

To be captain

First Lieut. Handy Vernon Brown, Infantry, from June 20, 1932.

To be first lieutenant

Second Lieut. John Albert Dabney, Infantry, from June 20, 1932.

MEDICAL CORPS

To be colonels

Lieut. Col. Albert Gallatin Love, Medical Corps, from June 20, 1932.

Lieut. Col. Harold Wellington Jones, Medical Corps, from June 20, 1932.

Lieut. Col. Mathew Aaron Reasoner, Medical Corps, from June 20, 1932.

Lieut. Col. Lucius Locke Hopwood, Medical Corps, from June 20, 1932.

Lieut. Col. Charles Ernest Freeman, Medical Corps, from June 20, 1932.

To be captains

First Lieut. Robert Edwin Peyton, Medical Corps, from June 16, 1932.

First Lieut. Robert Edward Lee, Medical Corps, from June 16, 1932.

First Lieut. John Horace Fountain, Medical Corps, from June 17, 1932.

First Lieut. Clement Franklin St. John, Medical Corps, from June 18, 1932.

First Lieut. Harold Hanson Twitchell, Medical Corps, from June 18, 1932.

VETERINARY CORPS

To be majors

Capt. Raymond Thomas Seymour, Veterinary Corps, from June 17, 1932.

Capt. Oscar Charles Schwalm, Veterinary Corps, from June 18, 1932.

POSTMASTERS

CONNECTICUT

Frederick A. Minnerly to be postmaster at Short Beach, Conn., in place of F. W. Foster, deceased.

GEORGIA

William Renfroe to be postmaster at Lumber City, Ga., in place of G. A. Renfroe, deceased.

KENTUCKY

Calvin H. Cash to be postmaster at Big Clifty, Ky., in place of S. A. Calvert. Incumbent's commission expired May 8, 1932.

Grant North to be postmaster at Hustonville, Ky., in place of Grant North. Incumbent's commission expired February 28, 1931.

MARYLAND

Charles F. Noble to be postmaster at Preston, Md., in place of C. N. Payne. Incumbent's commission expired May 26, 1932.

MISSISSIPPI

Leslie M. Harriman to be postmaster at Summit, Miss., in place of T. L. Cotten. Incumbent's commission expired December 17, 1931.

Annie K. Mauldin to be postmaster at Water Valley, Miss., in place of A. K. Mauldin. Incumbent's commission expired December 17, 1931.

NEW HAMPSHIRE

George P. Furbush to be postmaster at Rochester, N. H., in place of G. P. Furbush. Incumbent's commission expired January 5, 1932.

NEW YORK

Joseph Hrabovsky to be postmaster at Castle Point, N. Y., in place of S. M. Todd, removed.

OHIO

Walter E. Carter to be postmaster at Bainbridge, Ohio, in place of T. H. Sapp. Incumbent's commission expired February 17, 1931.

Joseph T. Scheutle to be postmaster at Beaver, Ohio, in place of J. T. Scheutle. Incumbent's commission expired December 15, 1931.

Harry R. Hebblethwaite to be postmaster at Berlin Heights, Ohio, in place of H. R. Hebblethwaite. Incumbent's commission expired April 9, 1932.

Everett Cole to be postmaster at Botkins, Ohio, in place of L. E. Blakeley, removed.

Charles R. Ames to be postmaster at Bryan, Ohio, in place of C. R. Ames. Incumbent's commission expired March 1, 1932.

Clyde W. Phillips to be postmaster at West Lafayette, Ohio, in place of W. E. Reed. Incumbent's commission expired December 17, 1931.

PENNSYLVANIA

Benjamin P. Dawkins to be postmaster at Oakmont, Pa., in place of F. A. Householder, deceased.

SOUTH CAROLINA

Mamie L. Bush to be postmaster at Ellenton, S. C., in place of C. L. Knight. Incumbent's commission expired May 7, 1932.

Lucie S. Hope to be postmaster at Union, S. C., in place of M. A. Peake, removed.

SOUTH DAKOTA

Alfred C. Schroeder to be postmaster at Miller, S. Dak., in place of J. M. Williams. Incumbent's commission expired December 18, 1927.

TENNESSEE

Doyle M. England to be postmaster at New Tazewell, Tenn., in place of Garfield Russell. Incumbent's commission expired May 19, 1932.

John T. Christian to be postmaster at Smithville, Tenn., in place of J. H. Christian, resigned.

VIRGINIA

John J. Carper to be postmaster at Pearisburg, Va., in place of J. J. Carper. Incumbent's commission expired February 17, 1932.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 24, 1932

The House met at 12 o'clock noon.

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

Grant, our Heavenly Father, that the ministrations of Thy Spirit may so abide in us that they shall be creative and inspire in us a fine conception of God, of our fellow men, and of our duty to the public service. Bring us into most reverent accord with Thy redeeming law. By its discipline may we be brought into harmony with the Master's teachings. O may we appreciate more of Thy moral perceptions and discern more thoroughly the moral significance of human life. Bless us with the rare privilege of possessing them with clearness, fullness, and with force. Blessed Lord, all over our fair land build up men in honor, fidelity, self-government, self-denial, and in devotion to our institutions which make our country great and permanent. Amen.

The Journal of the proceedings of Wednesday, June 22, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 16, 1932:

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site.

On June 17, 1932:

H. R. 4738. An act to incorporate the Disabled Veterans of the World War.

On June 18, 1932:

H. R. 10048. 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; and

H. R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 111. An act for the relief of Rosa E. Plummer;

S. 478. An act for the relief of Cicero A. Hilliard;

S. 943. An act for the relief of John Herink;

S. 1216. An act for the relief of the owner of the barge *Mary M.*:

S. 3119. An act for the relief of J. D. Stewart; and

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, the bill (H. R. 12445) entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program."

The message also announced that the Senate insists upon its amendments to said bill, requests a conference with the House thereon, and appoints Mr. NORBECK, Mr. BROOKHART, and Mr. WAGNER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 165) entitled "Joint resolution authorizing the President of the United States to present the distinguished flying cross to Amelia Earhart Putnam," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. WALCOTT, and Mr. FLETCHER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3987. An act for the relief of R. K. Stiles & Co.;

H. R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located;

H. R. 7238. An act to amend section 5 of the suits in admiralty act, approved March 9, 1920;

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes;

H. R. 8777. An act for the relief of J. N. Gordon;

H. R. 9306. An act to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended;

H. R. 10161. An act amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes;

H. R. 10587. An act to provide for alternate jurors in certain criminal cases;

H. R. 10590. An act to prohibit the misuse of official insignia;

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance

to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws.

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes; and

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 11361, entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes."

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, on behalf of the conferees of the House I present a conference report on the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

GENERAL RELIEF BILL

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for five minutes relative to the relief bill.

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

There was no objection.

Mr. CRISP. Mr. Speaker, as the House knows, the Senate has just passed the House relief bill commonly known as the Garner bill, by amending it, striking out all after the enacting clause and substituting the Wagner bill and many other provisions. I think every Member of this House agrees that something must be done to try to relieve the horrible economic situation confronting the country, with millions of honest people out of employment and distress rampant throughout the country. To be effective it must be done as speedily as possible. I am told to-day there is a run on some of the large banks in Chicago. A number of them closed yesterday. It is of the highest importance that this Congress work at once diligently and speedily and try to find some measure that may aid in giving employment and relief.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

Mr. SNELL. Reserving the right to object, Mr. Speaker, and I do not intend to object, I wish to say in addition to what the gentleman from Georgia has already said, that we on the minority side fully appreciate the importance of this bill. We shall do everything we possibly can to pass a reasonable economic relief bill, and the quicker it is done the better it will be for this whole country. I am anxious to have this bill sent to conference in the usual way at the earliest possible moment, and we will cooperate to that end.

Mr. LAGUARDIA. Mr. Speaker, further reserving the right to object, I am glad there is complete harmony and accord as to the necessity of immediate relief, I regret to note a difference as to methods. This is no time for differences of opinion. People are starving; unemployment increasing. Relief must be actual and it must be of sufficient magnitude to meet the critical condition of the country.

Now, Mr. Speaker, the views of the House should be reflected in this conference. There have been two or three occasions, I am sorry to say, where the views of the House were not reflected in the conference. At this very moment there are conferees in session on a certain appropriation bill who are not reflecting the views of the House. We do not want a high-school debate on this matter. We do not want any academic discussion of what may or may not be actual relief. We do not want any alibis as to constitutional limitations. What this country wants and what the real representatives of the American people demand is a real comprehensive relief bill, providing direct relief, authorizing a gigantic public-works program, establishing loans for housing and semipublic projects, loans for stimulating industry and agriculture, and above all it must be now in order not only to help the distressed unemployed people but to save our country.

I want to ask, Mr. Speaker, if it is not possible to have the conferees appointed from the House and not from any particular committee; energetic conferees who, understanding the serious situation, will represent the views of the House, and who will come back here promptly with a real compromise with the Senate that will do something?

Mr. MAPES. Mr. Speaker, further reserving the right to object, I have not had an opportunity to examine the bill as it comes from the Senate, but in view of what has been said by the gentleman from Georgia and others, it seems to me that this statement should be made, that while this bill is allowed to go to conference in the usual way, without objection, nobody should assume from that that the membership of the House generally favors what is in the bill. It should be understood by the conferees, that because this bill is going to conference, no one is committing himself to any of the provisions of it.

For myself, permit me to say I do not see what there is in this bill that can protect the banks in the city of Chicago, for example, to which the gentleman from Georgia has referred.

Mr. CRISP. May I say to the gentleman, of course, every Member of the House knows that no Member of the House is bound to support any bill or any conference report by the fact that they gave consent for the bill to go to conference. This is the usual request, to expedite getting the measure into conference, and when the conferees agree, if they do agree, each Member of the House exercises his right to vote for or against it. If the conferees do not agree, the bill will come back and each Member of the House will have an opportunity to express himself then.

Mr. MAPES. Mr. Speaker, further reserving the right to object, I recognize, of course, that no one commits himself in allowing a bill to go to conference, but it is rather unusual for any Member, before he asks to send a bill to conference, to ask for five minutes' time to address the House and then to stress the distressed condition of the country, as in this case, when some think that some of the provisions of this legislation instead of relieving the distressed condition of the country will add to that distress.

Mr. CRISP. May I just say this: I may have made a mistake, but the only reason on earth I wanted the five minutes was to present the necessity of prompt action to try to get consent for the bill to go to conference.

Mr. MAPES. I think everybody in the country, and certainly everybody in this House, appreciates the distressed condition of the country.

Mr. MICHENER. Mr. Speaker, reserving the right to object for the purpose of propounding a parliamentary inquiry to the gentleman who has the floor. The House passed the relief bill, the Senate struck out everything after the enacting clause. Now, what will be in conference? Will the conference be free to the extent that the conferees may write a new bill without reference to the House bill, or will the conferees be limited by the Senate bill on the one extreme and the House bill on the other extreme?

Mr. CRISP. My opinion would be that the matter in conference would be the adjustment of the differences exist-

ing between the two Houses as to all of the matters appearing in either the Senate amendment or the House bill.

I do not think the conferees could inject new matter that is not in one of those measures.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LAGUARDIA. I am somewhat fearful for this reason: I do not want to see either proposition, or both propositions entirely emasculated and the House put in a position of having to vote for something meager and ineffective just to suit the whim of some individual.

