

In substituting wheat for nuts, be sure to use the cake, cookies, or muffins the day they are baked. The wheat becomes hard within a few hours.

Use whole wheat with bacon, onions, and scrambled eggs.

WHOLE-WHEAT CHOWDER

Two cups diced carrots, 1 pint boiling water, one-half cup diced salt pork, 4 tablespoons chopped onions, 1 tablespoon flour, 1 pint milk, 2 cups cooked whole wheat, 1 teaspoon salt, pepper.

Cook the carrots in the boiling water until tender. Fry the salt pork until crisp, remove it from the fat, and cook the onions in the fat. Stir in the flour and cook a few minutes longer. Mix all ingredients in the upper part of a double boiler, stir until well blended, and cook about 10 minutes.

This chowder, with the addition of a raw salad or fresh fruit, makes a delicious and nourishing meal.

WHOLE-WHEAT MEAT LOAF

One cup cooked whole wheat, 1 medium-sized onion finely chopped, 1 cup ground or finely chopped meat, 1 egg, beaten.

Mix the ingredients, mold into a loaf, and bake in a moderate oven.

WHOLE-WHEAT PUDDING

Two cups hot milk, 2 cups cooked whole wheat, 1 egg, 2 tablespoons sugar, 1 cup chopped seeded raisins, three-fourths teaspoon salt, one-half teaspoon vanilla.

Mix the wheat, milk, salt, and sugar. Add the raisins, beaten egg, and the vanilla. Pour into baking dish and bake in a moderate oven about 30 minutes or until set. Chill before serving.

WHOLE WHEAT COOKIES

Three-fourths cup sifted flour, one-half teaspoon salt, 1 teaspoon cinnamon, one-half teaspoon soda, 2 tablespoons fat, one-half cup sugar, 1 egg, 1 cup cooked whole wheat, 1 cup seedless raisins.

Sift the dry ingredients together, except the sugar, add the fat, sugar, beaten egg, wheat, and raisins. Stir until well mixed. Drop by teaspoonfuls on a greased pan about 2 inches apart, and bake in a moderate oven until lightly browned.

COOKING THE GROUND WHOLE WHEAT

One cup of ground, whole wheat is added slowly to three cups of boiling water, to which has been added three-fourths teaspoon salt, and cook for one hour. The cooked cereal may be used in soups and stews to thicken.

Whole wheat makes "a dinner fit for a king." Its use may well extend from the farm where it is grown to city dwellers everywhere.

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

Mr. Chairman, I was in sympathy with the bill which provided for giving away 40,000,000 bushels of wheat. I had my doubts then if it was for the best interests of the wheat section, but tried to view the matter in the light of the best interests of the Nation as a whole.

It does seem to me that Wall Street and Michigan Boulevard should be able to feed their own poor, but maybe they can not. We who come from the Wheat Belt have made the concession of permitting wheat to be given away, but this is carrying it far enough.

Let us see what Government monkeying in the farm business has done to this country.

In the first place, you gave the farmers a farm bill they did not want. The Farm Board, we say, has wrecked the market, and now comes Congress and does worse. Here is what you are doing for wheat—not the Farm Board but Congress: In the first place, you are saying to the Farm Board, "Give it away; it is not worth selling." The Farm Board gives it to the Red Cross, which gets it for nothing. The Red Cross says, "It is not worth keeping," and trades it for vinegar, salt, pepper, or what not."

When the Government does this is there any wonder that the wheat market is down to nothing? This is an outrage upon the wheat industry of this country.

I say to my friends from the South an amendment was put on here that cotton could not be used in exchange except

for cotton goods; but you desert wheat and provide that wheat can be used as legal tender to be traded for chips and whetstones. Talk about fiat money; I would rather have fiat money than to have this wrong perpetrated upon the wheat industry of this country.

We do strenuously object to throwing wheat on the public to be used as a means of barter and trade. What has this session of Congress done for the farmer? I am not condemning Congress for that, for I do not know that there is anything that can be done for the immediate benefit of agriculture, but Congress can refrain from magnifying the present sad plight of agriculture. If we can not do anything for agriculture, let us not make it any worse. Let no man rise and condemn the Farm Board if Congress is going to give wheat to the Red Cross with instructions to trade it for other goods. I am willing to go along, give wheat to those in distress—but I am not willing to do it at the expense of agriculture, by letting the Red Cross trade the wheat for groceries other than groceries made from wheat. If wheat is to be given away the farmers of America are entitled to benefit to the extent of knowing that the wheat is being consumed.

I did not want to move to strike out the enacting clause, but you have left the bill in such shape that it can not be enacted without crucifying the farmers of this country. [Applause.]

Mr. JONES. Mr. Chairman, I think my friend from Kansas is unduly exercised, and he made some statements that I am sure he did not mean.

In the first place, one would infer from his statement that it would be all right for a man to starve if he was in New York. I want to say that I do not want any man or woman to starve anywhere under the American flag. [Applause.]

We have the statement from the American National Red Cross that in the handling of this commodity practically all the wheat that is exchanged will be exchanged for commodities, of which wheat is a component part. There are scores of articles of food in the preparation of which wheat is used.

Under the terms, however, of the gentleman's amendment, it will be necessary for the American National Red Cross to analyze, to see how much flour there is in the food products. The Red Cross can be trusted to handle it. They have done wonderful work so far. There has never been a time in the history of the American Government when this relief was more important and more needed, and because, forsooth there may be one or two little food commodities not made from wheat that might creep in, the gentleman would by his motion deny the people of this country the right to feed the hungry people 40,000,000 bushels of wheat and the naked the right to be clothed from the cotton. Does he want the wheat to rot in the bins? Would he want these commodities to eat themselves up in storage charges merely because the bill is not worded just as he wishes it?

What a strange and cruel philosophy! Men from the wheat sections seriously contending that because a small amount of this wheat might be used to procure other commodities, the enacting clause should be stricken out. I wish and expect that practically all this wheat will be used for food commodities made of wheat. I believe the Red Cross will see to this. They have assured us they will. I have an admiration for the gentleman from Kansas. I like his candor. I like his courage. I feel that after reflecting he will not want his motion adopted by the House. I believe the farmers in this country will be better off when the wheat and cotton in this resolution are given to the people who need it. [Applause.]

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

Mr. JONES. Yes.

Mr. McGUGIN. Why is it necessary to provide in this bill that cotton must be used exclusively in exchange for cotton goods? Why did you not leave cotton to be bartered off for knick-knacks, peanuts, and so forth.

Mr. JONES. It is not necessary. I do not believe the Red Cross would so trade it even if that amendment were not in.

Mr. McGUGIN. Give us some kind of similar protection in an amendment for wheat. I would have no objection to the bill then.

Mr. JONES. That is the gentleman's opinion, and I am sorry for it. I am sorry he takes that view, but I believe he is wrong. [Cries of "Vote!"]

The CHAIRMAN. All time has expired on this section and all amendments thereto.

Mr. BURTNESS. Mr. Chairman, a parliamentary inquiry. Has time expired upon the motion to strike out the enacting clause?

The CHAIRMAN. Yes. All time has expired. The question is on the motion of the gentleman from Kansas that the committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

The question was taken, and the motion was rejected.

The CHAIRMAN. The question now recurs upon the amendment of the gentleman from Michigan.

The amendment was rejected.

The Clerk read as follows:

Sec. 4. The Federal Farm Board shall execute its functions under this resolution through its usual administrative staff and such additional clerical assistance as may be found necessary, without additional appropriations beyond its usual administrative appropriation under the agricultural marketing act.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word. In view of the attitude taken by the members of the committee and of the House from those sections of the country where the wheat is being produced, I have risen at this moment for the purpose of suggesting that the friends of this measure—and I assume that we are all friends of the measure—find some way of meeting the objections that have been made by way of a motion to recommit. We did adopt an amendment under which cotton producers are protected against the exchange of cotton for any other textile except that manufactured from cotton.

Mr. FULMER. I will state for the information of the gentleman that we passed a bill some time ago appropriating 40,000,000 bushels of wheat, and we have only about 100,000,000 bushels of wheat on hand. To-day the cotton people of the South, in connection with the Government, have some 13,000,000 bales of cotton, and this is the first time that cotton has been appropriated.

Mr. STAFFORD. Oh, no; it is 1,000,000 bales.

Mr. FULMER. This is the first time that we have asked anything of the kind.

Mr. CHINDBLOM. I am not objecting to the amendment that was adopted with reference to cotton, but I do think it would be possible to frame a motion to recommit which would give similar treatment to wheat that might be exchanged for food products very largely made from wheat.

Mr. LARSEN. Every member of this committee on the Democratic side voted for the Hope amendment, except two. Do not try to kill the bill. We have done the best that we could.

Mr. CHINDBLOM. It is not my purpose at all to endeavor to kill the bill. I am trying to rescue the bill, because if you get the opposition of the entire wheat-growing sections of the country to the bill, when we are trying to dispose of wheat by it, I do not think that we will be in a very favorable position, so far as passing the bill is concerned. I hope a way out may be found.

I call attention to the amendment that was adopted with reference to cotton. It reads:

Cotton may be manufactured into cloth or wearing apparel or exchanged for other articles of clothing made of cloth.

Let us give like treatment to wheat.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro forma amendment. I am very much in favor of this bill, and may I call the attention of the House at this time to one direct result of this kind of legislation. To-day I talked with a representative of Bernarr MacFadden, of New York City, the noted publisher of Liberty and other magazines. Mr. MacFadden is a real philanthropist, who has the interest of the poor and the needy at heart. This

man feeds 6,000 people a day free in New York City, I think, at a cost of 5 cents per person, and gives them a good decent meal. He has sent his representative down here to-day. His representative came to me to ask my help as to how he could be of service in helping to feed the men of the Bonus Expeditionary Force. I assisted him and his associate, Mrs. Lumsden, in contacting the Red Cross. They are going to get wheat from the Red Cross under the provisions of the previous bill which was passed by Congress.

This man will put soup kitchens out there for these 18,000 men of the Bonus Expeditionary Force, and show them how to take that wheat, make it into porridge as he is doing it in New York; and he will give them coffee in addition. He is doing a wonderful thing for those 18,000 men who are out there without shelter—ex-service men who should at least be getting bed sacks and tents from the War Department and are not getting them. I am not talking bonus to you. I am just talking about the plain effect of the legislation which we have already passed. We know what it has done to help those in need and I hope this bill will pass to-day.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, we are here to legislate for the whole country, and if there is any one man on this floor that has sought to bring about a better understanding between the workers of the cities and the farmers, I have done that in every instance.

New York State and New York City have paid for their share of this wheat. It is impossible to brush aside 6,000,000 people. New York has repeatedly voted for farm relief in every shape and form, whether it was in the drought area, whether it was for the corn borer, or whether it was the Haugen bill or other bills that came up long before some of the gentlemen now opposing this bill were Members of this body.

Mr. KNUTSON. Not the grasshoppers, though.

Mr. LaGUARDIA. Well, that is coming back, and we will help you on that.

Now, I want to say to the gentlemen from the Wheat Belt that we should stand together. The wheat here provided will be consumed in a few weeks. Far better to consume it than have it there as a constant threat to prices. The distress is not local. This distress is all over the United States. Twenty-five per cent of this is going for feed for your own livestock.

Mr. FULMER. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. FULMER. I appreciate the statement which the gentleman made a while ago about trying to be helpful to the agricultural interests of this country. In a great many instances the gentleman from New York has tried to be helpful to me in passing legislation that I know is of deep interest to my people of the South. [Applause.]

Mr. LaGUARDIA. Thanks. It is gratifying to hear that one's sincere efforts are appreciated.

Mr. O'CONNOR. Many of the largest agricultural measures which have passed in this House were passed by the votes of New York City.

Mr. LaGUARDIA. That is absolutely correct. In addition to record votes, many were the teller votes on behalf of the farmers saved by the votes of New York City Members.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. McGUGIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on this section and all amendments thereto do now close. Is there objection?

Mr. BURTNESS. Reserving the right to object, will the gentleman from Texas [Mr. JONES] yield to this suggestion: That this matter be left open until to-morrow, in so far as final action with reference to a motion to recommit is concerned?

Mr. JONES. We can correct it in conference if there is any mistake.

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

Mr. BURTNESS. I object.

Mr. JONES. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule the committee rises automatically.

Accordingly the committee rose; and the Speaker pro tempore [Mr. RAINEY] having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House Joint Resolution 418, and, pursuant to House Resolution 261, he reported the same back to the House with an amendment adopted by the committee.

The SPEAKER pro tempore. Under the rule the previous question is ordered on the joint resolution to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. BURTNESS. Mr. Speaker, I demand the reading of the engrossed copy.

The SPEAKER pro tempore. The question is on ordering the engrossed copy.

Mr. BURTNESS. Mr. Speaker, I made a demand for the reading of the engrossed copy, and as a Member of the House I am entitled to it.

The SPEAKER pro tempore. The question is on ordering the bill to be engrossed and read a third time.

The motion was agreed to.

Mr. BURTNESS. Mr. Speaker, I demand the reading of the engrossed copy.

Mr. BANKHEAD. Mr. Speaker, it seems to me this is dilatory action upon the part of the gentleman from North Dakota.

Mr. HOCH. The gentleman is within his rights.

Mr. BANKHEAD. The gentleman is within his rights, but the House evidently desires to pass this bill, and if the House will join with those who are in favor of the passage of the bill to-night, we will pass it, because we can secure the engrossed copy within 10 or 15 minutes.

Mr. O'CONNOR. Mr. Speaker, I call up the resolution (H. Res. 250).

The SPEAKER pro tempore. Does the gentleman from North Dakota insist on the reading of the engrossed bill?

Mr. BURTNESS. I simply want to say we representing wheat sections are confronted here with a situation that may seriously affect the wheat market. Under the policy of the Farm Board they are selling not more than 5,000,000 bushels of wheat per month in the domestic market in order to protect the price of wheat. That is the theory of the limitation.

Suddenly we are confronted with a proposal to release 40,000,000 bushels of wheat on the market at this time or within a few months. Some of us are interested in giving additional thought and consideration to this question to determine whether or not a motion to recommit should be offered, and what provisions should be included in such motion to recommit, if we decide to offer one.

In view of the complex situation I believe we ought to be granted a little time to consider it. Obviously, we can not prepare a well-considered motion to recommit in a hurry, in just a few seconds.

I hate to tie up the House in any way, but it is now past the usual time of adjournment and I wish some agreement could be made so that the matter may go over until to-morrow.

The regular order was demanded.

The SPEAKER pro tempore. Does the gentleman insist on the reading of the engrossed copy of the bill?

Mr. BURTNESS. It depends on the attitude of the chairman of the committee. I would like to consult him.

Mr. FULMER. I may state to the gentleman that I voted for his amendment. The gentleman will have an opportunity to fix the matter in the Senate.

Mr. JONES. I may say to the gentleman that if this bill is passed we may get some sort of an agreement about withholding this wheat from the market.

Mr. BURTNESS. It is ridiculous to throw 40,000,000 bushels of wheat on the market and then talk about an agreement to withhold it.

Mr. JONES. This is not throwing it on the market.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Does the gentleman insist on the reading of the engrossed copy?

Mr. BURTNESS. I insist.

Mr. BANKHEAD and Mr. BLACK demanded the regular order.

Mr. BURTNESS. Mr. Speaker, I withdraw my request that the engrossed bill be read, inasmuch as the gentleman from Kansas [Mr. HOPE] has a motion to recommit ready.

Mr. HOPE. Mr. Speaker, I submit a motion to recommit the bill.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HOPE. I am; in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOPE moves to recommit the bill to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment: Page 2, strike out beginning with line 11 down through line 16 and insert in lieu thereof the following:

"In order to carry out the purposes of this resolution such wheat, or the products thereof, may be milled, processed, or manufactured into, or exchanged for, flour of any kind, bread, or other food or feed of which wheat, or any by-product thereof, is a substantial ingredient, and such cotton may be processed or manufactured into, or exchanged for, cloth and wearing apparel, made of cotton, but such milling, processing, or manufacturing shall be without profit to any mill, organization, or other person. So far as necessary, such wheat and cotton, and the products thereof, may be used in meeting transportation, storage, and handling expenses in carrying out the purposes of this resolution."

Mr. BANKHEAD. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BANKHEAD. Mr. Speaker, I make the point of order the motion to recommit is not in order, because the committee has just declined to accept an amendment substantially the same as the motion to recommit now submitted by the gentleman from Kansas.

The SPEAKER pro tempore. The Chair overrules the point of order.

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 34, noes 87.

Mr. MOUSER. Mr. Speaker, I object to the vote on the ground there is no quorum present.

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

The motion was rejected.

The SPEAKER pro tempore. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. MICHENER. Mr. Speaker, if the House should adjourn now this would be the first thing in order in the morning, would it not?

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The call is automatic.

Mr. MOUSER. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER pro tempore. The gentleman's request comes too late. The Chair has announced that a quorum is not present. The Doorkeeper will close the doors, the Ser-

geant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 63, noes 188, answered "present" 1, not voting 178, as follows:

[Roll No. 100]

YEAS—63

Adkins	Garber	Lanham	Strong, Kans.
Allen	Gilchrist	Larsen	Strong, Pa.
Amile	Guyer	McGugin	Stull
Andresen	Hall, N. Dak.	McKeown	Summers, Wash.
Arentz	Haugen	Maas	Summers, Tex.
Ayres	Hill, Wash.	Major	Swanson
Burtness	Hoch	Moore, Ohio	Swick
Canfield	Hogg, W. Va.	Mouser	Swing
Chindblom	Holaday	Nelson, Me.	Taber
Christopherson	Hope	Nelson, Mo.	Temple
Clague	Jenkins	Norton, Nebr.	Thurston
Colton	Johnson, Mo.	Pittenger	Timberlake
Cooper, Ohio	Ketcham	Polk	Turpin
Dowell	Kinzer	Purnell	Williamson
Eaton, Colo.	Knutson	Simmons	Wyant
French	Lambertson	Sparks	

NAYS—188

Almon	Delaney	Kelly, Ill.	Ransley
Andrew, Mass.	DeRouen	Kemp	Rayburn
Andrews, N. Y.	Dies	Kleberg	Reilly
Bacharach	Dieterich	Kniffin	Rogers, Mass.
Bacon	Disney	Kurtz	Romjue
Bankhead	Dominick	Kvale	Rudd
Barton	Douglass, Mass.	LaGuardia	Sabath
Beam	Doxey	Lankford, Ga.	Sanders, Tex.
Black	Drewry	Lehbach	Schafer
Bland	Driver	Lindsay	Schneider
Blanton	Dyer	Loneragan	Schuetz
Boehne	Ellzey	Lovette	Seger
Bohn	Englebright	Lozier	Seiberling
Bolleau	Erk	Luce	Shannon
Boland	Fiesinger	Ludlow	Shott
Briggs	Fish	McClintic, Okla.	Sinclair
Brumm	Fitzpatrick	McCormack	Smith, Idaho
Brunner	Foss	McDuffie	Smith, Va.
Burch	Fulbright	McFadden	Snow
Burdick	Fulmer	McLaughlin	Spence
Butler	Gavagan	McSwain	Stafford
Carden	Gilbert	Maloney	Steagall
Carley	Glover	Mapes	Stevenson
Carter, Calif.	Goss	Martin, Mass.	Stewart
Carter, Wyo.	Granfield	Mead	Sullivan, N. Y.
Cartwright	Green	Michener	Sutphin
Cary	Greenwood	Millard	Swank
Celler	Gregory	Miller	Tarver
Chapman	Griswold	Mobley	Thatcher
Clancy	Hadley	Montague	Thomason
Cochran, Mo.	Hancock, N. Y.	Montet	Underwood
Collier	Hare	Moore, Ky.	Vinson, Ga.
Collins	Hart	Morehead	Vinson, Ky.
Condon	Hartley	Niedringhaus	Wason
Connery	Hill, Ala.	O'Connor	Weaver
Cooke	Hollister	Oliver, Ala.	Welch
Cox	Holmes	Oliver, N. Y.	White
Coyle	Hooper	Overton	Wigglesworth
Crall	Hornor	Parker, Ga.	Williams, Mo.
Cross	Howard	Parks	Wilson
Crosser	Huddleston	Parsons	Withrow
Crowe	Jacobsen	Patman	Wolcott
Crowther	Jeffers	Person	Wolfenden
Cullen	Johnson, Okla.	Prall	Wolverton
Curry	Johnson, Tex.	Ragon	Wood, Ga.
Dallinger	Jones	Ramspeck	Woodruff
Darrow	Kading	Rankin	Woodrum

ANSWERED "PRESENT"—1

Rainey

NOT VOTING—178

Abernethy	Cannon	Eaton, N. J.	Hardy
Aldrich	Cavichia	Estep	Harian
Allgood	Chase	Evans, Calif.	Hastings
Arnold	Chavez	Evans, Mont.	Hawley
Auf der Heide	Chipherfield	Fernandez	Hess
Bachmann	Christgau	Finley	Hogg, Ind.
Baldrige	Clark, N. C.	Flahburne	Hopkins
Barbour	Clarke, N. Y.	Flannagan	Horr
Beck	Cochran, Pa.	Frear	Houston, Del.
Beedy	Cole, Iowa	Free	Hull, Morton D.
Bloom	Cole, Md.	Freeman	Hull, William E.
Bolton	Connolly	Fuller	Igoe
Bowman	Cooper, Tenn.	Gambrell	James
Boylan	Corning	Garrett	Johnson, Ill.
Brand, Ga.	Crisp	Gasque	Johnson, S. Dak.
Brand, Ohio	Crump	Gibson	Johnson, Wash.
Britten	Culkin	Gifford	Kahn
Browning	Davenport	Gillen	Karch
Buchanan	Davis	Golder	Keller
Buckbee	De Priest	Goldsborough	Kelly, Pa.
Bulwinkle	Dickinson	Goodwin	Kendall
Busby	Dickstein	Griffin	Kennedy
Byrns	Doughton	Haines	Kerr
Cable	Douglas, Ariz.	Hall, Ill.	Kopp
Campbell, Iowa	Doutrich	Hall, Miss.	Kunz
Campbell, Pa.	Drane	Hancock, N. C.	Lambeth