Mr. CRISP. I may say to the gentleman from New York, so far as I am concerned, if I should be one of the conferees, and I would be delighted for the cup to pass from me, but if I am one, I will go to the conference to uphold the position of the House. [Applause.]

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. COCHRAN of Missouri. I may say to the gentleman from Georgia [Mr. CRISP] that there are certain States, and certain large cities in the Union, my own city of St. Louis and my own State of Missouri included, where the State constitution and the city charter will prevent them from benefiting under this particular relief legislation unless there is some specific language in the bill. This suggestion will be presented to conferees, and I want to express the hope now that they will give it very careful consideration. We must have some relief in St. Louis and it is needed now.

Mr. CRISP. My State can not borrow either.

Mr. SNELL. Mr. Speaker, as long as the parliamentary situation has been raised here I want to raise it still further.

As I understand from the Champ Clark decision on March 3, 1915, third session, Sixty-third Congress, when everything after the enacting clause of the original bill is stricken out in another body, there is carte blanche authority for the conferees to practically write a new bill on that same subject, and I want to read to the House just that particular paragraph out of the decision:

The House struck out the whole of the McCumber amendment. That is, it agreed to a substitute for the entire McCumber amendment. It did not leave a single line or word of the McCumber amendment. That put it exactly in the same situation as if everything after the enacting clause of a bill was struck out. And it has been held so often and so far back and by so many Speakers that where everything after the enacting clause is struck out the conferees have carte blanche to prepare a bill on that subject that it seems to the Chair that the question is no longer open to controversy.

It seems to me in the situation that exists at the present time the latitude of the conferees in this matter is almost unlimited and they can write practically any bill they see fit on the subject matter before the two Houses.

Mr. CRISP. I will be pleased if the gentleman will address his parliamentary inquiry to the Speaker and for the Speaker to answer the parliamentary inquiry.

Mr. MICHENER. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. MICHENER. I do not interpret the rule as read by the gentleman from New York as he evidently interprets it.

The fundamental principle of conference committees is that the House takes action on a given subject. The bill then goes to the Senate. The Senate then takes action on the same bill or subject matter. The only thing the Senate can do is to amend or accept the House bill. If the Senate strikes out all after the enacting clause in the House bill, it has simply amended the action of the House just the same as if it had struck out every other section or every other line in the bill. But the action of the Senate, if it retains the title of the bill, the purpose of the bill, is an amendment to the bill, whether it be to strike out the enacting clause or the last paragraph in the bill.

When the conference committee is appointed by the House, that committee goes to conference and, figuratively speaking, has under its arm the bill representing the action of the House, and it is the duty of the House conferees to insist upon the position taken by the House, and I contend that the conferees are limited to the bill as passed by the House

and the bill as amended and passed by the Senate. On the other hand, the Senate committee has under its arm the action of the Senate. That being the case, it seems to me that it would be doing violence to the very purpose of a conference if you create a situation where a conference committee might write a new bill regardless of the action of the House, and which might be brought back to the House under a rule which would prevent the House from making a single amendment, and the very purpose of free and open conference between the two Houses on the action of each House would be absolutely forestalled.

Mr. TILSON. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. TILSON. Is it not true, though, that the Senate by its amendment has brought in a number of additional subjects to those treated in the House bill and will not these subjects in the House bill which have all been stricken out by the Senate and all the subjects included in the Senate amendment be before the conference?

Mr. SNELL. Absolutely.

Mr. TILSON. And will not anything germane to any one of the subjects included either by the House in the bill as passed or by the Senate in the amendment substituted be the subject of consideration by the conference?

Mr. MICHENER. There is a limit placed upon the action of the conferees and that limit is the House bill on one side and the Senate bill on the other side, with possibly germane amendments.

Mr. RAMSEYER. What does the gentleman have to say about the Champ Clark decision?

Mr. MICHENER. The Speaker Clark decision is in exact harmony with what I have said. It depends on how you interpret it. Possibly the decision is susceptible of two interpretations, and surely the Senate can not destroy the right of the House to have its finding insisted upon by its representatives. If the position taken by the gentleman from New York is tenable, then the Senate could in any case strike out all after the enacting clause and the only guide left for the House conferees would be the Senate bill.

Mr. McDUFFIE. Mr. Speaker, these questions can be settled when the report comes before the House. This is no time for this discussion.

Mr. SNELL. I think this is a good time to decide these matters and get a decision from the Speaker. I think theoretically the gentleman from Michigan is right, but as a practical proposition anything brought in here would be between the two matters under consideration because all pertain to the same subject. I am in entire accord with the Champ Clark decision and I think it is fair and correct.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, reserving the right to object, I want to say that I think the majority of the Members of this House are of the opinion that this relief is more or less of an emergency nature and I intend to support it; but I do know there is a large number of the Members of this House who are interested in the subject of agriculture and that they are anxious to see some kind of legislation passed before this Congress adjourns that would at least do something to cause our farmers to get the cost of production from that part of the yield that is consumed at home. There is one thing sure, and that is we can never obtain permanent relief until we start at the bottom and work upward. I intend to vote for all of these relief measures, but I hope the House will give consideration to this particular subject at once.

The regular order was demanded.

Mr. LAGUARDIA. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. I desire to ascertain from the Chair whether conferees may be appointed who are friendly to the principle of immediate and direct relief and whether conferees may be appointed from the House and not necessarily from any particular committee.

The SPEAKER. If the House will permit, the Chair will state what he has tried to do with reference to this conference. In the first place, the bill which passed the House of

Representatives carried provisions in it of which eight different committees of the House of Representatives had jurisdiction. The first title came under the jurisdiction of the Committee on Labor, and hearings were held before that committee on that particular title. The second title was purely within the jurisdiction of the Committee on Banking and Currency. As to title 3, five different committees had jurisdiction. To illustrate: As to flood control, that was within the jurisdiction of the Flood Control Committee. That part dealing with rivers and harbors was within the jurisdiction of the Rivers and Harbors Committee. That part dealing with Army housing was within the jurisdiction of the Committee on Military Affairs. That part dealing with public buildings was within the jurisdiction of the Committee on Public Buildings and Grounds, and that part dealing with roads was within the jurisdiction of the Committee on Roads. The bill was finally introduced and went to the Committee on Ways and Means, because it levied one-fourth of 1 per cent tax on gasoline, and that gave the Committee on Ways and Means jurisdiction over that portion of the bill.

The Chair believes the entire House ought to be represented, but knowing it would be impossible for each one of these committees to have representation on this conference committee the Chair undertook to bring about a situation which he thought would be desirable and that was this: That the gentleman from Illinois [Mr. RAINES], the majority leader, the gentleman from New York [Mr. SNELL], and myself would represent the House of Representatives on this conference committee. [Applause.]

The Chair undertook to negotiate with the Members who would be interested, the gentleman from Mississippi [Mr. COLLIER] and the gentleman from Georgia [Mr. CRISPL], and they were in entire agreement with that arrangement. The Chair undertook to interview the gentleman from New York [Mr. SNELL], and did so on two different occasions, including this morning. The Chair urged the gentleman from New York to take that responsibility. The gentleman from New York having been elected by the minority side as its leader, the gentleman from Illinois having been elected by the majority side as its floor leader, and the Chair having been elected by the majority side as Speaker, it seemed to the Chair that would be a typical representation of the House of Representatives on this particular multiple bill. But the gentleman from New York having declined to take the responsibility, the Chair thought that probably the better plan would be to let the bill take its ordinary course and appoint the five ranking members of the Ways and Means Committee. If this consent is granted and the Chair is permitted to appoint the conference committee, he will appoint the five ranking members of the Ways and Means Committee.

The Chair wanted to make this statement so the membership of the House would understand that the Chair did not desire to avoid any responsibility himself and the Chair is sure the gentleman from Illinois did not, and the Chair regrets to say that the gentleman from New York did not see proper to take the responsibility on his side of the House.

Mr. SNELL. Will the gentleman yield to me for a very short statement?

The SPEAKER. The Chair will, with pleasure.

Mr. SNELL. To a certain extent the statement by the Speaker is absolutely correct, but I say to him and I say to the House and to the country that the minority leader has never refused to take any responsibility that legitimately came to him. [Applause.]

The SPEAKER. Well, the gentleman has an opportunity now. The Chair will appoint the gentleman on this conference committee if the gentleman will accept it.

Mr. SNELL. Are you going to allow me to make a statement or not?

The SPEAKER. The Chair will give the gentleman a chance to assume the responsibility.

Mr. SNELL. I ask permission to address the House for one minute. I have listened to you and you had your time, now I want you to listen to me.

The SPEAKER. The Chair begs the gentleman's pardon.

Mr. SNELL. This is a matter that came from the Ways and Means Committee and the distinguished Speaker him-

self referred it to that committee. I have simply taken the position that there is no reason why this legislation should be considered in any other way than any other important piece of legislation that has been before this House. [Applause.]

The procedure suggested by the Speaker has never been done in the history of this Congress. I never heard of the Speaker on a conference committee, and furthermore, I have confidence in the men on the minority side of the Ways and Means Committee who would be entitled to appointment on this conference. As a matter of fact, I have never served on that committee and am not familiar with the details of the bill. Furthermore this appointment belongs to the men on the committee who have done the work and I am protecting the men on my side by taking this position. This is a matter of policy as far as I am concerned.

Any responsibility that comes to me direct, I will take, just as much so as the Speaker, and the Speaker need not doubt it for a single minute. [Applause.]

THE SPEAKER. The gentleman from Georgia asks unanimous consent to take the bill from the Speaker's table, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection. [After a pause.] The Chair hears none.

MR. CRISP. Mr. Speaker, in view of what has been said, may I say for myself that I am perfectly willing to stand aside, as one of the conferees, and permit the titular officers of the House to represent the House; and may I ask the Speaker if it would be in order as a privileged motion to move that certain Members of the House be designated as conferees on this disagreement? I am conscious, of course, of the fact that the rules of the House confer upon the Speaker power to appoint conferees, and under the rules the Speaker is not limited in the appointment of conferees from any particular committee but has the right to appoint conferees from the entire membership of the House, unless I am very greatly mistaken. I have not looked the matter up, because this question came up unexpectedly.

THE SPEAKER. The Chair will state to the gentleman from Georgia that he is advised by the Parliamentarian, not having had an opportunity to look into the question himself, that you can not direct the Speaker as to the number or the manner in which conferees shall be appointed. The Chair, therefore, would have to hold that it is not in order to submit such a motion.

The Chair appoints the following conferees: Messrs. COLLIER, CRISP, RAINY, HAWLEY, and TREADWAY.

MR. LAGUARDIA. Mr. Speaker, may I propound a parliamentary inquiry?

THE SPEAKER. The gentleman will state it.

MR. LAGUARDIA. In the event the conferees fail to agree, it is certainly then within the province of the Speaker of the House to discharge those conferees and appoint others.

THE SPEAKER. It is. When the conferees make their report it is within the power of the House to handle the matter just as the House may deem proper.

MR. SNELL. Mr. Speaker, I am informed that the gentleman from Oregon [Mr. HAWLEY] is home, and it will be necessary to appoint the next ranking minority member of the Ways and Means Committee on the conference.

THE SPEAKER. Without objection, the gentleman from New Jersey [Mr. BACHARACH] will be substituted for the gentleman from Oregon [Mr. HAWLEY].

There was no objection.

INVESTIGATION OF EXPENDITURES OF THE POST OFFICE DEPARTMENT

MR. WARREN. Mr. Speaker, I present a privileged report from the Committee on Accounts, on the resolution (H. Res. 273).