Lamneck	Mitchell	Rich	Tilson
Lankford, Va.	Murphy	Robinson	Tinkham
Larrabee	Nelson, Wis.	Rogers, N. H.	Treadway
Lea	Nolan	Sanders, N. Y.	Tucker
Leavitt	Norton, N. J.	Sandlin	Underhill
Lewis	Owen	Selvig	Warren
Lichtenwalner	Palmisano	Shallenberger	Watson
Linthicum	Parker, N. Y.	Shreve	Weeks
Loofbourov	Partridge	Sirovich	West
McClintock, Ohio	Patterson	Smith, W. Va.	Whitley
McLeod	Peavey	Snell	Whittington
McMillan	Perkins	Somers, N. Y.	Williams, Tex.
McReynolds	Pettengill	Stalker	Wingo
Magrady	Pou	Stokes	Wood, Ind.
Manlove	Pratt, Harcourt J.	Sullivan, Pa.	Wright
Mansfield	Pratt, Ruth	Sweeney	Yates
Martin, Oreg.	Ramseyer	Taylor, Colo.	Yon
May	Reed, N. Y.	Taylor, Tenn.	
Milligan	Reid, Ill.	Tierney	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Rainey with Mr. Snell.
 Mr. Martin of Oregon with Mr. Parker of New York.
 Mr. Pou with Mr. Bolton.
 Mr. Cole of Maryland with Mr. Shreve.
 Mr. Garrett with Mr. Reed of New York.
 Mr. Wingo with Mr. Barbour.
 Mr. Griffin with Mr. Chipfield.
 Mr. Haines with Mr. Davenport.
 Mr. Wright with Mr. Free.
 Mr. Arnold with Mr. Hogg of Indiana.
 Mr. Palmisano with Mr. Kendall.
 Mr. Somers of New York with Mr. Yates.
 Mr. Gillen with Mr. Watson.
 Mr. Taylor of Colorado with Mr. Bowman.
 Mr. Chavez with Mr. McLeod.
 Mr. Dickinson with Mr. Wood of Indiana.
 Mrs. Owen with Mr. Britten.
 Mr. Larrabee with Mr. Aldrich.
 Mrs. Norton with Mr. Magrady.
 Mr. Sweeney with Mr. Brand of Ohio.
 Mr. Fuller with Mr. Rich.
 Mr. West with Mr. Whitley.
 Mr. Evans of Montana with Mr. Cable.
 Mr. Sandlin with Mr. Selvig.
 Mr. Pettengill with Mr. Weeks.
 Mr. Smith of West Virginia with Mr. Campbell of Iowa.
 Mr. Hall of Mississippi with Mr. Frear.
 Mr. Shallenberger with Mr. Cole of Iowa.
 Mr. Harlan with Mr. Campbell of Pennsylvania.
 Mr. Fishburne with Mr. Evans of California.
 Mr. Kerr with Mr. Gifford.
 Mr. Sirovich with Mr. Cavicchia.
 Mr. Lewis with Mr. Hardy.
 Mr. Lichtenwalner with Mr. Kelly of Pennsylvania.
 Mr. Linthicum with Mr. Culin.
 Mr. Mansfield with Mr. Hess.
 Mr. Dickstein with Mr. Johnson of Washington.
 Mr. Kunz with Mr. Cochran of Pennsylvania.
 Mr. Goldsborough with Mr. Hall of Illinois.
 Mr. May with Mr. McClintock of Ohio.

Mr. McSWAIN. Mr. Speaker, may I announce that my colleague, Mr. GASQUE, is unavoidably detained. If he were present, he would vote "nay."

Mr. FIESINGER. Mr. Speaker, my colleague from Ohio, Mr. LAMNECK, is out of the city. If he were present, he would vote "nay."

Mr. DOXEY. Mr. Speaker, I desire to announce that my colleague, Mr. WHITTINGTON, is unavoidably detained. If he were present, he would vote "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. JONES, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the 2-headed Janus Ohio plan prohibition plank of the Republican platform.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not ever object to my friend's extensions, I want to ask the gentleman from Wisconsin what he thinks about that Republican gag-rule convention, where SNELL sergeants at arms forcibly captured Senator France and kidnaped him, when he tried to nominate Coolidge.

Mr. GOSS. Mr. Speaker, I demand the regular order. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—
 Mr. KELLER, for time to go to Denver and return, on account of continued illness of his wife.

Mr. MAY, indefinitely, on account of important business.

SOME FACTS FROM THE RECORD

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on my work for economy and efficiency in the administration of government.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I believe that a brief review of some of the highest spots of my 11 years of service in this House may be generally useful, and certainly will be interesting to my constituents.

I have scrupulously attended all sessions of the House. I have been on hand the first day, and through all these years have remained on hand until the last minute of the last day. I have missed, during the 11 years, very few roll calls, and then only when more important official business carried me elsewhere or when sick. Some few times, while in special executive session of the committee and also while attending to some departmental matter for a constituent, I missed unimportant roll calls. But, upon every important issue before the Congress during the 11 years I have insisted upon being recorded. When, upon some matters, there was not any ye-and-nay vote, I made the RECORD show otherwise just where I stood. I hold it to be the duty of any American Representative to stand out where the people can see and understand his official attitude.

OPPOSED SALARY RAISES

For example, when, a few years ago the salaries were increased, some of us demanded a roll call and, while under the rules of the House we did not get a sufficient number to obtain a roll call, I made the RECORD show, and it still shows, that I opposed and protested against such raise and the method employed to do it.

I have taken my official duties seriously. It is my motto that "The public business is my business." When I was elected to Congress I gave up my law business entirely and have engaged in a very few cases since. I insisted upon devoting my entire time and strength, even during vacation, to try in some way to serve and work for the people. I have worked for them upon an average of 12 or 15 hours a day, both while in Washington and while at home even during a recess of Congress.

I have answered all letters promptly and to the very best of my ability. I have tried to meet the various wants, needs, and wishes of individual constituents. I have not only devoted my time and strength but my secret thought and sympathy to seeking how to serve the people.

STAND FOR CLEAN GOVERNMENT

I have sought in every way to promote honest Government, economical administration, and a fair and efficient performance of public duty. I have set my face sternly against every form of graft and grafter. In all cases I have been harsh and severe with the corrupt public officials. I have not failed to offer my criticism of the lax and careless public officer. The man who does his duty along these lines will make enemies, and naturally I have accumulated a good crop of them around Washington.

I believe that it is a fairly safe rule to say that the Congressman who is popular with the social and official and business public in Washington is not doing his whole duty by his constituents back home and his country. It was Woodrow Wilson who said that he had to leave Washington in order to find out what the people felt and thought. There is a false public opinion about Washington, built up largely by those who are upon the public pay rolls, and by those who

live by selling to, and serving, Government clerks. They do not understand nor sympathize with the millions of struggling, suffering masses of taxpayers throughout the land.

I have kept my mind upon the condition of the country at large, and especially upon the people struggling for existence, and to preserve their homes, in the district that has entrusted me with this office. I have tried to act upon the principle that a public office is a public trust, and to be trusted by one's fellow citizens with the high call of Representative in the National Government has been accepted by me as a great and serious responsibility. I would feel ashamed to face my friends and neighbors if I failed to take this work seriously. And especially so in this sad crisis in our Nation's history. My sole thought is how best to serve, in my humble way, the land and people I love.

FIGHTS WAR PROFITEERS

I came to Congress with a deep-seated hatred for every person who would make profit out of his country's necessities, woes, and miseries during war. It was found that about 23,000 persons had become millionaires as a result of war profits, and those who were already millionaires, had been made multimillionaires by the mounting profits of war time.

On December 8, 1922, I offered the first resolution ever offered in Congress to set up a commission to study this huge problem and to devise ways and means to prevent its repetition in the future. Various other bills were pushed to the front by the American Legion, but failed, and finally the American Legion got behind my resolution, and it was taken up by such administration leaders as Representative SNELL, of New York, and Senator REED, of Pennsylvania, and as a result, after years of work and struggle, a joint resolution was passed, and approved by the President, who gave me one of the pens with which he signed his name on the bill.

MEMBER OF WAR POLICIES COMMISSION

I was appointed by the Speaker one of this body, known as the War Policies Commission, and we were holding daily hearings, investigating the facts, when, on March 17, 1931, I was suddenly stricken ill. But even as I lay helpless in the hospital, unable to raise my head, I called stenographers to the bedside frequently and dictated my thoughts and plans and suggestions for guiding the work of the commission, and as soon as I was able to hobble on my feet I was back at the work again. We found the startling fact that about one-half of the \$39,000,000,000 raised and spent by this Government to conduct the war could have been saved if profiteering had been prevented in time, and if prices had been held down to a normal average.

We finally agreed upon a report and submitted the same to Congress, and constitutional amendments are now pending to give the Congress power, in the event of a future war, so to regulate prices that war burdens will be equalized, profiteering prevented, and every citizen contribute, as nearly as possible, his or her part to the conduct of a war which is the business of the whole Nation.

THOSE EUROPEAN WAR DEBTS

I hope that it may be a long time before we have another war. I am sure that it will be a very long time before we finish paying the debts and discharging the obligations of the last war. The hundreds of thousands of wounded and disabled, and the millions of sick, will be with us for at least another generation. Already European nations have practically served notice that they will pay no more on their debts to us. Big international and investment bankers are advocating the cancellation of these war debts. They have foolishly lent money to these European countries, and think that if our Government collects what is due it they may not be able to collect what these European nations owe these big bankers.

But I am for holding their feet to the fire. I never voted for a single settlement of these war debts, except that of little Belgium. If they never pay, we will always know they owe it, and maybe, at some future turn in world affairs, America may gain proper advantage by being able to step

up and say: "You fellows owe us these billions of dollars, and now is your time to settle."

But war comes like a thief in the night. We must keep prepared. Especially must our civilian forces, such as National Guard and Organized Reserves, be maintained. I am supporting pending bills to develop and strengthen these forces.

WORK FOR THE FARMERS

Now for my record as to agriculture.

It seems unnecessary to offer any proof of my deep interest in agriculture and of my efforts to promote the well-being of the farmers and of the farmers' families. I know that the foundation of all national prosperity is ultimately based upon the soil. Hence I have taken advantage of every opportunity to promote farm life and all rural institutions serving farm life. I made a trip to Denmark at my own expense to study at first hand their marvelous system of crop production and of cooperative marketing, about which I had been reading for many years. As a result of my studies there I came to the definite conclusion that we must establish farm-demonstration counties, by the aid of both Federal and State Governments, in order to show how communities may be transformed from 1-crop poverty to diversified prosperity through the application of approved and progressive methods.

To that end I introduced H. R. 12481 in the Seventy-first Congress and have done a great deal of work in calling that proposition to the attention of other Members of Congress and of farm leaders outside of Congress, and was meeting with great encouragement when the severity of the depression struck everything with paralysis.

I never lost an opportunity in speaking to Rotary, Kiwanis, Civitan, Lions, and Monarch Clubs to urge my business friends living in cities and industrial districts to recognize that their well-being is wrapped up with the success of farmers. This was my favorite theme. Along this line my mind constantly ran. It was a joy, and not a burden, to work and plan for the improvement of farm conditions. I was one of the three Representatives from South Carolina who voted for the famous McNary-Haugen farm relief bill in 1926. That measure was denounced by the then Secretary of Commerce, Mr. Hoover, as "unsound economically," and that phrase was picked up, and carried around to the ultimate defeat of the bill. If it had become law, the farmers would not have been in the terrible plight they are now in, and the Treasury would have been at least \$500,000,000 better off, wasted by the Federal Farm Board.

It was up to candidate Hoover, in 1928, to suggest some solution of farm difficulties that would be economically sound, and so he stumbled upon his stabilization system, which was enacted into law, under his administration, as the Federal Farm Board. It is idle to try to characterize in words the huge mistake then and there made. It has done some good, but much harm.

For several years friends in different parts of the State had been suggesting that I offer myself for the United States Senate. I had never encouraged the matter, by either word or deed, because I was happy in my work in the House. During 1930 I had spoken on the platform several times with Dr. William Weston in seeking to impress our farmers with the necessity for gradually changing over from cotton to diversified food crops, and milk products. The possibilities of good for our whole State along this line seemed to be enormous. The prospects fired my imagination and stimulated my enthusiasm. Many of the people of the State interpreted this interest and activity to signify political ambition, and the inquiries became so frequent and insistent that early in January, 1931, I issued the following statement, which was carried either in whole or in part by most of the papers in the State:

Friends have frequently asked me if I am a candidate for the United States Senate.

I have invariably answered in the negative. I am more interested in service than in promotion in officeholding. I wish to assist in the campaign to rehabilitate South Carolina economically by building up a balanced, diversified agriculture. The 1-crop system must end if we are ever to recover. We must not only produce all food and feed crops for home and farm consumption

but we must begin to sell other things in addition to cotton. Our fruits and vegetables, when canned, will be greedily purchased at top prices in the big city markets North and East. Also such milk and meat products as we are so fortunately situated to produce economically and in abundance will sell quickly. I stand for more sane and sound business leadership and for less petty and partisan political agitation. Our leaders must frankly tell our people the truth and earnestly help to set agriculture upon a stable, self-sustaining, and profit-making basis in South Carolina, and thus insure a reasonable degree of prosperity to country, town, and city, and to all business and industrial groups in the State.

If, therefore, I joined in the movement to help others to lead South Carolina out of her present distress, while at the same time a candidate for the Senate, my motives would be questioned and the benefits of any services discounted. Let us all plan and work together to upbuild South Carolina.

I had fondly planned to enter vigorously upon this work of arousing and organizing our people, both country and city, to the great plan of reconstructing our agricultural system, when, on March 17, 1931, I was struck suddenly by illness, from which I lingered months in the hospital and later at my apartment, and did not put my foot in my office until the first Monday in December, 1931. However, during all those months of suffering and of patient effort to regain health and strength my mind dwelt upon this theme of helping our whole people by constructive and unselfish leadership. My thanksgiving reflections took this same turn, and being committed to writing, they were published in the Greenville News of December 2, 1931. I had many letters from over the State thanking me for that article.

TRYING TO SAVE FARMS FROM SALE

Realizing the sad condition of thousands and thousands of individual farmers, due to the fact that they were unable to pay their annual installments on their mortgage loans from the Federal land banks and the joint-stock land banks, on January 4, 1932, I introduced in the House H. R. 6989, for the creation of a Federal farm-loan trust to take over all defaulted mortgage loans, to refinance the same for 50 years at 4 per cent interest, and to give the original borrower, where land has been sold under foreclosure, an option to repurchase his former home at the face of the mortgage debt, with costs, and to give him, also, 50 years at 4 per cent interest. It was further provided that no foreclosure proceedings should be had until six months after default and no land be sold until one year after default.

CHEAPER FERTILIZERS

I have also during the last 10 years worked hard to demonstrate that it is possible to supply the farmers with a better grade of fertilizer at lower prices per unit of plant food, and for that reason I have taken a deep interest in the Muscle Shoals project. I am opposed to Government in business, and prefer a lease for that property; but, if no one will lease it, I am in favor of using it to demonstrate the feasibility of producing cheap nitrogen from the air. Chile has had a monopoly of mineral nitrogen for nearly 100 years. During that time she has forced the world to pay more than one-half of all her taxes by imposing an export duty on nitrate of soda. The nitrate of soda exported to the United States, and used by our farmers on their crops, has contributed to the treasury of the Chilean Government about \$200,000,000 in such export duty. The private manufacturers of nitrogen naturally take advantage of the price of Chilean nitrates as a standard of prices. I believe that a lease can finally be obtained for that property whereby the lessee will produce high-grade concentrated nitrate of soda at little more than half what we have been paying for it on all markets generally since the war, and perhaps this nitrogen can be combined with phosphoric acid at the same place, so as to produce an almost complete fertilizer at an enormous reduction in costs. That is the reason why I have devoted so much of my work in Congress to this Muscle Shoals proposition.

BETTER PRICES, NOT MORE BORROWINGS, NEED OF FARMERS

But I realize that the fundamental problem for the American farmer, and the American business man, and the American laborer is the money problem. Following the most stupendous period of speculation in the history of the world, which ended in tragic collapse in October, 1929, there has been a contraction of money in circulation, both by hoarding

and by the calling of loans, and the refusal to make new loans whereby the relative value of actual cash has been enhanced two, three, and sometimes four times its normal value in terms of commodities produced by the farmer, the manufacturer, and the laborer. Debts contracted upon this basis can not be paid under the present circumstances, and the only relief against this distressing situation is by a deliberate and intentional expansion and increase of the volume of currency, through employing the instrumentality of the Federal reserve system, so that it may accomplish the purpose for which it was set up, to wit, to stabilize the market value of commodities, of property, and of labor by increasing or decreasing the volume of currency as conditions may demand, so that the prices may remain uniform.

If we will do this we can restore to the price level of 1926 all such commodities as cotton, corn, wheat, milk, and meat products, and by the use of the Federal reserve system can stabilize those prices so that the farmers will know, when they plant within reasonable limits, what their crops will bring when harvested and the manufacturers will know when they buy raw materials, within reasonable limits, what their products will sell for, and the whole economic structure will thus be rendered healthy and dependable. These cycles of successive prosperity and of depression, these deceptive periods of speculation, followed by the misery and woe of depression, would then disappear. Here is the seat of all our trouble, and this remedy must be applied before we can recover, and this system must be constantly employed in order to insure steady employment for labor, fair prices for farm products, fairly uniform values for property generally, continuity in business, so that bank failures may disappear and the whole country go forward with confidence and continue to work and to produce with a sense of safety.

SUPPORTS GENERAL ACCOUNTING OFFICE

Frequently bills have come before the Committee on Military Affairs relating to some activity of the War Department, and almost concealed therein would be a provision exempting the War Department, in certain respects, at least, from having its vouchers and accounts audited by the Comptroller General of the Treasury.

This very useful and necessary public officer is roundly hated by the personnel of the Army and the Navy. I also believe that the bureau chiefs and permanent personnel of most other Government departments hate this office of Comptroller General of the Treasury. He checks their accounts and will not let them pay out money unless specifically authorized by Congress. Many of their favorite schemes and extravagant plans and projects have been prevented by the close checking and scrutiny of the Comptroller General of the Treasury.

I have stood resolutely and firmly at all times for preserving the power and jurisdiction of that office. It saves the taxpayers of this Nation many millions of dollars a year. It has been estimated that this General Accounting Office saves annually over \$3,000,000 directly, and the indirect savings amount perhaps to ten times this sum.

For eight years I have worked for the consolidation of the Army and Navy, which would save \$100,000,000 a year. When I began this agitation, less than a dozen Members agreed with me, but now the number has greatly increased until we nearly carried the proposition at this session.

PREVENTS WASTE IN LAND SALES

Another field in which I applied the common sense of a man who knows the value of a dollar by having earned all the dollars he ever had, is in the matter of the sale of real estate by the War Department.

During the war we acquired a great many tracts of land, some of them containing many thousands of acres, for war activities.

When a bill was brought forward to sell 48 different parcels of land, situated in 14 different States, all belonging to the War Department, I called attention to the fact that the Government was not adequately protected under the terms of the bill, and insisted upon and obtained the adoption of amendments requiring the proper appraisal of all of these lands by disinterested appraisers, and required

the advertisement of such sale in newspapers of wide circulation, and also required the sale of all such parcels by public auction.

Thus, I broke up the practice of accepting sealed bids whereby favorites and pets could receive land at their own prices. Ever since that bill became law, subsequent bills before the Committee on Military Affairs calling for the sale of War Department real estate have carried all these provisions as a matter of course. I am persuaded that this work brought into the Treasury, by public advertisement and public bidding, many millions of dollars more than would have come without such precautions.

Before we stopped it, the War Department was wasting money on favorite auctioneers to sell real estate. They contracted with auctioneers to sell, on a commission basis, and one firm, on one sale, and for one day's work, made over \$40,000. It seems that a high-school boy would have had more sense.

We immediately put a limitation in the law that no auctioneer should receive more than \$100 a day for his services, and that was high pay.

In the same manner, I have watched all authority for appropriations for the construction of buildings, such as barracks and quarters at military posts.

I have insisted that the plans be definitely and carefully prepared in advance, and that the specifications be such that the contractors can not escape their obligation, that the work be periodically inspected, and that the Government receive credit for the materials that it may furnish in connection with such construction. I believe that this work has not only saved much money to the Government but has resulted in obtaining a better type of construction, more suitable plans for the different sections of the country, and has prevented the erecting of buildings where they were not actually needed.

INVESTIGATES GOVERNMENT CONTRACTS

Another less important incident, but illustrative of my general principles of handling Government business, is a recent investigation concerning a lease on a Government property at Port Newark, N. J. I received unofficial information that there was something very strange, to say the least, going on in connection with that property. It cost the Government \$11,000,000 and was supposed to have been leased, in 1926, on terms that presumably would yield the Government a moderate rental for the property.

I conducted, through the Committee on Military Affairs, an investigation into the matter and found, to my amazement, that the property was not actually leased, but that an operating contract had been entered into, whereby the Government, instead of being the lessor, was the principal. The so-called lessee, but actually the operating agent, has had charge of the property for six years, and during that time not one single dollar has been paid into the Treasury of the United States, though the company claims that its gross receipts are about \$700,000 a year. They work a shrewd arrangement, if not trick, to give excessive financial benefits to the operating agent. It is true that this agent expended about \$455,000 in repairs, but all the other receipts have been consumed in so-called operating expenses. Under the head of operating expenses are not only included all labor and insurance, but even the salaries of the officials of the operating agent, which is a corporation, were paid out of the gross receipts. For part of the time some of these salaries were \$25,000 a year. Of course, they pay no taxes on this Government property. They thus have an undue advantage over all their competitors in the warehouse business; paying neither taxes nor rent they can underbid all other warehouses.

Though it was admitted that the operating agent has in its hands about \$65,000 belonging to the Government, this has not been paid in, because indulgent Army officers have not demanded it, and if the operating agent corporation were to become bankrupt, the Government would lose the \$65,000.

It took long and hard work to get to the bottom of these things. In fact, I am not through digging yet. But I have

set in motion forces which will stop this outrage. Already financially responsible warehouse men of New York City are arranging to make an offer to lease this property that will insure to the Government a fair and fixed rental for the property, and if the War Department will not cancel the outstanding contract and accept this new proposal, then I will conduct some more hearings before the Committee on Military Affairs, to find out why the War Department refuses. If necessary, I will introduce, and seek to have passed, legislation to compel the War Department to cancel the outstanding contract and to execute a fair and proper lease.

TRUSTEE OF TAXPAYERS

If I did not keep my eyes and ears wide open, and if I were not indifferent to the hostility and criticism of the War Department and its officers and agents, then I would let such matters as this slide by, and neither the Congress nor my constituents would ever know the difference. But I feel myself a trustee for the people and the taxpayers of the Nation, and being placed in the position of watchman upon the tower, when I see things going wrong, I should hate myself and should deserve the condemnation of my constituents if I failed to cry out and tell the people that something is going wrong.

HOW \$50,000,000 WERE SAVED

The greatest piece of work that I have done for economy and in the interest of clean government was a fight I made, commencing in 1924 and lasting through 1925 and ending in the early part of 1926, in opposing a recommendation of the Morrow Aircraft Investigating Board to repeal the law requiring advertisement and competitive bidding in the purchase of airplanes and aircraft generally, with accessories, for the War Department and the Navy Department.

All the influence of the Coolidge administration was back of that recommendation. The whole country was worked up over the charges of Gen. William Mitchell that we were woefully backward in military aviation. The Congress seemed determined to go to any length in order to repair this deficiency. They brought before the board the Hon. Dwight W. Morrow, later ambassador to Mexico, and later still father-in-law of Col. Charles A. Lindbergh, and later still United States Senator, in support of their recommendation. Others of the board came before the committee, including Maj. Gen. James G. Harbord. But I saw that there was danger that way. To allow an Army officer or a Navy officer to make a contract to purchase airplanes amounting to many millions of dollars a year, without letting the rest of the country know when and where the contract would be made and without giving all aircraft manufacturers a chance to bid, would be inviting both corruption and extravagance.