The Clerk read as follows:

Strike out all after the word "Resolved" and insert the following:

"That the expenses of conducting the investigation authorized by H. Res. 226 to investigate the expenditures of the Post Office Department, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the

chairman thereof, and approved by the Committee on Accounts, but shall not exceed the sum of \$10,000: Provided, also, That the official committee reporters shall be used at all hearings held in the District of Columbia."

MR. WARREN. Mr. Speaker, on Tuesday the House passed the so-called Sabath resolution. The House, no doubt, thought at the time that it was authorizing the expenditure of \$10,000 to conduct this investigation. The resolution as passed by the House was quite faulty. In the first place, it should have been referred to the Committee on Accounts, and it now develops that in spite of the action of the House, there are no funds for this investigation.

When the attention of the gentleman from Illinois was called to the matter he introduced a resolution which was referred to the Committee on Accounts, which was not in proper form, and now the Committee on Accounts, feeling that the House has spoken, has reported out a substitute resolution.

MR. MICHENNER. Will the gentleman yield?

MR. WARREN. Certainly.

MR. MICHENNER. Does the Committee on the Post Office and Post Roads ask for this appropriation or is it simply the gentleman from Illinois [Mr. SABATH] who is asking for it?

MR. WARREN. I am informed that the chairman of the Committee on the Post Office and Post Roads [Mr. MEAD, of New York] states that this amount, or possibly more, is necessary.

MR. MICHENNER. My question was, whether the Committee on the Post Office and Post Roads asked the gentleman's committee to bring in this resolution making this appropriation.

MR. WARREN. No; they did not.

I will tell the gentleman how it happened. I was informed by the disbursing clerk of the House that there was no authority to pay out this money. Although I opposed the adoption of the resolution, in spite of the very partisan speech of the gentleman from Michigan [Mr. MICHENNER], I thought the fair and honorable thing to do was to notify the gentleman from Illinois, the author of the resolution, and let him come in and have a chance to get the money, as the House thought they were giving him the other day.

MR. MICHENNER. I want to compliment the gentleman on the action he has taken. The gentleman has suggested that this is the proper and usual way to handle the matter. In this I agree with the gentleman, but it does seem unusual that one Member of the House can get a resolution of this kind enacted, giving duties to another committee, when the other committee does not want it, has not asked for it, and does not come before the Committee on Accounts and ask for the money. It seems to me this House would be going a long way if we attempted to-day to authorize the expenditure of \$10,000 to be used by one of the committees of the House when the committee itself is not asking for it.

MR. WARREN. The gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, informed us that \$10,000 would be necessary.

MR. UNDERHILL. Mr. Speaker, I move to amend the resolution by striking out \$10,000 and inserting \$5,000.

THE SPEAKER. Does the gentleman from North Carolina yield to the gentleman from Massachusetts for that purpose?

MR. WARREN. Yes.

The Clerk read the amendment, as follows:

Page 1, line 2, strike out "\$10,000" and insert "\$5,000."

MR. UNDERHILL. Mr. Speaker, I suppose it is futile for any one Member of the House to attempt to block this legislation at this time. It was only through passion and prejudice, or partisanship, excited as they were a day or two ago, that the House passed this resolution. The House, I think, has the good judgment and good sense to reverse itself on the proposition, if it knows the facts about it.

The facts are that one Member of the House introduced the resolution, and on account of a row in Chicago, which has nothing to do with Alabama or Nebraska or New York.

The House authorized an appropriation, in effect, of \$10,000. It did not take its usual course. I do not know as I would say that an insult was offered to the Committee on Accounts, but your chairman is as honorable and able a chairman as that committee has ever had since I have been on the committee [applause], and it certainly would have been ethical and courteous to refer the matter to the Committee on Accounts and let the Committee on Accounts come before the House and give it the benefit of its investigation. That was one of the errors made.

Furthermore, the House subconsciously, or unconsciously, has authorized the appointment of several committees, with an appropriation of about \$50,000 for investigations.

You all know my position on these investigations, and I will not attempt a repetition but will content myself with a statement I have made over and over again, that these committees accomplish nothing and lead nowhere. I will refer you to the reports of investigation committees, volume after volume, that are put on the shelves in the document room, and still remain there. I can refer you to the investigation of coal, the investigation of the Shipping Board, and a dozen others, where you will find the reports in the waste-paper department, with thousands of volumes of investigations printed at the expense of the public, and which never amount to anything, for nobody would ever think of reading them.

Now, Mr. Speaker, we have not a dollar in the contingent fund. The only way this \$10,000 authorized can be secured is for the chairman of the Committee on Appropriations to go on bended knees to the Senate and ask them to put in an additional \$10,000 in the deficiency bill and bring it over here and ask for a committee of conference, and get the House to agree to it.

I ask men like the gentleman from Georgia [Mr. CRISP], the gentleman from Alabama [Mr. McDUFFIE], the gentleman from Georgia [Mr. COX], the gentleman from Alabama [Mr. PATTERSON], who have been standing steadfast for economy, to come to my support; here is a chance for them to make a saving of a little money to the Treasury.

I would have moved to strike out \$10,000, but that is hardly constructive—\$5,000 is going to be amply sufficient. In the first place, it seems that it is unnecessary, as a committee of the House has recently made exhaustive investigation of air mail contracts and air mail routes.

You do not need to investigate that. Other phases of this investigation, as mentioned in the preamble of the resolution, have already been taken care of by other committees of the House. The Committee on the Post Office and Post Roads has practically all the information they need. The object, if the resolution had an object, has already been attained. The very fact that the subject has been brought to the attention of the House, the very fact that the Committee on the Post Office and Post Roads has the authority to make an investigation, is going to remove the evils claimed to exist to-day.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. OLIVER of Alabama. During last summer the gentleman from Pennsylvania [Mr. KELLY], if the papers reported him correctly, stated that it would be his purpose to ask for just this kind of an investigation. Does the gentleman recall that?

Mr. UNDERHILL. I do not know what the gentleman from Pennsylvania had in mind; I do not know what his investigation would ask for; but in this session, as I stated before, the Committee on Merchant Marine, Radio, and Fisheries have made an investigation. If you want to stop, or at least partially stop, this passion for investigating on the part of the House, which is a woeful waste of time, material, and money, you will vote for my amendment.

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

Mr. MEAD. Mr. Speaker, this resolution, which the House of Representatives adopted a few days ago, directs our

Committee on the Post Office and Post Roads to institute an investigation. Our committee met this morning in keeping with your mandate and initiated the work, authorized the continuance of the committee through the recess, and we adopted certain rules by which we may conduct the investigation. We have requested the department to give us the information as set forth in the resolution; when this information is available, we intend to convene our committee again in order that we may proceed further with the investigation.

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

Mr. MEAD. In a moment. The Committee on the Post Office and Post Roads of the House did not sponsor this resolution, but our committee has made arrangements to do the work required by the legislation which passed the House a few days ago. We will continue a subcommittee through the recess and until the Congress convenes again. We hope to make recommendations that will suggest ways of reducing the postal deficit. We will hear complaints and suggestions from mail users, from departmental employees, complaints that may result from the drastic cuts in the Post Office appropriation bill, as well as from the increases in postal rates. Conditions that may result because of legislation which has preceded the passage of this resolution in my judgment necessitate some consideration during the recess of Congress. We have received complaints with regard to the conduct of the air mail subsidy. We went into that matter exhaustively, but we did not have the authority of Congress to subpoena witnesses to put them on the stand before our committee. The Sabbath resolution gives us such authority, and we intend to carry out the mandate of the resolution, unless we are impoverished by either the elimination of the entire appropriation or by such a reduction in the amount of the appropriation as will absolutely prevent us from carrying out the will of the House.

We also have complaints from many sections of the country with regard to the acquisition of land leases, the construction of Federal buildings, the elimination of power plants in some buildings of great size, and the installation of power plants in small buildings where they seemed to be unwarranted. We are much concerned with the ever-increasing postal deficit; and when on the one side we find the personnel of the department increasing in efficiency by 100 per cent since 1913, when each man is doing more work to-day than two men did 25 years ago, when the department is handling a greater volume of mail, with a reduced personnel, we are wondering where this huge deficit originates; and the investment of a small sum of money that would keep 21 members of our committee at work, in my judgment, would more than repay the Congress for the small amount set aside to carry on the work. When a major department of the Government finds itself \$200,000,000 in the red, it is then the privilege of Congress to authorize the proper committee to investigate, and that task can not be carried on if on one day we authorize the work and the next day we destroy the possibility of doing the work. Now that we have started the job let us finish it. [Applause.]

Mr. UNDERHILL. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, I desire to support the amendment; but it must be apparent that if the Committee on the Post Office and Post Roads desires to send its 21 members around the country this summer to make as many investigations and inquiries as its chairman has mentioned, it can not be done for \$10,000. I am of opinion, in the first place, that the 21 members of that important committee will not care to travel very largely throughout the United States this summer; and if they do, they will find that dates that will suit one set of members will not suit another set. These members will be campaigning, and much of the inquiry and investigation will take second place. Further, the members of the Committee on the Post Office and Post Roads will find that this is going to be a very poor year for junkets, even though they think that they as members are seriously employed on public business.

Mr. UNDERHILL. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I wish to say to the gentleman from North Carolina [Mr. WARREN] that I opposed this original resolution. I did not oppose it for any political reasons whatever. I was running true to form on the position I have taken during the entire time of my service on the Committee on Rules. I am opposed to these needless investigations. I am opposed to the absolute waste of money. Nine-tenths of these investigations that have been authorized in this Congress have simply wasted money. At this time, with the condition of the country as it is, with the Congress fighting over every nickel, to spend \$10,000 on this matter, I think, is an absolute waste of money, and I shall support the amendment offered by the gentleman from Massachusetts, because it is less than the other.

Mr. UNDERHILL. Mr. Speaker, just a few words, and then I shall move the previous question.

I see the gentleman from Tennessee [Mr. BYRNS], chairman of the Committee on Appropriations, present in the Chamber. I wish to ask the gentleman one or two questions, if he will answer them. We authorized the appointment of a special committee to investigate railroad holdings, I believe, early in the session. I tried to get an amendment providing for \$15,000. I believe we appropriated \$30,000. Does the gentleman know how that money is being spent?

Mr. BYRNS. It is my understanding, and I get my information from the hearings, that it is being expended in paying the salaries of certain experts who have been employed to assist the committee in the investigation it is conducting.

Mr. UNDERHILL. I inquire, not in a spirit of criticism, but is it not a fact that one expert is being paid \$1,200 per month by this committee for his work on the committee, and that he has an assistant who is being paid \$600 a month, and a minor assistant being paid \$300 a month?

Mr. BYRNS. My information comes from some estimates which have been submitted, and I think the gentleman is correct, except that it is \$1,250 instead of \$1,200.

Mr. UNDERHILL. That is what I wanted to bring out.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. WOOD of Indiana. The evidence contained in one of the hearings held by the committee shows that the gentleman who was drawing \$1,200 a month drew \$2,500 for two or three months.

Mr. UNDERHILL. That is what I wanted to bring out.

Now, I criticize no one, and I am not criticizing anyone, but I am trying to show how these things function and what a waste and what an extravagance it is. I have gone along with the gentleman from Alabama [Mr. McDUFFIE] on every proposition he has made for economy, and I will stay with him.