The committee, being evenly divided upon the proposition, a joint committee was set up by authority of both the Military Affairs Committee and the Naval Affairs Committee; and being appointed upon that joint committee, I succeeded in convincing it that there was danger of another Teapot Dome scandal if we adopted the Morrow board recommendation. I finally prepared a bill which was submitted to the subcommittee and, with slight amendment, approved, and was later passed by the House, and was later accepted by the committee on conference between the House and the Senate, when the Air Corps bill was in conference, and was then approved by both Houses, and has ever since been the law, without amendment.

In a speech in the House on April 17, 1926, I predicted that both the Army and the Navy would, during the 5-year building program, expend about \$150,000,000. I have had a check-up made from these two departments and find that they have spent \$155,500,000. My estimate was marvelously near correct.

Furthermore, I believe that if the law requiring advertisement and competitive bidding for the purchase of such aircraft had been repealed, and if secret contracts could have been made, then perhaps one-third of all the money spent would have been wasted by the payment of unnecessarily high and unreasonable prices for aircraft. I would

not charge deliberate corruption, but I would say that Army and Navy officers, inexperienced in business matters, and handling Government money, would have been the victims of shrewd and unscrupulous calculators and salesmen for the manufacturers of aircraft. Thus, a few favorite pets among the manufacturers would have received excessively profitable contracts, while the other manufacturers would have been left out in the cold.

Knowing how these things have gone in other respects, and in other departments, I am fully persuaded that this fight by me saved the taxpayers of this country fully \$50,000,000. At the same time, we have gotten not only as many airplanes as we would have gotten, but I believe we have gotten better airplanes than we would have gotten. I do know that airplanes were bought by the Government, after this law went into effect, which were better and more efficient than planes which were built under special contract, and at a price but little more than one-half of the contract price for those built under special contract.

That shows that my estimate of \$50,000,000 is probably correct. It means saving not only of \$10,000,000 a year for the last five years, but, as the law will continue on the statute books and as we will continue to spend in the future large sums of money for the purchase of aircraft, it will mean that during all the future years the result of my work in this particular will be a saving of millions of dollars to the Government every year. We all remember how aircraft manufacturers wasted over \$900,000,000 for us during the war. Not a single American-made plane ever flew over the front. The law recommended by the Morrow board would have reopened the Treasury to the same wasteful methods, and there would have been, to speak charitably, great temptation and fine opportunity for favoritism, if not private rebates and corruption.

STOPPED WASTEFUL WRECKING OF BRIDGE

For several sessions the Hon. R. Walton Moore, of Virginia, at the instigation of the United States engineers for this Washington district, kept pressing a bill before the Committee on Military Affairs to appropriate \$190,000 to demolish and remove Aqueduct Bridge. In the last few years a fine new bridge had been built near this old bridge, and in their wastefulness the Army engineers could only think of spending more money to wreck the old bridge.

The huge stone piers of this old bridge and the steel framework are in good condition, and if the steel is kept painted, will last many more years. If anything should happen to the new bridge, the old bridge could be immediately used. But there was no thought of economy, and they propose to spend \$190,000 to remove a good bridge that may any day become very necessary.

I alone in the committee bitterly opposed this proposition, beginning with the year 1923, and kept up the fight until they have now abandoned it. This is another example of where I saved the people money.

STILL STANDING ON PLATFORM PLEDGE

In standing for economy all the time, I have simply been doing what I promised the people in my campaign of 1920. In my printed platform at that time I stated:

I am opposed to any further extension of Federal power, and I am opposed to the multiplication of office-holding appointments under the Federal Government. In this connection I stand for economy of an actual and practical sort, to wit, for striking from the pay rolls of the Federal Government every appointive officer whose existence is not absolutely necessary for the operation of the Federal Government. It will not do merely to talk economy, but we must practice economy. In this connection I favor the use of the machinery, trucks, tractors, and other equipment of the United States Army in the construction of public roads over which the mail shall be carried.

ECONOMY MUST PRECEDE TAX REDUCTION

On April 17, 1926, I said this in Congress:

The taxpayer is grateful for the tax reduction made this session, but he also is concerned in our practicing the strictest economy so that other reductions may be made. Indications are that the recent cuts were not deep enough. It would be a good thing for us to face a deficiency now and then. Nations, like individuals, are safer when some impulses to extravagance and waste must be restrained.

SAVES \$281,440 AT ONE STROKE

In 1925, in the closing days of the Congress, a bill was rushed before the Committee on Military Affairs, and supported by the War Department in the person of the chief of staff and the commanding general at Fort Bliss, Tex., asking for authority to buy 3,600 acres of land at a cost of \$360,000 which would be \$100 per acre. They stated that they had an option on this land, and that it was very cheap at \$100 an acre, and unless the appropriation was immediately made, they would lose the benefit of the option.

I was not carried off my feet by this enthusiasm, but, in executive session insisted upon, and obtained, an amendment striking out the authority and direction to buy the specific tract of 3,600 acres, and authorizing the Secretary of War to buy any land situated near Fort Bliss and suitable for use in connection therewith for cavalry drill and maneuvers. This put the various landowners in the neighborhood of El Paso, Tex., to bidding against each other to sell land to the Government, and, of course, each being anxious to sell, tried to offer his land at a more attractive price than the other man. The result of my amendment was that the War Department bought 4,532 acres of land at a cost of only \$78,560. Thus, by my work we got over 900 acres more land, and saved \$281,440.

Thereafter, the Hon. John C. McKenzie, who was chairman of the committee when I made the fight above referred to, but who had retired from Congress, and was later chairman of the Muscle Shoals Commission, appointed by President Coolidge, wrote the following letter to me:

ELIZABETH, ILL., January 21, 1926.

Hon. J. J. McSWAIN,
Washington, D. C.

DEAR FRIEND MAC: It is impossible for me to forget my association with members of the Committee on Military Affairs, and naturally I am interested in following the work of the committee, notwithstanding I am far away. I am especially pleased to note that through your efforts to guard the interest of the Government in the motion you made in connection with the Fort Bliss land bill in the last session has resulted in saving the people of our Government the snug sum of \$281,440 and in the acquiring of 4,532 acres, thus giving us 900 acres more than was proposed in the bill submitted to us. Such an achievement is surely worth while, and only demonstrates the necessity of the members of that great committee being ever diligent in protecting the Government's interests. You can feel that in being alert and submitting the proper motion at the time you saved enough to warrant the retaining you in Congress the remainder of your life. I often think of you and all the boys, and I wish you all well and hope that you all will be on guard to head off not only land exploiters but personal exploiters, of which there are many.

With kind personal regards, I am,
Your friend,

JOHN C. MCKENZIE.

When one has the natural Scotchman's habit of watching waste and promoting economy and the lawyer's training to follow up a clue it is easy to serve the taxpayers; but the parasites, pets, papsuckers, and pampered grafters whine and howl.

SOME RECENT WORK AS CHAIRMAN OF THE COMMITTEE

Since I became chairman of the Committee on Military Affairs, on February 9, 1932, some important matters have been handled by me in that capacity.

In addition to instituting and conducting the investigation already referred to, as to the contract between the War Department and a certain corporation, for the Port Newark army base, and uncovering a situation that has cost the Government nearly a million of dollars, I have also been especially active in the investigation of the affairs of the United States Veterans' Administration, pursuant to H. J. Res. 355, introduced by Representative BLANTON, of Texas.

I was astonished and amazed by the revelations, and the longer we investigated and the more we considered the worse the situation appeared. As a direct result of the action of my committee, the famous William Wolff Smith was removed from the pay rolls of the Veterans' Administration. This was a famous case, because he had served, secure at a desk in Washington, only 13 days before the armistice, and had no disability directly due to military service but only a presumptive disability.

Furthermore, as a result of this investigation a subcommittee was appointed by me to draft a bill to meet the situa-

tion and to correct the abuses disclosed by the investigation. This subcommittee prepared and submitted a draft which became H. R. 12448, and it was reported by the committee to the House and was passed by the House promptly by a vote of 5 to 1. That bill is now pending before the Senate for action, but it seems that in the present jam it will not be acted upon until after December 1.

Also, since I became chairman there was formulated a bill for the leasing of the Government properties at Muscle Shoals, Ala. This bill contained an alternative provision that if no lessee could be obtained, then a board, appointed by the President and confirmed by the Senate, should operate the plant.

NATIONAL GUARD

Also, since I have been chairman, the committee has studied and reported favorably a bill to revise the law governing the National Guard in the United States and when this is enacted into law it will strengthen and encourage the National Guard as a very important component of our land defense forces. This bill is warmly supported by members of the National Guard all over the United States and especially by the National Guard Association.

ORGANIZED RESERVES

We have also studied very carefully and will be able to report in the early days of the next session important legislation revising the national defense act concerning the Organized Reserves, and I believe that this legislation holds great possibilities for the future of our country.

VOLUME OF COMMITTEE BUSINESS

In addition, a large number of less important bills, as the calendar will show, have been studied by the 10 subcommittees, and considered by the full committee, and reported to the House. There are about 1,600 bills and joint resolutions on the committee calendar, before my committee, and the 10 subcommittees have been very industrious and hard working during this session. I extend to them my thanks for their support in the carrying on of the work of the committee. Eighty-one bills have been favorably reported by the committee since I became chairman. This work, in addition to the regular office and floor work, shows that I have been a very busy man. No committee of the House, except the Committee on Claims, has reported more bills. We have certainly been active and fruitful of results.

ADDRESS OF HON. LEWIS W. DOUGLAS, OF ARIZONA

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD a very able and interesting address delivered over the radio on June 11 last by the gentleman from Arizona [Mr. DOUGLAS] on the subject of economy in government and the cost of government.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McDUFFIE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following very able and interesting address delivered over the radio on June 11 last by the gentleman from Arizona [Mr. DOUGLAS]:

AN APPEAL TO VETERANS AND THE UNORGANIZED MAJORITY

To-night I propose to speak on the subject of veterans' benefits. In a certain sense it is a painful task for me to do this. It is painful because as an ex-service man I have a bond of sympathy with all other ex-service men. The experiences which we had together, the adventures which fell to our common lot, naturally create a tie which time can not sever.

Yet, though the task is disagreeable, I am speaking on this subject because I feel intensely that every man, woman, and child in the United States, and the ex-service men themselves, should be made aware of the staggering burden which existing law granting benefits to veterans imposes upon our Government.

The settled and proper policy of granting benefits to veterans is that those who suffered a disability in the service of their country should be compensated.

The question arises as to whether or not this policy has been applied in practice. The only way in which an intelligent answer to the question can be made is by surveying a few of the facts.

Approximately one quarter of a million—254,000—American men were either killed or wounded during the World War. Almost a million World War veterans and their dependents—845,016—are now receiving cash benefits. At the time of the armistice there were only 882,000 American troops within the zone of hostilities.

All of these were not in combat units. Almost as great a number are now receiving some sort of monetary recompense from the United States. There are, then, almost four times as many receiving benefits as there were casualties and almost as many beneficiaries as there were troops engaged with the enemy. This brief survey indicates clearly that we have strayed far from the settled policy of granting benefits to veterans.

The question arises: How has this situation affected our national finances? To-day we are spending more than a billion dollars annually in benefits to veterans of all wars. In other words, 25 cents of every dollar paid in Federal taxes goes to a war veteran. But this is not all.

During our history we have paid \$16,500,000,000 to veterans of all wars. Of this sum almost five and one-half billions have been paid within a period of 14 years to World War veterans and their dependents. Or, stated another way, within a period of 14 years we have paid almost as much to World War veterans and their dependents as we have paid during a period of 70 years to Civil War veterans and their dependents, despite the fact that there were twice as many Civil War veterans in combat with the enemy as there were World War veterans within the zone of hostilities, and despite the further fact that there were almost twice as many casualties during the Civil War as there were during the World War.

This summary demonstrates that there is something radically wrong with the statutes passed by Congress under which benefits are granted and paid to veterans of the World War. But this is not all. If it were, the situation would not be so tragic. If it were, the future would be somewhat brighter.

Whereas more than 1,000,000 men are now receiving benefits from the Treasury of the United States, 10 years hence, as closely as it can be estimated, 1,400,000 will be beneficiaries of the Federal Treasury.

Whereas we are now spending over \$1,000,000,000 annually and 25 cents of every dollar paid in Federal taxes on veterans, 10 years hence the annual cost will exceed \$1,300,000,000, will possibly amount to \$1,500,000,000, and of every dollar paid in Federal taxes more than 35 cents will go to ex-service men—and all of this under existing statutes, assuming that no additional benefits are granted by the Congress. Surely this is a staggering burden to carry. Surely the statements of fact here made should cause every American citizen who has some regard for the future of his country and for the success of democracy to pause and to ponder.

Still another question arises: If this situation be true of the United States, is it not true of other countries which participated in the World War? The answer to the question is an interesting one.

While comparison with France is not altogether fair by reason of the higher standards of living which we enjoy in this country, nevertheless it indicates to some extent the difference between the laws which we have passed and the laws which have been passed in the French Republic. The total French casualties during the World War were almost 2,900,000, or more than eleven times as many as were our casualties. Yet France is paying benefits to 150,000 less than the number receiving benefits from the United States. In spite of the fact that there were more than eleven times as many actual battle casualties in the French army, France has spent only \$2,500,000,000 on her disabled veterans, or less than half as much as we have spent on our World War veterans.

The total number of casualties in the Canadian forces were 50,000 less than the total number in the American Expeditionary Forces. They were, then, less than 20 per cent smaller than ours. Yet Canada has expended only \$370,000,000, or approximately one-fifteenth of the sum which we have expended. Surely this indicates that we have strayed far from the fundamental principle of compensation, namely, that of paying benefits to those who suffered disability directly attributable to their war service.

Why are we faced with this staggering burden? Why are there four times as many veterans receiving benefits as there were casualties?

Because, under the laws which Congress has enacted, thousands of men who served in the Army less than 30 days, who never put foot on ship to sail across the Atlantic, who scarcely carried a gun, who enlisted after the armistice and before July 2, 1921, are receiving large monthly cash benefits by reason of a disability incurred after their discharge from service, but before January 1, 1925—a disability which is presumably connected with their war service, but which, as a matter of fact, can not be shown to be attributable to the performance of their duty as soldiers.

And secondly, it is because Congress has passed an act known as the disability allowance act, under the terms of which a World War veteran who to-day receives a disability as a result of an automobile accident or as a result of, even in the days of prohibition, becoming intoxicated, falling and breaking a leg, or receiving some other disability, can demand and receive from twelve to forty dollars a month from the United States Treasury.

And, finally, because under laws which Congress has passed, veterans with no disability, presumably or otherwise connected with their war service, and regardless of their ability to pay, can enter a veterans' hospital, receive medical care, and be operated on for major or minor operations at no expense whatsoever to themselves.

To sum the case up: By reason of the laws which Congress has passed the United States to-day is carrying a burden of over \$1,000,000,000 a year in benefits to veterans. The Federal taxpayer is paying 25 cents out of every dollar to veterans. And by reason of these same laws 10 years hence the annual burden on

the United States will be approximately \$1,500,000,000, and 35 cents of every dollar paid in Federal taxes will go to a veteran. Finally, by 1942 the United States will have expended over \$17,000,000,000 on veterans of the World War.

This will not have been paid to those whose disability is directly attributable to their war service, to those who actually made a sacrifice for their country. On the contrary, the large part of it will have been paid to those whose disability was not attributable to their war service, and to those who as a matter of fact made no physical sacrifice while following their flag.

This is the intolerable picture to-day. And as we look ahead into the future it becomes more intolerable. The burden becomes more appalling, more staggering, so staggering that, in fact, it may bring us to the very brink of destruction, if it does not actually push us over into the chasm.

Most of the great political philosophers who lived a century ago prophesied the day when under a democratic form of government the power of organized minorities would be greater than the resistance of the legislative body. This is almost what is happening in the United States. Organized minorities come knocking at the door of Congress seeking unwittingly to impose upon the Federal Government a burden which that Government should not, and can not, carry while the unorganized majority, either through ignorance or indifference, remain complacently silent.

And so to-night I am appealing to the unorganized majority to exert their pressure, their influence, in order that veterans' legislation may be revised so as to adequately and properly care for those veterans who suffered disabilities directly attributable to their war service. To such veterans this country must express its gratitude and must extend, as an expression of that gratitude, a generous hand. But gratitude should not be carried to the extent of granting a subsidy to those whose disability was not incurred while in the service; gratitude should not proceed to the extent of destroying the country which the ex-service man fought to save, and I am appealing to-night to the ex-service men themselves and to their organizations who, I am confident, when they are made aware of the facts, will rise up in arms just as in 1917 they rose up, to say, "This thing must stop."

THE TOBACCO TAX

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a speech which I made before the Ways and Means Committee in opposition to the tobacco tax.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CHAPMAN. Mr. Speaker, as the Representative of the greatest Burley-tobacco-producing district in the world, I have taken an intense interest in all legislation affecting the tobacco industry and especially in measures involving the welfare of the tobacco growers. My entire constituency depends for its prosperity in large measure upon the prosperity of the producers of tobacco.

In 1931, 400,000 farmers produced on 2,000,000 acres of land, 1,600,000,000 pounds of tobacco. In the State of Kentucky 115,000 farmers, cultivating 586,000 acres of land, produced over 500,000,000 pounds of tobacco. The Federal Government collected that year in taxes on tobacco and cigarettes \$424,528,411.67, more than 80 per cent of the total "miscellaneous taxes" that went into the Federal Treasury.

The tobacco tax is the next thing to a tax on the land itself. It places a burden on those who not only produce a vast amount of the wealth but also pay more than their just share of the taxes. On December 8, the second day of this session of Congress, I introduced a bill to reduce the tax on cigarettes from \$3 per thousand to \$2 per thousand, and on smoking tobacco, chewing tobacco, and snuff from 18 cents per pound to 12 cents per pound.

The Congress faced the necessity of balancing the Budget, and during consideration of the tax bill for that purpose the Secretary of the Treasury proposed and advocated with his customary plausibility and forcefulness an increase of 16½ per cent in the tax on tobacco. If that proposal had prevailed the tax would have amounted to \$1.16½ per pound on cigarette tobacco and 21 cents per pound on snuff, smoking, and chewing tobacco.

I entered zealously and militantly into the fight that prevented that increase. After a long, hard struggle the Ways and Means Committee decided against the proposal of the Treasury Department. During the hearings before that committee I spoke in behalf of the tobacco growers against the proposed increase in the tobacco tax. Under leave granted me to extend my remarks in the RECORD I include a portion of my statement delivered in January, 1932, be-

fore the Ways and Means Committee on that subject. (Revenue revision hearings, p. 586.)

My statement was in part as follows:

Mr. CHAPMAN. Mr. Chairman and gentlemen of the committee, I wish only a few minutes in which to speak in protest against this proposed increase of tax on tobacco, in behalf of a large group of people whose voice is inarticulate. I refer to the hundreds of thousands of farmers and tobacco growers who for many decades have depended upon tobacco as their principal money crop, the crop out of the proceeds of which they have lived and defrayed their necessary expenses. They are a group of farmers who are suffering as severely as any group in America from the terrible depression through which we are passing. In fact, in my own State of Kentucky, where most of the farmers depend on the tobacco crop to pay their taxes, this year it was the exception rather than the rule to find the farmer who had sufficient money with which to pay his taxes when they fell due, and we had proposals in fiscal courts in various parts of the State for the granting of extra-legal moratoriums to farmers until next March for the payment of interest and penalties on taxes due.

We protest against this tax, first, because tobacco is the only farm product on which such a tax is collected and the only farm product on which it is proposed that such a tax be collected.

In the second place, the tobacco tax is the only war tax that is still in effect.

This is not a luxury tax. Tobacco can not be classed as a luxury. It is used by the man in the street, the man working in the factory, the man tilling the soil on the hillside. The cigarette is one thing to which millions of people can look for comfort and solace in these times of panic and depression.

The present tax of 6 cents on a package of 20 cigarettes is already as high a tax as the industry and the tobacco growers can stand. The average price of tobacco in the great Burley Belt for the crop produced in 1931 and now being marketed is estimated at 9 cents a pound. Of course, in the western part of Kentucky and Tennessee tobacco is selling for an average of not much more than half the average Burley price, and I am told that in the Carolinas the bright tobacco did not bring quite as high an average as 9 cents. The Government collects \$1 a pound on the tobacco that goes into cigarettes. That is more than ten times the amount received for his Burley crop this year by the farmer, who spends almost an entire year in producing that crop, and conceding that good cigarette tobacco is averaging 20 cents, the Government still collects on every pound of that tobacco five times as much as does the grower who spends 9 or 10 months producing and marketing it, and those who know, as some of you gentlemen do, will bear witness that tobacco growing is the very hardest form of farm labor.

Mr. ESICK. Mr. CHAPMAN, for the record, what is the average that a tobacco hand can produce in a year?

Mr. CHAPMAN. I don't know whether I can answer that question with accuracy or not, because of the different types of tobacco and the varying degrees of fertility in tobacco-growing sections.

Mr. ESICK. It is 4 to 5 acres, is it not?

Mr. CHAPMAN. I judge so; that would probably be a fair average throughout tobacco territory.

Mr. ESICK. Can you state what the average yield per acre is?

Mr. CHAPMAN. That varies considerably, according to the season, the type of tobacco produced, and the section in which it is produced. This year we had a rather large yield in Kentucky. Everything considered, throughout tobacco-producing territory, I would say seven or eight hundred pounds is a fair average.

In addition to the arduous labor involved in producing a crop of tobacco, there is no crop produced that extracts as much fertility from the soil and depreciates the value of farm land as does the production of tobacco.

The tobacco farmers are suffering at this time. In fact, they are in desperation in many sections of the country. Most tobacco is produced under the tenant system of cultivation, and the tenants, as a rule, are in dire poverty. A large proportion of tobacco growers in many Kentucky counties last year had to avail themselves of the opportunity to borrow money from the Government for seed to produce their crops. They are now unable to repay those loans and are urging the Congress to provide them with a year's moratorium in which to repay the seed loans. In addition to all of that, there comes a decrease in consumption. I believe Judge Parker stated that the consumption of cigarettes during the past six months has decreased 6,000,000,000. I find that in the 13 States in which laws have been enacted providing for a State tax on cigarettes and some other tobacco products the per capita consumption of cigarettes during the year 1930 was 431, as against a per capita consumption throughout the United States, including those 13 States, of 975.

Not only has the cigarette tax caused a tremendous decrease in cigarette consumption, but we find that it is about the most unpopular increase of taxes that has been proposed. There are three States in which a popular referendum was held on the proposal for such a tax. In New Mexico the vote was 53,663 against it and 9,655 for it; in Michigan the vote against it was 452,375 and 198,515 for it; in Oregon, the State of the distinguished former chairman of the committee [Mr. HAWLEY] the vote against the tobacco tax was 123,208 and the vote for it 62,254.