Mr. McDUFFIE. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. McDUFFIE. The gentleman leaves the impression from the colloquy which has taken place that there are one or two individuals who have been hired by the Committee on Interstate and Foreign Commerce and who have been paid \$1,200 and even \$2,500 per month. The gentleman does not want to leave that impression upon the House, does he?

Mr. UNDERHILL. I am simply taking the word of the members of the Committee on Appropriations. I do not know what they have been paid.

Mr. McDUFFIE. Has any member of the Committee on Appropriations definitely assured the gentleman that those salaries are being paid?

Mr. UNDERHILL. The chairman of the committee told the House so.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. WOOD of Indiana. I will say to the gentleman that the testimony taken before the committee shows where they gave an account of the way in which this money was being disposed of. For two or three months they paid this expert \$2,500 a month, and they are now paying him \$1,200 a month.

That is the testimony, and I will be pleased to place it in the RECORD if the gentleman desires.

Mr. McDUFFIE. The chairman of the Committee on Interstate and Foreign Commerce is not present, but the ranking minority member, the gentleman from New York, Mr. PARKER, who presented and passed the resolution for that investigation through the House and appointed the experts, is familiar with what is being paid and what is being done. I would like for the House to have the real facts about it. I do not believe any such salary as \$2,500 per month is now being paid by the Committee on Interstate and Foreign Commerce to any experts. This investigation is a very important and comprehensive one, dealing with holding companies of public-utilities corporations. The work is in charge of Doctor Splawn, who is probably the greatest expert in the country in this kind of work. He is worth whatever is being paid him. The Congress will act on his report on a very important subject.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. COCHRAN of Missouri. It was discussed upon the floor of this House that the Committee on Interstate and Foreign Commerce had secured the services of one of the most outstanding men in the United States, who had resigned his position paying a very high salary to give all of his time to the committee, and, if I am not mistaken, the House was told at the time that he would receive a salary of that amount. The results warranted the expenditure. Mr. PARKER of New York made that statement. Now, if the gentleman has any information that the committee is not properly spending its money—and I am sure he has not—he is a member of the Committee on Accounts that must approve the vouchers. Why does not the gentleman bring it to the attention of the Committee on Accounts? You can not get outstanding experts for \$2,500 a year.

Mr. UNDERHILL. Oh, the gentleman gives the wrong impression. I am not criticizing any member of any other committee, the chairman or otherwise. I have the highest confidence in the chairman of the Committee on Interstate and Foreign Commerce. He is a gentleman. He is a student of government. He is an honest man. I do not question what his expenditures are. I am simply trying to show the House how this money is spent and trying to emphasize the statements I have made over and over again that it does not amount to anything. If it did, I would not object.

Mr. McDUFFIE. Can the gentleman say that until the work is concluded?

Mr. UNDERHILL. Oh, yes. We can judge the future by the past. I would call the attention of the gentleman to all of these past committees and the fact that they have not accomplished anything.

Mr. LINTHICUM. Will the gentleman yield?

Mr. UNDERHILL. In just a moment.

Mr. Speaker, I want to close. There is no use arguing any further. I want the House to understand now, however, just what the situation is, so that in the future when these resolutions for committees come before the House, the House will act on them intelligently rather than passionately or partisanly.

I would say a word with reference to the chairman of the Committee on Accounts, my successor in that position.

Never since I have been in Congress have I worked under a man in whom I had greater confidence. Never have I seen a man stand the gaff the way he has. The pressure that has been brought upon him has been tremendous, yet he has stood steadfast throughout it all.

I think it is very ungracious on the part of the House, whether it does it consciously, or unconsciously, to take from the chairman of that committee certain privileges and prerogatives, and vote directly on an appropriation instead of sending it to the committee where it belongs.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. MEAD) there were—ayes 53, noes 41.

So the amendment was agreed to.

The SPEAKER. The question is on the passage of the resolution as amended.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 52, noes 61.

Mr. MEAD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 144, answered "present" 1, not voting 131, as follows:

[Roll No. 106]

YEAS—154

Allgood	Driver	Lanham	Pou
Amie	Evans, Mont.	Lankford, Ga.	Prall
Andrews, N. Y.	Fernandez	Larrabee	Ragon
Arnold	Fishburne	Larsen	Rainey
Barton	Flannagan	Lea	Ramspeck
Black	Frear	Lewis	Rankin
Bland	Fulbright	Linthicum	Sanders, Tex.
Bloom	Fuller	Lonergan	Sandlin
Boehne	Gambrill	Lozier	Schafer
Bolleau	Goldsborough	Ludlow	Schneider
Briggs	Green	McClintic, Okla.	Shallenberger
Browning	Greenwood	McFadden	Sinclair
Buckbee	Gregory	McLaughlin	Smith, Va.
Bulwinkle	Griswold	McReynolds	Somers, N. Y.
Burch	Guyer	Maas	Sparks
Byrns	Hall, Miss.	Major	Stafford
Carden	Hancock, N. C.	Maloney	Steagall
Cary	Hare	Mansfield	Stevenson
Chapman	Hill, Ala.	Mapes	Stewart
Christgau	Hill, Wash.	Martin, Oreg.	Summers, Tex.
Clark, N. C.	Hoch	Mead	Swank
Cochran, Mo.	Hornor	Miller	Terver
Cole, Md.	Howard	Mitchell	Taylor, Colo.
Collins	Huddleston	Mobley	Thomason
Condon	Jacobsen	Montague	Underwood
Connery	James	Montet	Vinson, Ga.
Cooper, Tenn.	Jeffers	Moore, Ky.	Vinson, Ky.
Cox	Johnson, Mo.	Morehead	Warren
Crisp	Johnson, Okla.	Nelson, Mo.	Weaver
Cross	Johnson, Tex.	Nelson, Wis.	West
Crowe	Jones	Norton, Nebr.	Whittington
Cullen	Kading	Oliver, Ala.	Williams, Mo.
Davis	Kerr	Parker, Ga.	Wilson
Delaney	Kleberg	Parks	Wood, Ga.
DeRouen	Knifflin	Parsons	Woodruff
Dies	Kvale	Patman	Woodrum
Disney	LaGuardia	Patterson	Wright
Dominick	Lambeth	Pettengill	
Doxey	Lamneck	Polk	

NAYS—144

Adkins	Dallinger	Houston, Del.	Rich
Allen	Darrow	Hull, Morton D.	Robinson
Andresen	Davenport	Hull, William E.	Sanders, N. Y.
Arentz	Doutrich	Jenkins	Seger
Ayres	Dowell	Johnson, S. Dak.	Selberling
Bacharach	Dyer	Johnson, Wash.	Selvig
Bachmann	Eaton, Colo.	Kahn	Shott
Baldridge	Eaton, N. J.	Ketcham	Simmons
Barbour	Englebright	Kinzer	Smith, Idaho
Beedy	Erk	Knutson	Snell
Bowman	Estep	Kopp	Snow
Britten	Evans, Calif.	Kurtz	Stalker
Burdick	Fish	Lambertson	Strong, Kans.
Burtress	Foss	Lankford, Va.	Strong, Pa.
Butler	Free	Leavitt	Stull
Campbell, Pa.	French	Lehlbach	Summers, Wash.
Carter, Calif.	Fulmer	Loofbourow	Swanson
Carter, Wyo.	Garber	McClintock, Ohio	Taber
Cartwright	Gibson	McDuffle	Taylor, Tenn.
Cavicchia	Gifford	McGugin	Temple
Chase	Gilchrist	Manlove	Thatcher
Chindblom	Glover	Martin, Mass.	Thurston
Chiperfield	Hadley	Michener	Tilson
Christopherson	Hall, Ill.	Millard	Timberlake
Clague	Hancock, N. Y.	Moore, Ohio	Tinkham
Clancy	Hardy	Mouser	Turpin
Clarke, N. Y.	Haugen	Nelson, Me.	Underhill
Cochran, Pa.	Hess	Niedringhaus	Wason
Cole, Iowa	Hogg, W. Va.	Nolan	Welch
Colton	Holiday	Parker, N. Y.	White
Cooke	Hollister	Partridge	Whitley
Coyle	Holmes	Person	Williamson
Crall	Hooper	Purnell	Wolcott
Crowther	Hope	Ramseyer	Wolverton
Culklin	Hopkins	Ransley	Wood, Ind.
Curry	Horr	Reed, N. Y.	Yates

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—131

Abernethy	Bankhead	Bolton	Buchanan
Aldrich	Beam	Boylan	Busby
Almon	Beck	Brand, Ga.	Cable
Andrew, Mass.	Blanton	Brand, Ohio	Campbell, Iowa
Auf der Heide	Bohn	Brumm	Canfield
Bacon	Boland	Brunner	Cannon

Carley	Golder	McCormack	Sabath
Celler	Goodwin	McKeown	Schuetz
Chavez	Goss	McLeod	Shreve
Collier	Granfield	McMillan	Sirovich
Connolly	Griffin	McSwain	Smith, W. Va.
Cooper, Ohio	Haines	Magrady	Spence
Corning	Hall, N. Dak.	May	Stokes
Crosser	Harlan	Milligan	Sullivan, N. Y.
Crump	Hart	Murphy	Sullivan, Pa.
De Priest	Hartley	Norton, N. J.	Sutphin
Dickinson	Hastings	O'Connor	Sweeney
Dickstein	Hawley	Oliver, N. Y.	Swick
Dieterich	Hogg, Ind.	Overton	Wyant
Douglas, Ariz.	Igoe	Owen	Yon
Douglass, Mass.	Johnson, Ill.	Palmisano	Tierney
Drane	Karch	Peavey	Treadway
Drewry	Keller	Perkins	Tucker
Ellzey	Kelly, Ill.	Pittenger	Watson
Fiesinger	Kelly, Pa.	Pratt, Harcourt J. Weeks	Wigglesworth
Finley	Kemp	Pratt, Ruth	Williams, Tex.
Fitzpatrick	Kendall	Rayburn	Wingo
Freeman	Kennedy	Reid, Ill.	Withrow
Garrett	Kunz	Reilly	Wolfenden
Gasque	Lichtenwalner	Rogers, Mass.	
Gavagan	Lindsay	Rogers, N. H.	
Gilbert	Lovette	Romjue	
Gillen	Luce	Rudd	

So the resolution as amended was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Granfield (for) with Mrs. Rogers (against).
 Mr. McCormack of Massachusetts (for) with Mr. Wigglesworth (against).
 Mr. Douglass of Massachusetts (for) with Mr. Luce (against).
 Mr. Rogers (for) with Mr. Shreve (against).
 Mr. Gillen (for) with Mr. Hawley (against).
 Mr. Kemp (for) with Mr. Wyant (against).
 Mr. Oliver of New York (for) with Mr. Bacon (against).
 Mr. Gavagan (for) with Mr. Beck (against).
 Mr. Harlan (for) with Mr. Reid of Illinois (against).
 Mr. Lichtenwalner (for) with Mr. Pratt (against).
 Mr. Auf der Heide (for) with Mr. Weeks (against).
 Mr. Sutphin (for) with Mr. Watson (against).
 Mr. O'Connor of New York (for) with Mr. Goss (against).
 Mrs. Norton (for) with Mr. Aldrich (against).
 Mr. Rudd (for) with Mr. Bolton (against).
 Mr. Boland (for) with Mr. Hartley (against).
 Mr. Drewry (for) with Mr. Connolly (against).
 Mr. Sabath (for) with Mr. Treadway (against).
 Mr. Bankhead (for) with Mrs. Pratt (against).
 Mr. Boylan (for) with Mr. Brumm (against).
 Mr. Chavez (for) with Mr. Cooper of Ohio (against).
 Mr. Kelly of Illinois (for) with Mr. Freeman (against).
 Mr. Tierney (for) with Mr. Golder (against).
 Mr. Williams of Texas (for) with Mr. Hogg of Indiana (against).
 Mr. Crosser (for) with Mr. Kendall (against).
 Mr. Keller (for) with Mr. Wolfenden (against).
 Mr. Gasque (for) with Mr. Perkins (against).
 Mr. Beam (for) with Mr. Magrady (against).
 Mr. McSwain (for) with Mr. Cable (against).
 Mr. Schuetz (for) with Mr. Hall of North Dakota (against).
 Mr. Corning (for) with Mr. Kelly of Pennsylvania (against).
 Mr. Rayburn (for) with Mr. Lovette (against).
 Mr. Milligan (for) with Mr. Johnson of Illinois (against).
 Mr. Fitzpatrick (for) with Mr. Swick (against).
 Mr. Dieterich (for) with Mr. Murphy (against).
 Mr. Sullivan of New York (for) with Mr. Stokes (against).
 Mr. May (for) with Mr. Sullivan of Pennsylvania (against).

General pairs:

Mr. Abernethy with Mr. Pittenger.
 Mr. Buchanan with Mr. Withrow.
 Mr. Romjue with Mr. Swing.
 Mr. Garrett with Mr. McLeod.
 Mr. Almon with Mr. Goodwin.
 Mr. Brunner with Mr. Brand of Ohio.
 Mr. Igoe with Mr. De Priest.
 Mr. Riley with Mr. Campbell of Iowa.
 Mr. Blanton with Mr. Bohn.
 Mr. Doughton with Mr. Aldrich.
 Mr. McKeown with Mr. Peavey.
 Mr. Brand of Georgia with Mr. Karch.
 Mr. Shannon with Mr. Smith of West Virginia.
 Mr. Cannon with Mr. Sweeney.
 Mr. Griffin with Mr. Drane.
 Mr. Busby with Mr. Crump.
 Mr. Palmisano with Mr. Collier.
 Mr. Dickinson with Mr. Sirovich.
 Mr. Carley with Mr. Hastings.
 Mr. McMillan with Mr. Canfield.
 Mr. Douglas of Arizona with Mr. Haines.
 Mr. Hart with Mr. Overton.
 Mr. Dickstein with Mr. Spence.
 Mrs. Owen with Mr. Kennedy.
 Mr. Yon with Mr. Tucker.
 Mr. Gilbert with Wingo.
 Mr. Ellzey with Mr. Celler.

The result of the vote was announced as above recorded.

On motion of Mr. WARREN, a motion to reconsider was laid on the table.

ORDER OF BUSINESS

The SPEAKER. Let the Chair state, there is on the Speaker's table about a half dozen bills about which the Chair is fairly well informed as to their contents but has not a great deal of information about their merits.

The Chair submitted the list to the gentleman from New York. There will be no suspensions probably the balance of this session if Congress adjourns on Saturday week, because the next suspension day is Monday week.

The Chair feels that some of these bills are of such a nature that the Chair would recognize Members for the purpose of suspending the rules if the Chair had that opportunity. The next best thing the Chair can think of doing is to recognize Members for the purpose of asking unanimous consent that the House give them present consideration. This gives any Member the right to prevent their consideration.

Mr. STAFFORD. Mr. Speaker, will the Chair permit a suggestion?

The SPEAKER. Certainly.

Mr. STAFFORD. Mr. Speaker, I understand the majority leader is going to ask that on Monday we have the Consent Calendar called from where the call last left off. Would it be compatible with the desire and the wishes of the Speaker to have these bills listed on the Consent Calendar for consideration that day?

The SPEAKER. If such consent is given, the Chair will take that under consideration.

Let the Chair say, in addition, that a number of gentlemen have asked the Chair to recognize them for unanimous consent to extend their remarks in the RECORD, and some to address the House. So far as the Chair knows, and the Chair thinks this is the opinion of the majority leader, and also the opinion expressed by the minority leader, there is nothing to be done to-day other than by unanimous consent.

Mr. SNELL. Mr. Speaker, I would suggest that we first take up any legislation that is to come before the House, and then after that allow Members to make speeches if they so desire.

The SPEAKER. The gentleman from Wisconsin has suggested that the majority leader request unanimous consent that on Monday next the House take up the Unanimous-Consent Calendar; and if such consent is granted, the Chair thinks these bills can go over until that time.

Mr. RAINY. Mr. Speaker, I ask unanimous consent that on Monday next it may be in order to call bills on the Consent Calendar, subject, of course, to conference reports and privileged business.

Mr. STAFFORD. Beginning at the place where the call last left off?

Mr. RAINY. Yes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Monday next the Unanimous-Consent Calendar may be called, beginning where the call left off the last time, this agreement not to interfere with conference reports or other privileged business. Is there objection?

There was no objection.

Mr. RAINY. Mr. Speaker, I ask unanimous consent that on Tuesday next it be in order to consider unobjection-to bills on the Private Calendar, beginning where we left off the last time, and under the old rule?

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Tuesday next it be in order to consider in the House as in Committee of the Whole unobjection-to bills on the Private Calendar, beginning at the place where the call last left off. Is there objection?

There was no objection.

ADJOURNMENT OVER

Mr. RAINY. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Illinois asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

Mr. RAINY. Mr. Speaker, I move that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Illinois moves that when the House adjourns to-day it adjourn until Monday next.

The motion was agreed to.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. I assume there will not be any legislation brought up this afternoon. Am I correct in that assumption?

The SPEAKER. Except by unanimous consent. The Chair does not intend to recognize anybody to take up any legislation of any kind except to extend remarks in the RECORD and address the House of Representatives, or send some bills to conference by unanimous consent.

LAWS AND RESOLUTIONS PASSED BY THE NINTH PHILIPPINE LEGISLATURE

The SPEAKER laid before the House the following message from the President, which was read, and, together with the accompanying papers, referred to the Committee on Insular Affairs.

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," I transmit herewith a set of the laws and resolutions passed by the Ninth Philippine Legislature during its first regular session, from July 16 to November 9, 1931.

HERBERT HOOVER.

The WHITE HOUSE, June 24, 1932.

CROW INDIAN TRIBAL COUNCIL

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8031) to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe, and agree to the Senate amendment.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to take from the Speaker's table House bill 8031, with a Senate amendment, and agree to the Senate amendment. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 8, insert:

"Sec. 2. The Secretary of the Interior is further authorized to expend \$5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Fort Peck Indians in the Treasury of the United States for expenses of the Fort Peck Indian Tribal Council and authorized delegates of the tribe."

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, this calls for an additional expenditure of \$5,000, and I think there should be some explanation.

Mr. LEAVITT. This comes out of the tribal funds of the Indians. We have discussed it with the Indian Bureau, and it has their approval.

Mr. SCHAFER. That is not any explanation. We are guardians of the Indians; and just because it comes out of their tribal funds is no reason why the bill should pass. Let us have some explanation.

Mr. LEAVITT. From time to time an authorization is made to pay the expenses of the tribal council, which is the same as the legislature to those Indians, and for necessary delegates to come here on tribal business. It is always done at the request of the Indians, and this has the approval of the Indians themselves.

Mr. SCHAFER. The Indians, through their representatives, approve of this bill in the form it has been amended by the Senate?

Mr. LEAVITT. Yes.

Mr. SCHAFER. In view of that statement, I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

CONVEYANCE BY THE UNITED STATES OF LAND TO THE BOROUGH OF STONINGTON, CONN.

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10683) to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to take from the Speaker's table House bill 10683, with a Senate amendment, and agree to the Senate amendment. The Clerk will report the bill and Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 5, strike out the words "Lighthouse Service" and insert "United States."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

SPEECH OF HON. CLAUDE V. PARSONS

Mr. MCCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by my colleague the gentleman from Illinois [Mr. PARSONS] last night before the Society of American High School Students here in Washington.

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

There was no objection.

Mr. MCCLINTIC of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech by my colleague Hon. CLAUDE V. PARSONS:

A NEW BIRTH OF FREEDOM—A GOVERNMENT OF HONESTY

Mr. Toastmaster, Commissioner Cooper, and students, I esteem it a great pleasure, as well as a solemn duty, inasmuch as an invitation was extended, to appear before this splendid group of young men and women holding the first annual convention of American high-school students.

The purpose, as I understand this organization, is to encourage worthy high-school interests and objectives, particularly with reference to creative expression, whether it be the written word or the spoken word.

This movement, I am informed, is sponsored by the American High School Journal and has the cooperation of a nation-wide group of committees, assisted by civic and other organizations. You are to be congratulated upon joining with and participating in a movement which I predict will grow by leaps and bounds as the years go by. A worthy motive predicated upon the intelligence and initiative of worthy young men and women must inevitably succeed. The new creative thought which will flow as a result of your humble efforts commenced here will reach not only the 20,000,000 youths of the land but no doubt will help to shape the destiny of adult activity as well.

I feel that if a Member of Congress must be invited to this gathering, I am entitled to a place. If you will pardon the personal reference, may I say that all the years of my life, with the exception of possibly seven or eight, have been spent in the schoolroom, either as a student, a teacher, or a superintendent. One can never forget his first love, and my first love was the schoolroom and my earliest associates were students. So I feel perfectly at home to-night among this splendid group of young Americans.

Next to general educational matters, I am interested in the science of government. It is a part of our educational system. In fact, government in a republic must go hand in hand with education. Thomas Jefferson, that great patron saint of representative government, realized that if the forefathers were to set up a Republic as dictated by the Constitution, a system of free public education must be instituted to instruct the citizens how to govern themselves.

We have had different cycles in education. Evolution has been the means of progress, not only in our educational institutions but in every line of thought. As one who has had experience in almost every phase of the educational field, I feel that I can make certain criticisms of our own work without being accused of prejudice or sympathetic understanding. The one outstanding criticism during my years of experience, which I think I can honestly make of educational methods, is that our teachers in the public schools, colleges, and universities have failed to present

the practical application of government and practical living under a republican form of government, to the fullest advantage.

We have in America to-day a specific and illuminative illustration of this failure. I will not bore you long with a dissertation on Congress, but I hope I may be permitted to briefly analyze the situation, for it illustrates how the public mind has been misguided by propaganda. Congress has been in session more than six months; it has had to face and deal with problems which no other Congress in all the history of America has had to deal. There are as many schemes and plans for curing our economic ills as there are economists, newspapers, and publicists.

Everybody knows all about this depression, and nobody seems to know anything about it. Certain minority groups have been interested in having their pet objectives enacted into law. The principal publicity agents of the country in the last decade have been joined into chains, monopolizing and usurping the powers of a free press. The news agencies are coordinated into a monopoly. Comparatively only a small group of people make up the thought of the publicity and propaganda which the American people feed on. They have only one purpose in life, and that is to serve their own selfish needs. Their selfish interest is not always in the interest of the American people. The one great sin in human nature is selfishness, but the American people in all of its history has subordinated in a remarkable degree their own personal welfare for the good of all.