This unquestioned decrease in consumption causes a decrease also in the demand for tobacco, which the farmer produces, with a consequent reduction in the price he receives for his crop. In

addition to that it also reduces the amount of revenue received by the Government through the tobacco tax already in existence, as has been shown so ably here to-day.

As one distinguished Member of this House said to me last evening, if we should add one additional cent to the tax on cigarettes, as has been proposed by the Treasury, making that tax 7 cents per package, and if it were possible to pass the tax to the consumer, every time that tax increase diminished consumption by one package of cigarettes, every time a man failed to buy a package of cigarettes on account of that increase of 1 cent per package it would require the sale of seven additional packages in order to make up for the loss of revenue to the Government by reason of that decrease of one package in the consumption of cigarettes. I thought he stated it very forcefully.

Now, when the manufacturer has to pay 6 cents in taxes to the Federal Government on this package of cigarettes and sells the package, as he does to the wholesaler for 12.1 cents, that leaves 2.9 cents for the wholesaler and retailer in order for the consumer to purchase the package for 15 cents. We know that the cigarette business is a highly competitive business. There is very keen competition in the sale of these popular brands. If we increase the price to the consumer to more than 15 cents, I believe it will be conceded by nearly everyone, as proven by past experience and demonstrated by these figures from official reports that have been produced here to-day, that any such increase in price to more than 15 cents per package would cause a great decrease in the volume of sales.

Therefore, since they can not profitably increase the price and must pay the Government 6 cents on every package as it is now and 7 cents as it would be if this provision were enacted into law, that means that the tax can not be increased to the consumer, and there is no other place that the burden of this proposed additional tax could fall except on the back of the tobacco grower, who is least able of all to bear the burden.

We have high authority for that conclusion, which is concurred in by practically all of the leading men in the tobacco industry. Tobacco growers throughout tobacco-producing areas are deeply stirred and disturbed by this attempt to penalize them and still further burden them by an increase of tax that would be reflected in the price received for their crops. I just received a resolution adopted yesterday by the board of directors of the Burley Tobacco Growers Cooperative Association protesting against such a tax increase and declaring, "That any increase in taxes on tobacco or tobacco products will result in additional hardships, if not in disaster, to the growers of this already over-taxed commodity." No less an authority than the distinguished chairman of the Federal Farm Board, Hon. James C. Stone, who represents tobacco on that board, and who has spent most of his life as a tobacco grower, warehouseman, and cooperative leader, has testified before a congressional committee to the effect that he believes that to have this tax reduced to one-half of what it is to-day would greatly increase consumption, without diminishing the revenue to the Government, and would bring a larger return to the farmer, whose income now is pitifully small, and who spends nearly an entire year of hard labor, besides impoverishing his soil, in producing a crop of tobacco.

There is no question of the correctness of what was stated by the gentleman from Georgia [Mr. CHISF] when he said to Judge Parker that a colossal sum of additional revenue must be raised, but I contend, gentlemen of the committee, that while such a sum must necessarily be raised from some sources, the farmer, whom this Government has been seeking to aid in recent years, and about whose financial distress we have heard more and read more than about the condition of any other group of American citizens—I contend that the tobacco farmer is least able of all to take upon his shoulders the additional burden that is being proposed.

Mr. VINSON. Will the gentleman yield?

Mr. CHAPMAN. Yes, sir.

Mr. VINSON. In that connection Mr. Ogden Mills, the Under Secretary of the Treasury, a very able economist and very able legislator, stated that the Treasury proposal was based upon the 1924 act, and in that connection Mr. Mills also stated that the increase of tax on tobacco over the rates set forth in the 1924 act, which is the rate tobacco bears to-day, was the only commodity, agricultural or otherwise, and the only industry that the increase of tax was sought from.

Mr. CHAPMAN. That is true, and not only that, for it is also true that tobacco is the only farm product on which such a tax is levied or sought to be levied. This is also the only war tax that is still in effect.

As to the suggestion that was made just before I was recognized concerning the effect on revenue from the increase on smoking tobacco—I believe the question was asked by the gentleman from Indiana [Mr. CANFIELD]—I think I have some figures that might throw a little light on that question. As a result of the decline in the consumption of tobacco the Federal revenues have already declined \$14,000,000, accompanying a loss of volume of \$33,000,000 for the manufacturers. This loss of revenue in the volume of cigarette consumption is not compensated for by the increase from manufactured tobacco, since the increased revenue from that source has been only \$380,000 and the increased volume only \$2,000,000. With the cigarette industry already declining, the proposed tax increase, accompanied by diminished consumption, would actually net the Government less, rather than more, revenue. Assuming a further decline of 15 per cent, which is most moderate in the light of recent experience, the Government would lose rather than gain from the increased tax.

For the fiscal year 1931 the total United States revenues from the cigarette tax were about \$360,000,000. If production remains stationary the increased tax suggested would add \$60,000,000, making the total \$420,000,000, but if production declines 15 per cent the United States revenue from cigarettes would decrease by \$63,000,000, leaving a total of \$357,000,000, as compared with the \$360,000,000 paid into the Federal Treasury for the fiscal year 1931.

Mr. CANFIELD. I will say to the gentleman that my question was not directed as to revenue but to the consumption of tobacco.

Mr. CHAPMAN. Oh, yes; but it certainly shows a loss of revenue, and the decline in both revenue and in the volume of manufactured products certainly indicate a decrease in consumption.

Gentlemen, it is the tobacco growers that I am representing, and I believe they are the least able of any class of farmers, and I believe of any group of citizens, to stand an increased burden like this.

Mr. DOUGHTON. I think the gentleman has made a very able statement in regard to this matter. Is it not a fact, or do you not understand it to be a fact, that agriculture was the first industry to feel the extreme depression that is now prevailing throughout the country?

Mr. CHAPMAN. Yes, sir; it is a fact.

Mr. DOUGHTON. And the imposition of further taxes on tobacco will not only further burden this industry and delay its recovery, if not prevent it entirely, but also tend to militate against general business recovery?

Mr. CHAPMAN. That is absolutely true, as the gentleman from North Carolina well says, because the prosperity of every business man, every professional man, every merchant, every banker, every industry, depends primarily on the tillers of the soil, because their prosperity is the foundation of all prosperity.

I expect to continue this fight for the tobacco growers. If I am a Member of the next Congress I shall again introduce a bill to reduce the tobacco tax. When this period of despair and suffering shall have passed and a sufficient revival of business shall have come to assure, with the practice of economy in government, a balanced Budget, one of the first revisions of the revenue act ought to be a reduction of the tobacco tax, which imposes such an unjust burden on the tobacco farmers. I will continue to strive to that end.

EXTENSION OF REMARKS—FEDERAL TAXATION AND ITS RESULTS

Mr. GRISWOLD. Mr. Speaker and my colleagues, it is true that now, with the exception of a very few minor details, the Budget is balanced. The will of the President has been consummated. It is also true that in balancing the Budget we have taxed about everything that could be taxed, thereby putting more tax burdens on the already overburdened people. We have taxed the vast fortunes and those with large incomes and they have complained because they were not taxed less and others more. We have taxed the destitute farmer and the unemployed laborer to convince him that the man without the means must, in some mysterious way yet to be determined, find money which he does not possess for the tax collector.

It is also true that the President of the United States and the Secretary of the Treasury, chambers of commerce in cities little and big, bankers throughout the country, and practically every newspaper in the Nation strenuously cried that "the Budget must be balanced." The cry was that then prosperity would be here. But, as yet, we have received no word of an injury to any citizen who bumped into it while turning the corner. For 10 years under the administration of Mr. Mellon and Mr. Mills, with the approval of three Presidents, we have been creating this deficit. The country as a whole, at the instigation of the President, wanted this Budget balanced and this deficit cleared up within one year. Lobbyists of every strain and color insisted that to cure 10 years of promiscuous spending it was necessary to not only fix taxes for the current running expenses of the Government, but in addition thereto to fix taxes that would bring in enough money to take care of the \$3,000,000,000 deficit created by the Republican administration within the last 10 years. The only way that a government can spend money is to have it. The only way that a government can procure money is by taxation. I believe that the people of the Nation generally were deceived by the propaganda of the President and the newspapers. I do not believe that it was necessary to balance the Budget in one year, and that the economic recovery of the country has been and will be seriously retarded by this balancing of the Budget in one year.

I am of the opinion that before this time next year the people of this Nation will realize that it was one of the most serious governmental mistakes ever made. This balancing of the Budget should have been spread over a period of two or more years, and not have increased by excessive taxation the destitution of an already overburdened people.

In addition to this balancing of the Budget to cure a 10-year deficit, we have been required to make up additional funds in the amount of one-half billion dollars for the Reconstruction Finance Corporation, and one-quarter billion dollars for the moratorium to Europe, both at the request of the President. Both of these necessitated more taxes and greater efforts to balance the Budget. Neither brought prosperity, and we were assured that both would do so.

AID TO THE BANKERS

The banking fraternity of this Nation has been insistent in its demands for greater expenditures where those expenditures would assist the banking fraternity, the money for which must be raised by taxation. At the same time the bankers were insisting that the Budget be cut. We can not decrease taxes and still run the Government by adding a billion and one-half extra expenses, no matter what particular industry or business the additional appropriations aid. Nor can prosperity be restored by taxing the people in the factories and on the land, the small homeowner and small merchant to make good the bonds of international bankers and bring back to par the overvalued stock of railroads.

It is neither fair nor just to the man who pays the taxes when the Pennsylvania Railroad can declare a dividend of \$42,000,000 and within 60 days thereafter come to the Reconstruction Finance Corporation and borrow \$27,000,000. It is neither fair nor just to the taxpayer who must provide the funds nor to the business in other fields.

At the suggestion of the administration we passed the bill appropriating \$125,000,000 to aid the Federal land banks. We were told by the leaders that this would help the farmer with his mortgaged farm, but this \$125,000,000 never reached the farmer and has been used purely and simply to raise the price of Federal land bank bonds and protect the bankers and holders of the bonds. This money, too, was raised by taxes; and this bill was to help restore prosperity. Provision was made in the Reconstruction Finance Corporation act to lend money to banks. Now we find that the building and loan associations can not be helped by that corporation.

AID TO BUILDING AND LOAN ASSOCIATIONS

We are asked to make an additional appropriation of one hundred and twenty-five millions to aid the building and loan associations. This has the approval of the President, and the bill will pass the House. This \$125,000,000 must be raised from taxation. In my State it will not help the man who has mortgaged his home. It will help, if rightly administered, the man who has money on deposit with the building and loan associations. I have little faith in the bill, but I voted for it on the theory that some of the money might eventually trickle through to the little man.

The professional man with a small income, and small-town citizen placed his money in these building and loan associations. They suspended payment. In my State under the law the depositor is required to file notice to withdraw his funds. All over my State the building and loan associations have long lists of depositors who have filed notice. They must be paid off in order of their filing if the money is available. If the associations borrow from this fund those depositors who have made demand will be eligible for payment. They will get their money, I hope. But what relief is there in the bill for the poor unfortunate who is financing his home through the association? Out of work—without income to meet his payments of principal, interest, and taxes. He is losing his home with the savings of his lifetime in it. What relief is there for him? Where is his moratorium? It is the old story all over again of all our relief legislation. It is built to protect and aid the man with personal property. For the man with real estate there is no relief. To obtain aid he must hold bonds or stocks or certificates of indebtedness.