But in this crisis, with only one line of thought, with only one panacea for ills, with only one schedule of action in mind, subsidized, monopolized, and dominated by this particular group of publicists, the American people have been misled into unjustified criticisms of their Representatives in the Congress. All because Members of Congress have the courage of their convictions and will not serve the owners of the press. If there is any one thing that I would try to impress upon you to-night, it is the creative thought of studying fundamental principles. Know the truth; and after having so based your case upon such a firm and strong foundation, create a new love, create a new patriotic spirit of worship, as it were, at the shrine of the Constitution.

We hear on all sides to-day that America needs this and needs that; this plan and that plan will reestablish prosperity. We even have thousands of citizens who advocate the overthrow of the best Government man has been able to devise through all the ages. My message to you to-night is that what America needs most is honesty in our citizenry. Our Government was predicated and founded upon honesty as a basis of the right to govern. Without honesty no government is good. Possessing honesty, no government can be bad. As it is said that charity covers a multitude of sins, so also may it be said that honesty includes a long list of virtues.

It is said that the best and strongest form of government is an absolute monarchy, provided, however, that the monarch is honest, but because honesty is not always lodged in every ruler—few there have been who possessed it—man evolved a plan of government that included individuals, thereby bringing into action in the affairs of men many individuals who might be expected to possess more honesty than one man. It was upon this theory that our forefathers fought the Revolution, and after their disappointing experiences with the Articles of Confederation sought to form a more perfect union and establish a stabilized government built upon honesty and justice. An honest government is a just government. Under its administration special privileges can not exist.

Equality of opportunity is obtained, peace and prosperity are the rules of conduct, and the welfare of the people is safeguarded and made secure in pursuance to the preamble contained in the Constitution.

Our Government eventually evolved itself into a government by parties and the term politics came into being. But here again honest politics begets honest leadership, and honest leadership inaugurates honest government. Back of it all and running through every thread of governmental action from the smallest town council, through the county and State to the Nation's Capitol, an honest electorate insures that honest leadership.

Government is instituted as a sovereignty, but it is conducted by men. In a monarchical form government is the rule of one man, in a limited monarchy it is the government of a few men, in a constitutional monarchy it is the government of more men, but in a republic or a democracy it is the government of many men and women chosen by all the people. It reflects the ideals, the standards, the faults, the virtues, and the failures of the people.

Ah, if honesty prevailed in the hearts of all men in this Republic, the problems of government would be solved. If honesty dwelt in the heart of the ruling class of every land, there never would be cause for any war. No honest people ever rose to rebellion, and no honest nation ever made war on an honest neighbor. It is as impossible for war and national honesty to coexist as it is for God and mammon to dwell together.

In our Nation, and in the various States of this Union, the people are responsible for existing government. We choose our public servants. If we have depression, if we have unemployment, if we have privation and tribulations, part of it is due to the people themselves, and more of it is probably due to the peoples' lack of judgment in selecting the men and women who administer their government. In the last analysis, then, it is the people themselves who are largely to blame, both directly and indirectly.

During the past 15 years our Government has grown powerful with bureaucracy and commissions. This tendency had its incep-

tion in the winning of the war. In that titanic struggle everyone forgot everything except the winning of the war and making money. No thought was given to our ideals of government, no prophet looked into the future to perceive the ultimate consequence. On every hand the battle cry was, "Win the war." The struggle, which started in Europe and finally engulfed in its clutches America, was conceived in conquest and achieved at the altar of greed, upon which was sacrificed the blood of millions. The same spirit of greed and selfish profit reached out into the land of every nation, and its citizens were swallowed up in the sentiment of profit and gain at the expense of human misery. When the war was over no effort was made to retrench in governmental expenditures.

Every municipality, every county, every State—in fact, every unit of taxation—as well as the Federal Government, pursued an orgy of taxation and spending that laid the palsied hand of indebtedness on all alike. Through newspaper advertising and high-powered salesmanship, the American people were sold non-revenue-producing articles that became a liability rather than an asset. Their salaries and earning power were mortgaged, not for a few weeks or months but even for years, through the system inaugurated by great corporations known as the installment system of merchandising.

Most commercial transactions are accomplished through credit, but every 30, 60, or 90 days, at the most, such transactions are usually converted into cash. Not so with installments. With inauguration of the installment system, men found it easy to buy not only the necessities of life but more or less the luxuries, giving in return therefor his promise to pay so much per week over a period of months and years. The automobile, the radio, the Frigidaire, furniture for the home, and even clothing and food were included in the installment plan. Every one of these items was a revenue-consuming article, but had no revenue-producing advantage for the average individual who purchased them. The art of living was perched upon wheels or in the air without any regard to the future results. In the mad scramble for gold the electorate forgot their Government. Their judgment was seared in the selection of public officials. Little wonder that all political units of Government are now sunk in the throes of a great depression. Little wonder that individual indebtedness, bankruptcy, despair, and suicide stalk throughout the land.

Let us return to the Constitution. In it there is an anchor for our hope of to-morrow. In a republic we choose our public servants for a given term to carry on the work of government for us; but their tenure of power belongs to the people. By virtue of our system of more or less frequent elections we retain the right to confer or revoke further authority when we decide that our wish has been complied with or has been abused.

This perilous situation is having a sobering effect upon the people. While officials in high positions of power have betrayed their trust, while the worship of the "golden calf" has been nation-wide, the condition is only temporary. We are now returning to sanity and reason. Honesty is and always will be in the majority, but honesty is seldom organized and never united except in a crisis. When honest men fall out thieves take the loot. America, as it were, has occupied that situation for the past 14 years, but we are in a crisis now and honesty of purpose, honesty of action are becoming organized. To-night as we gather here the honest, upright, conservative, thinking individual throughout America is giving serious attention not only to his own private affairs but to the attention of government, and when that vast majority is crystallized into dynamic action then, and only then, will this depression begin to wane.

Good citizenship is founded upon honest individuals. True citizenship means something more than standing at attention when the Star-Spangled Banner is played. It means something more than voluntary obedience to law, it means exercising an active part in the selection of all those who carry on the work of the Government, whether it be in the city council, on the board of supervisors, the executive of a State, or the Congress of the United States. It means conscientiously and honestly to act in the selection of those who are to administer these responsible undertakings.

A few days ago I had the pleasure of standing near the spot where Lincoln on November 18, 1863, dedicated our Nation to a new birth of freedom—a Government of the people, by the people, and for the people. As I stood on that hallowed spot and looked across the field, I could see in my imagination the lines of two great armies, I could see and hear the shot and shell of battle. I could see the lines of blue and gray falling as grape and canister cut through their ranks. Sixty-eight and one-half years later all was still and quiet on that Sabbath afternoon. As I stood on that spot my imagination carried me to another scene, if you please, which now grips our land. I could see two great armies marshaled to battle. On one side were arrayed the forces of greed and those who worshiped at the "shrine of the golden cross."

Arrayed on the other side were the masses of humanity girded with the shield of truth and armed with the sword of might. I could see their lines falling as the grape and canister shots of financial losses, bankruptcy, suicide, and despair plunged them headlong into disaster. In the rear of that army I could see and hear the walls of hungry mothers and starving children, but their general gives the order and again and again they advance into battle in defiance of the human creed of greed. It is this battle which honesty in government will win.

With this group of young men and women assembled here to-night let us resolve that our Nation shall have another birth of freedom, that we have a government of honesty, by honest officials, for honest people, that can not perish from the earth. If in the busy years of an active life your creative thought in both the spoken and written word shall hold steadfast to this creed, your new organization, in its first convention here, will subscribe anew to an old doctrine, which will not only encircle the globe but will strike from the human mind the shackles of selfishness, the chains of prejudice and passion, and usher into being a new day born of the Master, when He uttered these prophetic words, "And there shall be a new earth."

WORK OF THE COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a speech delivered over the radio yesterday on the work of the Committee on the Post Office and Post Roads of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the Committee on the Post Office and Post Roads is one of the five major committees of the House of Representatives. It is composed of 21 members, 12 Democrats, 9 Republicans, and 1 Delegate of the Territory of Hawaii.

It reports legislation relating to the Postal Service and has general jurisdiction of subjects relating to railway, ocean, and pneumatic-tube service, postal savings banks, and postal telegraphy.

Nearly 150 bills have been referred to the Post Office Committee by the House of Representatives at this session. After reaching the committee they are referred to subcommittees for consideration and recommendation. The titles of the 11 subcommittees indicate the nature of the bills referred to them and of their investigations. These subcommittees are: Salaries and allowances, classification of mails and postage rates, post-office quarters and facilities, air mail service, special postal services, foreign mails, rural mails, offenses against the postal service, postal savings, railway mail service, and the city and village delivery service.

The work of the committee is centered about the Postal Service, the largest business in the world. This activity which transports your letter from a convenient mail box to, perhaps, some far corner of the globe, keeps going 24 hours a day; it covers every street, avenue, and roadway in every section of our Republic; it travels by land, water, and air; and it serves every county, city, town, and village in the United States.

The Rural Delivery Service alone served nearly 7,000,000 families last year. With the coming of the automobile, rural routes have been consolidated and extended, the average length of a route to-day being 31 miles as against 26 miles in 1924. Last year more than 850 routes were consolidated. In this manner the saving of approximately \$900,000 to the department was effected.

The mail goes through, regardless of all obstacles. During one of the recent severe winters it was necessary for a mail carrier to have 30 head of horses to maintain the service in his mountainous territory.

One hundred and forty-three years ago our Federal Government, under George Washington, began operating the Postal Service. Since that time the receipts have grown from \$7,510 to \$705,484,098; the expenditures have likewise increased from \$7,560 to as high as \$803,667,219; and the 75 post offices of the year 1789 have become 49,000 in 1931.

Progressive as the service has been, however, we have what has been called a "jack-powered" conveyance in the Postal Service. Out in Colorado the mail has been transported from the post office to the railroad station for 37 years in a buckboard wagon driven by a jack mule, but the mail goes through.

In spite of this, the growth of the Postal Service has been phenomenal, and one that the ancient King of Persia could scarcely have foreseen when, enraged and piqued by his Queen, he planted the seeds of the postal system by sending letters into every Province of his vast empire, informing his

subjects that it was his imperial will that every man should bear rule in his own house.

Last year it took nearly 400,000 people to collect, deliver, and account for the mail. Among the largest groups performing this service were more than 71,000 clerks in first and second class post offices; 53,000 city letter carriers; 48,000 first, second, third, and fourth class postmasters; 42,000 rural carriers; 21,000 railway postal clerks; 4,900 watchmen, messengers, and laborers; 3,800 motor-vehicle employees; 2,800 assistant postmasters; 1,000 village delivery carriers; while over 150,000 employees were engaged in the air mail, international mail, inspection, contract, substitute, and special service.

The Post Office Committee might be termed the board of directors of this huge postal business. It considers and recommends bills for the more efficient conduct of the Postal Service, as well as bills for the welfare of the postal employees, their salaries, allowances, promotions, seniority rights, and working conditions.

The committee has charge of legislation affecting our great network of air mail, on which 25,000,000 miles were flown last year in this country, Canada, and Central and South America.

The committee has jurisdiction over all classes of mail matter and determines the rates, classifications, and conditions of mailability for each class.

The committee before reporting out bills grants hearings to all interested parties, including the Post Office Department, employees, Government officials, mail users, and others who might be affected in any way by the legislation.

We considered at this session bills aimed to prevent kidnapping, to prevent the shipment of poisons, slot machines, gambling devices, obscene literature, puzzle contests, and unsolicited merchandise through the mails, bills for the relief of substitutes in the Postal Service, and many others.

The Post Office Department, in addition to its regular revenue-producing business, aids in the development of the United States merchant marine, as well as the Air Service, by preferential rates oftentimes referred to as subsidies or subventions.

It provides free-in-county service for publications, free transmission through the mails of reading matter for the blind, and distributes, at a very low, below-cost rate, literature in the interest of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations.

The efficiency of the Post Office Department can be clearly proven by the records, which indicate that the productivity of the employees of the department has increased 100 per cent since 1913, and this without the aid of labor-saving devices, as is the case in other industries.

A recent survey instigated by the Postmaster General resulted in enormous savings by taking up 3,600 positions with a saving of \$9,500,000. As a result of this survey, no regular employee of the department lost his job.

Under the provisions of the economy bill, shortly to become a law, the furlough plan will be put into operation by the department, which will result in a reduction of the deficit, a spread in employment opportunities, and will, we all hope, bring about the enactment of a 5-day week to all postal employees. A deserved recognition of the loyalty and efficiency of these splendid men and women of the Postal Service.

On July 26 next we will celebrate the one hundred and fifty-seventh anniversary of the origin of the United States Postal Service, by the Continental Congress and the Bicentennial Commission in recognition of this historic event has suggested a program calling for a nation-wide celebration of the day.

General Washington was one of the sponsors of the Postal Service, and repeatedly in his messages to the Congress he called to their attention the need for the extension and expansion of this great department. Washington always believed the department to be one of service rather than profit, and in the diffusion of knowledge and light he saw the liberties of our people protected.

MY REPORT TO THE PEOPLE OF THE ELEVENTH CONGRESSIONAL DISTRICT OF OHIO

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?
There was no objection.

Mr. UNDERWOOD. Mr. Speaker, ladies and gentlemen of the House, I desire to present to the citizens of my district a condensed report of my attitude on important legislative matters that have been passed upon or considered during my service. My aim and desire as a Representative in Congress has been to serve faithfully all the people of my country and district. I have tried to vote and to speak for the best interests of my constituents at all times. I have asked for and appreciated receiving the views of the farmer, business, laboring, and professional men and women of my district. This has enabled me to become better acquainted with the direct needs of the good people of the eleventh district. The advice, help, and teamwork of my constituents in solving and helping to solve the many perplexing problems have been both beneficial and helpful. I am gratefully appreciative and thankful to all for this help. Measures of great importance to the people have been and are now before Congress.

Service in this great legislative body is an interesting and important work. Our Government is the greatest business institution in the world. It is a privilege and an honor to represent a cross section of the American people in what I consider to be the greatest lawmaking body in the world. I am pleased to say that most of our legislation has been enacted in either a nonpartisan or a bipartisan manner. The absence of narrow partisanship on many great business questions has been evident. I do not believe that blind partisanship should be the guide in voting on important questions that vitally affect the happiness and welfare of all our people. I can truthfully say that during my service as a Representative I have tried to adhere to this principle and to consider and cast my vote on every measure on the basis of its merits. A congressional honor and mantle becomes one of dishonor and shame when purchased at the price of the sacrifice and surrender of independent political thought and manly self-respect. I have tried to square my vote with my conscience and my best judgment. I have earnestly tried to perform my duty to the people whom I represent.

It has been truthfully said by a distinguished statesman who served approximately 25 years in the House of Representatives, "It is a high honor to be a Representative in Congress." I have learned by experience that a Member's usefulness to his country and district increases with his term of service. As Champ Clark once said:

A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor—that is, useful and influential Congressmen are made largely by experience and practice.

Many sections of the country have considered it an unwise performance to change Representatives at short intervals. As has been aptly said, "A new Congressman must begin at the foot of the class and spell up." In perhaps no other business does seniority or length of service amount to so much as in the Congress of the United States. Length of service in the House with the advantage of knowledge and acquaintance with the work of the various governmental departments, gained by years of experience on the job, helps a Member to be of more useful service to his country and to his constituents back home. A Member of Congress who has capacity, industry, honesty, sobriety, and courage, who is willing and strives to perform his duties faithfully and well is bound to gain position and influence with the seniority or length of his service in the House of Representatives. Due to this factor many Members of the lower branch of Congress have been serving the same district continuously for periods as long as 30 years. Experience counts in Congress.

UNFAIR PROPAGANDA AGAINST CONGRESS

In our country it is the privilege of all to freely criticize. However, criticism should be constructive, not destructive. I believe this Congress has been treated with gross unfairness by the vast majority of newspaper reports, spread throughout the country by organized lobbies, big business, and selfish interests. They have done this with the express purpose of misleading and concealing the real truth from the American people by creating a smoke screen to hide their manipulations and trickery. They have done this, for example, like the international bankers, who have unloaded some \$30,000,000,000 of practically worthless securities on the American people, thereby causing more than 3,000 banks to close and small investors to lose their life's savings, and virtually bankrupting American agriculture, industry, and commerce. These greedy and selfish interests, seeking special privileges and favors, have tried to shield their operations and guilty conduct from public view. They have sent billions of good American dollars abroad that should have been spent at home to employ the millions of our idle workmen. These financial pirates, robbers, and unfair and un-American selfish interests, with their swollen profits, care little for the average American citizen or his welfare. They freely misrepresent the attitude and voting record of Members of Congress upon important public questions. By broadsides of propaganda through the press, by editorials and cartoons, through magazines, by radio, by paid lecturers, and through the mails they have tried to mislead the American people and misrepresent the Congress.

They have even employed muckraking scandal sheets to attack the personal life and conduct of individual Members of Congress. They have published malicious, false, and untrue stories to injure and destroy men in public office whose lives and personal conduct have always been clean and above reproach.

Members of Congress who have served for many years, state that this Congress has faced more difficulties, worked harder, and under greater strain than any Congress in which they have heretofore served. I know this to be true. Congress has been bombarded with organized propaganda; it has been flooded with thousands of telegrams and thousands of letters, on legislation and relief measures. More complex problems have confronted this Congress than any session since the World War. Many Members have died and others collapsed from exhaustion under the intolerable strain. Congress should have been called in special session by President Hoover last fall, or earlier, to have given the proper attention and consideration to the far-reaching and difficult problems presented for solution. The average Congressman is but human and I believe, whether he be Democrat or Republican, is willing and anxious to help work out a solution of the serious economic problems confronting our country. I have never dodged a vote or evaded an issue during my service in Congress. In order that my position or votes may not be misunderstood or misrepresented to the people, I am making this report to the good people who have honored me with election as their Representative in Congress.

A Member of Congress is a public servant. Everyone who seeks this high office should not quibble or hesitate to make known his position on all important public questions. To conceal or refuse to state his position to the voters makes him unworthy of this high trust and position. I am restating my attitude upon all important public questions. A public office is a public trust. I have tried to serve all my people regardless of politics, honestly, faithfully, and efficiently. I stand squarely upon my record of nonpartisan service to all my people and submit this brief for the approval or disapproval of the people of my district.

CITIZENS' INTEREST IN CONGRESS

In the hope that it will stimulate thought and a deeper sense of responsibility and, in order to help my constituents to determine to what degree and in what manner they and their interests have been represented, I want to speak briefly of a few major legislative questions that are of vital interest to the country and the people whom I have the

honor to represent. I believe these problems deserve the serious consideration of every citizen. These remarks, principally for the benefit and information of the people of my congressional district, must necessarily be brief. During my service in Congress I have made speeches on certain public questions at the time they were before the House for action.

TAXATION

How time old and historical the tax problem is. It has always been burdensome. It bore down upon the parents of the Savior when they had to make the annual journey by the motive power of a mule to pay their taxes; it bore heavily in the days of the Revolution; and, gentlemen, it bears heavily to-day.

Society and government can not stand without taxation. We have greater privileges to-day, therefore greater taxes. It is the grave duty of Congress to equalize taxes as far as possible. Atlas, with the world on his shoulders, had a burden light as air in comparison with some of the unjust taxes the taxpayers shoulder to-day.

Taxes are paid by all of us alike, both Democrats and Republicans. We must all bear our share of the expense and burden of our Government.

I know that Congress should relieve the small taxpayer—the farmer, merchant, and laboring man—who is now overburdened, not only with Federal taxes but with State, county, and municipal taxes. My plea is for fair relief to all, and it can be done. It must be done. I do not believe it was the purpose of those who drafted our tax laws to place the hand of the tax gatherer into the pockets of the small-home owner and wage earner of this country. Why hamper the man "whose brow is wet with honest sweat, who earns whate'er he can"? He needs all of his small income to clothe, educate, and support his family.

The huge fortunes which have been made and are being created in this country were made possible by our tremendous natural resources with which God Almighty endowed the land. Those resources have been exploited and have piled up many great fortunes that, to a large extent, do not represent so much creative genius as the ability to translate natural wealth into money. Wealth is necessary to conduct and maintain our business structure; but I believe that the big fortunes, which were made possible by the exploitation of the natural resources of the American people, ought to pay a generous share for the conduct of the Government, which makes them possible and which keeps them in existence.

The big business interests and the war-made millionaires want more than a reduction of their taxes. They know that the World War placed a tax burden on the country that it will take a generation to pay. In time of war we conscript the youth of our land. I do not believe that property is more sacred than blood. If necessary, we should conscript wealth to help pay our country's debts. Wealth paid smaller taxes in this country during the war than it did in any other country under the sun. The rich are now endeavoring to shift the burden of our war debt almost entirely to the backs of the people. Unless we stop it, big business will not rest until the common people are forced to pay every penny of the cost of the war.

The people are earnestly demanding and appealing for lower taxes and for further efforts toward a more simple, honest, and economical administration of our Government. I do not oppose the wealth of our country. It is necessary to conduct and maintain our business structure. I would not destroy the incentive to accumulate, but wealth must bear its share of the cost and expense of our Government. It should not ask special privilege at our hands. I do hope that Congress may say to the country that substantial relief has been given to all classes of taxpayers and that our acts will stand the test of analysis, the test of honesty, and the test of equality that will do justice to all taxpayers.

OPPOSED SALES TAX

I have always believed that the income taxes, excess-profit taxes, and the estate taxes should be the main sources from which our taxes should be drawn. Big business and

wealthy interests vigorously objected to increases in the higher income taxes, inheritance taxes, estate taxes, and gift taxes. They strongly urged the passage of the sales tax.

I voted against the sales tax. The sales tax, in my opinion, would unload more than half the taxes on the overburdened backs of those who are least able to pay. I have always believed that taxes should be levied according to ability and capacity to pay. The sales tax is not based on ability to pay, but necessity to buy. A sales tax would place additional taxes and burdens on the consumer and in effect would be double taxation. The sales tax, as originally proposed, included a tax on food, wearing apparel, and other necessities of life. A system of sales taxes is wrong. It is not based on ability to pay. A sales tax would increase the cost of living to the American people. It would affect the great mass of the consuming public most severely, and tax a large per cent of their earnings.