We should not appropriate \$125,000,000 for the building and loan associations when the Reconstruction Finance Corporation has a billion and one-half dollars. The building and loan associations should be allowed to discount their paper and procure loans from the Reconstruction Finance Corporation just the same as railroads, banks, and insurance companies are allowed to do. But the administration is opposed to allowing the building and loan associations to borrow money from the Reconstruction Finance Corporation on the same basis as these other businesses and insists that a special act be passed to take care of the building and loan associations. We have given approximately \$2,000,000,000 for the benefit of big business and Wall Street. We have not given one cent toward putting money into circulation on Main Street.

A year ago we were told that our present economic condition was due to a world-wide depression and that prosperity would return to us if we granted a moratorium to Europe. We granted that moratorium at a cost in taxes of \$2.50 to every man, woman, and child in the United States. The bankers profited by that moratorium and the people lost.

Prosperity, although one year has elapsed, has not returned. Next the President insisted that only through the Reconstruction Finance Corporation and loans to big business could the panic be ended. The Reconstruction Finance Corporation act passed and we gave \$2,000,000,000 to Wall Street and the international bankers, who had already fleeced this country with worthless bonds of foreign nations. Six months have elapsed and to-day 15,000 unemployed World War veterans are encamped over in Anacostia Park in a vain search for the promised work and prosperity.

THE PRESIDENT CAN REDUCE EXPENSES

The Chief Executive has made much of a reduction in governmental expenditures through consolidations and elimination of useless employees. Through the newspapers he has called on Congress for the elimination of these employees. This is but a smoke screen to cover up and hide from the people the facts of his failures. The President well knows that he now has the power and always has had the power to eliminate any positions in the executive departments. He now has and has always had the power to reduce governmental expenses by discharging any employee in the State Department, the Commerce Department, the War Department, or any other department not held by an elected officer.

The Supreme Court so held and if there is a useless employee in any of these departments then the fault lies with the President of the United States and no one else and the President of the United States has been derelict in his duty to the taxpayer in allowing them to remain. All of the legislation that the President suggested and approved as a cure for our present panic has proven to be a tonic for Wall Street and a dose of poison for the taxpayer. What the Nation needs above all things else to-day is a leader that will turn his eyes from the glitter of gold and let them rest for a while on the destitute and impoverished—a leader that will place the good of all the people above the demands of a few. A Chief Executive that will divorce his thoughts from Wall Street long enough to remember that there is a Main Street in America.

ENROLLED BILLS SIGNED

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

H. R. 1048. An act granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California.

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia; and

S. 3911. An act to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 4738. An act to incorporate the Disabled American Veterans of the World War.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until to-morrow, Friday, June 17, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN: Joint Committee on the Disposition of Useless Executive papers. A report on the disposition of useless papers in the Department of Labor (Rept. No. 1638). Ordered to be printed.

Mr. WEAVER: Committee on the Judiciary. H. R. 10271. A bill to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAGON: Committee on Ways and Means. House Joint Resolution 435. A joint resolution to amend the revenue act of 1932; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. S. 2352. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097); with amendment (Rept. No. 1645). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMNECK: Committee on the Post Office and Post Roads. H. R. 11270. A bill to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; with amendment (Rept. No. 1646). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PETTENGILL: Committee on Military Affairs. H. R. 4209. A bill for the relief of George Fling; without amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. S. 3543. An act for the relief of Robert Emil Taylor; without amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 11996. A bill for the relief of C. B. Dickinson; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. H. R. 1042. A bill for the relief of Henry A. Levake; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. H. R. 6475. A bill to correct the military record of Alexander Surrall; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. S. 402. An act for the relief of Nelson King; without amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. WOLVERTON: Committee on Military Affairs. H. R. 9761. A bill for the relief of Edward Garlin; with amendment (Rept. No. 1647). 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. GLOVER: A bill (H. R. 12674) to provide for the relief of farmers by making loans on land now used for agricultural purposes, for the purposes of redeeming said lands from now existing mortgages, and for other purposes; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 12675) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; to the Committee on the Civil Service.

By Mr. BLACK: A bill (H. R. 12676) to provide further fire prevention in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 12677) providing for a minimum marketing price for certain agriculture products; to the Committee on Agriculture.

By Mrs. NORTON: A bill (H. R. 12678) to license and register master electricians, master fixture hangers, journeymen electricians, and journeymen fixture hangers engaged in the business of installing, repairing, or maintaining electric wiring, fixtures, apparatus, and appliances for light, heat, or power in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. THOMASON: A bill (H. R. 12679) authorizing C. E. Benton, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Acala, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mrs. NORTON (by request): A bill (H. R. 12680) to provide a code of insurance law for the District of Columbia, except as is now provided by acts approved March 3, 1901 (31 Stat. 1310, ch. 854), Subchapter XII of Chapter XVIII of the Code of Laws for the District of Columbia; June 30, 1902 (32 Stat. 534, ch. 1329, sec. 761); May 29, 1928 (45 Stat. 953, ch. 862); December 12, 1928 (45 Stat. 1021, ch. 24); April 12, 1930 (an act to authorize fraternal and benevolent corporations heretofore created by special act of Congress to divide and separate the insurance activities from the fraternal activities by an act of its supreme legislative body, subject to the approval of the superintendent of insurance of the District of Columbia); and March 4, 1922 (42 Stat. L. 401, et seq.); to the Committee on the District of Columbia.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12681) to regulate interstate and foreign commerce in bituminous coal; provide for consolidations, mergers, and cooperative marketing; require the licensing of corporations producing and shipping coal in interstate commerce; and to create a bituminous coal commission; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PARKER of Georgia: A bill (H. R. 12682) to amend the adjusted compensation act; to the Committee on Ways and Means.

By Mr. STEVENSON: Resolution (H. Res. 268) authorizing the printing of the House Rules and Manual for the second session of the Seventy-second Congress; to the Committee on Printing.

By Mr. VINSON of Kentucky: Resolution (H. Res. 269) to provide for the appointment by the Speaker of a committee to investigate the overlapping and duplication of taxes, and for other purposes; to the Committee on Rules.

By Mr. RAGON: Joint resolution (H. J. Res. 435) to amend the revenue act of 1932; to the Committee on Ways and Means.

By Mr. SIROVICH: Joint resolution (H. J. Res. 436) to repeal the eighteenth amendment to the Constitution of the United States, and the national prohibition act; 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. BOWMAN: A bill (H. R. 12683) granting an increase of pension to Mary Clark; to the Committee on Invalid Pensions.

By Mr. BRUNNER: A bill (H. R. 12684) for the relief of Capt. James L. Alverson; to the Committee on Claims.

By Mr. COLLINS: A bill (H. R. 12685) to refund to the Mississippi Fibre Co. income and profits taxes erroneously and illegally collected; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 12686) granting a pension to Wiley E. Bolt; to the Committee on Pensions.

By Mr. FINLEY: A bill (H. R. 12687) granting a pension to Albert Davis; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 12688) granting a pension to William H. Danver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12689) granting an increase of pension to Eunice G. Trombly; to the Committee on Invalid Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 12690) granting an increase of pension to Lydia E. Thompson; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 12691) granting a pension to Margaret Ragland; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 12692) granting an increase of pension to Louisa C. Pangburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12693) for the relief of Jane H. Dickey; to the Committee on Military Affairs.

By Mr. PURNELL: A bill (H. R. 12694) granting an increase of pension to Ann M. Cook; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 12695) granting an increase of pension to Sarah Hubbard; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 12696) granting an increase of pension to Charles V. Harris; to the Committee on Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 12697) to repeal the provisions of law granting pensions to Edith Carow Roosevelt, Lois I. Marshall, and Edith Bolling Wilson; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 12698) granting a pension to Florence C. Gilmore; to the Committee on Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12699) granting a pension to Gertrude Adams; 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:

8339. By Mr. CHINDBLOM: Petition of Clayton Mack and 67 others, favoring redress of grievances, especially for relief from taxation for non-service-connected disabilities of veterans; to the Committee on World War Veterans' Legislation.

8340. By Mr. CRAIL: Petition of California Bankers Association, recommending the adoption of a manufacturers' sales tax, and opposing any form of governmental guaranty of bank deposits; to the Committee on Banking and Currency.

8341. Also, petition of Wilmington Post, No. 287, American Legion, Wilmington, Calif., requesting Congress to immediately pay face value of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

8342. Also, petition of All City Employees Association of Los Angeles, Calif., petitioning Congress to pass without delay a \$5,000,000,000 public improvements bill; to the Committee on Ways and Means.

8343. Also, petition of unemployed councils of Los Angeles, Calif., demanding that the veterans be paid immediately their bonus in full; to the Committee on Ways and Means.

8344. Also, petition of Highland Park Post, No. 206, American Legion, Los Angeles, Calif., urging the immediate passage of legislation for the payment of the adjusted-service certificates, or, in lieu thereof, the \$5,000,000,000 construction bond fund, or some legislation great enough in its scope to provide immediate and lasting relief from present economic conditions; to the Committee on Ways and Means.

8345. By Mr. GARBER: Petition of E. M. Baptist, of Springfield, Ill., urging support of the railroad pension bill, H. R. 9891, and Senate bill 4646; to the Committee on Interstate and Foreign Commerce.

8346. Also, petition of the Oklahoma division of the Izaak Walton League of America, approving the proposed plans of the United States Biological Survey for the establishment of the migratory-bird refuge south of Ardmore, Okla., the proposed Deep Fork refuge, or any others which may be considered suitable by the Biological Survey for the propagation and protection of migratory birds, and urging the immediate and complete survey and study of these projects with view to securing from Congress the necessary appropriations for development of the projects; to the Committee on Agriculture.

8347. Also, petition of the Chamber of Commerce of Pittsburgh, indorsing House bill 12201, proposing to amend section 4, paragraph 1, of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

8348. Also, petition of the Chamber of Commerce of the United States of America regarding railroad transportation and competing forms of transportation; to the Committee on Interstate and Foreign Commerce.

8349. Also, petition of the District Association of Rural Letter Carriers of Kay, Noble, Grant, and Garfield Counties, Okla., expressing opposition to the taking of any of the rural-carrier equipment allowance, but expressing willingness to accept reasonable percentage salary reduction, proportionate to reduction of other postal employees' salaries; to the Committee on Ways and Means.

8350. By Mr. LINDSAY: Petition of the Merchants Association of New York favoring the reduction of Federal expenditures; to the Committee on Ways and Means.

8351. Also, petition of Binney & Smith Co., New York City, favoring the Rainey relief bill; to the Committee on Ways and Means.

8352. Also, petition of Salomon & Phillips, New York City, favoring the reduction of Federal expenditures and the repeal of prohibition; to the Committee on Ways and Means.

8353. Also, petition of Erickson Engineering Co. (Inc.), New York City, favoring the passage of House bill 9921; to the Committee on Expenditures in the Executive Departments.

8354. Also, petition of Ira Richards, 49 Wall Street, New York City, favoring the enactment of Senate bill 4726; to the Committee on Agriculture.

8355. By Mr. RUDD: Petition of Ira Richards, of New York City, favoring the preservation of wild fowl; to the Committee on Agriculture.

8356. Also, petition referring to Fort Pierce Harbor on the central east coast of Florida, as recommended by the United States engineers; to the Committee on Rivers and Harbors.

8357. Also, petition of Salomon & Phillips, New York City, favoring the repeal of prohibition so that the Government may derive the easily available large income from this industry, etc.; to the Committee on the Judiciary.

8358. By Mr. STEWART: Memorial of the Camp Luzon National Society Army of the Philippines, protesting against the reduction of veterans' pensions and compensation and the insertion of a "needs" or "pauper" clause in any veterans' legislation; to the Committee on World War Veterans' Legislation.

8359. By Mr. SUTPHIN: Petition of the National Society Army of the Philippines, opposing the reduction of any veterans' pension or compensation and the insertion of a "needs" or "pauper" clause; to the Committee on Ways and Means.