A sales tax is a consumption tax. It would result in and create a sales resistance against commodities taxed. It would cause a falling off in the demands of the consumers for the articles taxed and destroy industry and commerce. I believe the passage of a sales tax would encourage and promote extravagance in government. Succeeding Congresses could easily raise the rate of taxes. The sales tax would cause those who are now in distress and who are now suffering most from this depression to pay the taxes of those who have never been hungry and who have never wanted for the necessities of life. It would work an injustice against the farmers who are losing their homes and the workers of the country who have lost their positions and incomes. The sales tax was advocated by the wealthy income-tax payers, who hoped to reduce their own taxes. The wage earners, the farmers, and their families, who are to-day practically bankrupt, would shoulder the burden of the sales tax. Its adoption would mean that the taxes of those who are able to pay would be greatly reduced and the burden placed on those who are least able to pay. Those who advocate the passage of a sales tax are endeavoring to shift the burden of taxation to the backs of the people. The sales tax is so unfair and so unpopular, when fully understood, that both the Republican and Democratic Parties were afraid to take a stand for it in their platforms. Wealthy, greedy, and selfish interests are the chief supporters of this most unfair and unjust tax.

AGRICULTURE

I spent my early life on the farm. At the present time I own, operate, and live on a farm. I have carefully studied the agricultural situation and believe that I understand some of the difficulties confronting the farmer. During my service in Congress farm relief has been one of the most important questions for solution. Careful study, attention, and consideration have been given to agriculture by both branches of Congress, farm organizations, economists, leaders of industry, business, and commerce. Every fair-minded person admits the serious condition of agriculture.

The farmers of the country have been facing bankruptcy. Numerous bills and measures for relief have been presented for the solution of the farm problem. Congress has enacted some of these suggestions into legislation. Others have been rejected as being unsound, uneconomic, and unworkable. Agriculture to-day struggles under economic disadvantages and injustices. The tariff on farm products is ineffective. The debenture plan would have made the tariff effective on farm commodities. The price the farmer pays for everything he uses is fixed for him. The price he receives for his products is also fixed. He is not only told what to pay but the price paid to him is dictated. The farmer does not need additional loans alone; he needs an income that will insure him an honest living and a fair return for his labor. Many farmers to-day would be improving their farms, repainting their buildings, replacing their farm machinery, building fences, and generally improving the farm if they had the money with which to do these things. It seems to me that it is time that the industrial interests of the country realize that the farmer's dollar moves in a never-ending cycle. It is evident to all that the

business depression and the hard times existing in industrial centers to-day can be traced largely to the distressed condition that has existed in agriculture since the war. Agriculture is our basic industry. If agriculture is not prosperous, the other industries of the country will sooner or later feel the effects, and that is the case to-day.

I fear that Congress, by the enactment of the Grundy billion dollar tariff bill, by increasing the tariff on manufactured products, upon which there was already a practically prohibitive tariff, has taken away most of the benefits gained or to be gained by the farm relief bill. Congress has raised the price that the farmer has to pay for manufactured products for his family, his home, and his farm. I discussed this proposition in my remarks on the tariff bill. Agricultural tariffs are generally ineffective. Tariffs related to industry are very effective. The tariff has been raised on numerous articles that the farmer must purchase, thereby increasing his cost of living. Within my congressional district are many diversified industries. We have as fine farm land as exists anywhere in the country. Traveling over my district, I find many of the farmers are bankrupt and farms being sold at the courthouse. Something is wrong. I see fields grown up with weeds, houses deserted where once prosperous farmers resided but now gone. The farmers have been paying war-time prices for many of the necessities they use in the home and on the farm. They are receiving deflated prices for their farm products. At the present time the farmer's dollar measured in other than farm products is worth very little. Beef, pork, grain, and other products of the farm are selling at very low and unjust prices. Farmers have been toiling from early morning until late at night to find that they are making only a bare living. In many instances they are faced with a mortgage and bankruptcy.

We have a serious situation, brought about by the economic inequality of agriculture and by the steadily lessening buying power of the American farmers and the consuming public.

It seems to me that if the American farmers can be helped out of their present economic distress that it will do more to bring prosperity back to this country than all the artificial and abnormal stimulants will be able to accomplish. It is admitted that at least half of our population is in economic and financial distress to-day. It ought to be self-evident that a prosperous agriculture is necessary to continuous industrial prosperity. The future success of every business enterprise in America depends directly or indirectly upon the buying power of the agricultural part of our population.

When we pause and consider the vast number of farms that are being abandoned, when we think of the millions of American farmers who have been struggling against adversity for the past several years with insufficient income to meet their taxes and pay their obligations, when we think of the disastrous decrease in the buying power of American agriculture, we must all recognize that it is a serious situation, demanding the attention of all who are interested in the future of this country.

If we permit the farmers of this country to be driven from the farms, undoubtedly we will pay more for our food and raw materials. It will result in the destruction of agriculture, which is our basic industry.

I have always found the farmers of America to represent an honest, courageous, and hard-working body of our citizenship; law-abiding, home-owning, and country-loving people; and they have a right to demand and should receive the sympathetic and constructive consideration of our national lawmaking body. Their problem is a national problem. It is a State problem. It is an individual problem. A satisfactory solution of it would result in greater happiness and prosperity to all the people in our fair Republic.

UNEMPLOYMENT—OUR GREATEST PROBLEM

I have always supported all worthy legislation for the betterment of the living and working conditions and adequate compensation for the laboring men and women of my country and congressional district. I am pleased to say that I have a 100 per cent labor record.

I voted for the Norris-LaGuardia anti-injunction bill. I supported this measure, believing that labor should not have to bear in the future the burden of unfair and indiscriminate injunctions. This legislation will remedy and correct for the laboring men and women of the country many of the injustices which have existed in the past. The question of old-age pension and unemployment insurance is becoming more and more a matter of great public importance. In our social system thoughtful persons are attempting to work out and devise a means that will care for and assist the elderly, indigent, and deserving laboring men and women of our Nation who, through no fault of their own, meet destitution and want without the necessities of life or the means of providing a livelihood for themselves.

One of the most serious problems confronting our Government to-day is the unemployment situation. Approximately 10,000,000 people are jobless. The unemployment menace hangs over our country like the darkness of night. We have more people unemployed in this country to-day than in all Europe combined.

American industry, agriculture, and commerce are idle and stagnant. The panic still holds us in its grasp. We have an abundance of everything; but the consuming public, due to lack of employment, does not have any purchasing power.

To-day 10,000,000 workers are unemployed, and approximately 40,000,000 Americans are suffering from privation and want. These people have no income and no purchasing power. Misery is widespread in a time not of scarcity but of overabundance and plenty. Unprecedented unemployment, an untold fall in commodity prices, and unmeasured economic losses threaten our institutions.

The United States is, perhaps, the richest country in the world in resources. We are able to produce in the mills and factories far beyond our domestic needs and requirements. With all this surplus of wealth and resources, we have millions of willing, able-bodied men and women unable to secure work and, with no other source of income, sadly in need of food and clothing. These problems of unemployment and the distribution of our resources and wealth in a land where we have more of everything to eat and wear than we can possibly use, confronted with millions of human beings hungry and in distress, challenge the very foundation of our economical and political system. The distress has cost us in national wealth approximately \$85,000,000,000. The loss of wages due to unemployment for the two years 1930 and 1931 was \$21,600,000,000. It has been estimated that for every month in 1932 we have lost \$2,000,000,000. This loss is, and will continue, until conditions improve.

The unemployment situation will destroy the Nation unless our Government and industry can solve the problem. Immediate and constructive action is necessary. The loss of purchasing power of those unemployed has destroyed business and industry. The question is asked on every hand, What can be done to remedy this situation?

I have contended that this Congress should not adjourn without providing for immediate relief for those unfortunate American citizens who are to-day, through no fault of their own, enduring actual want, hunger, and starvation. This requires immediate national aid, as public funds in many States, cities, and other subdivisions are exhausted. The jobless and hungry must be fed and clothed; the cry of distress must be answered by the Federal Government. The cure and remedy for unemployment is work. Private industry is unable to furnish employment. It is absolutely necessary that our Federal Government set in motion a program that will give people employment. Loans to States and cities should be made. We issued bonds to win the war. We can issue bonds for worthy works, such as the building of roads, bridges, the paving of streets, the elimination of grade crossings, the construction of public buildings, parks, sewers, waterworks, and other worthy projects. This would employ our citizens and increase the wealth of the Nation. Employment would mean increased prices in sales, increased manufactured products, increased prices for the farmer's products.

We must reorganize our entire industrial system. We must, if necessary, control production. In this machine age improved methods have increased production. This means shorter hours for the laboring men in the governmental service and in private industry, with a fair and decent wage and a just share of the national income. This may mean a redistribution of the wealth of the country; but that should not alarm us, because too much of the wealth and industrial resources of the country has been concentrated in the hands of a few. This depression can be overcome.

In the meantime we must take care of our destitute and hungry citizens. We must inaugurate a widespread emergency program to meet the unemployment menace. We must inaugurate a shorter workday and shorter hours for labor. We must adopt emergency relief measures and legislation that will dispel the darkness, roll away the clouds that now overhang the people of this fair Republic, which we all love. If we can not do this, then I fear that this great Government of ours will collapse. I fear that we, as Americans, will lose all those sacred rights and privileges which all our people are entitled to enjoy.

We have argued much in this session of Congress concerning the responsibility of the Nation and States and local communities to provide relief and furnish work for the unemployed. We must admit and acknowledge that the primary responsibility is local. However, innocent victims of this panic and disaster do not and will not make any hair-splitting decisions or distinctions between local and national responsibility. The people of the Nation pay the taxes. They are our defenders in time of peril. They do not expect the Nation, for which they are willing to give their life and shed their blood in times of need, to desert or neglect them in their time of want and distress. Our country has boasted of its great progress. We have boasted of mass production. We proudly gave to the world many inventions reducing and eliminating labor.

I fear that our enthusiasm for the benefits derived from improved machinery has caused us to be unmindful of the hardships of those who toil with human hands. We would not turn back. Society must progress; but it is the duty of society to find a solution or means of livelihood for those unfortunate members of its ranks who to-day find their labor by human hands displaced by improved machinery and are no longer needed. Society must provide a way for them to share in the profits or support themselves and their families in accordance with our standard of living and wages. This may mean the shortening of the working day; this may mean inauguration of the 5-day week or the 6-hour day. This must be done in justice to all the people. Every laboring man and woman is entitled to his share according to his ability, needs, and opportunity.

Labor is not a commodity. As a reward for their toil, laboring men and women of the country are justly entitled to enjoy privileges and benefits which we as Americans believe are due all the people of our country.

Society must adjust itself to the changed conditions. If the so-called big-business and capitalistic classes of this country, who have reaped and are reaping enormous profits from their investments, do not make—and they have not made—a proper distribution of these profits in wages to labor, then it is the duty of our Government to exact in the form of taxes and redistribute to all the people a fair share in return for their toil and labor. It is a dangerous thing to have approximately 10,000,000 men and women unable to procure labor or support themselves in a land of plenty. These patriotic people—idle, hungry, and in distress—have been loyal, patient, and patriotic, hoping that a solution would be found for the ills which confront them.

Changed and unusual conditions rightfully demand reversal of beliefs and opinions. That is the case to-day. There must be a redistribution of the wealth of this country so that the average man, the farmer, the laboring man and woman, the small merchant and business man, and those who depend upon toil for their living shall have a fair share

of the returns. The future of the country depends upon the satisfaction of its people. The masses of the people who constitute the great backbone of this Republic must have an equal opportunity. We can not and must not allow them to be trampled by the greedy and selfish interests, by the gigantic mergers and monopolies that would take all and give none. If these combinations, trusts, and illegal conspiracies and monopolies are not broken up, if the average American citizen is not permitted to earn and enjoy his share of our natural resources, then I hesitate to say, I fear to predict what will happen to the country which we all love so much.

WORTHLESS FOREIGN SECURITIES UNLOADED ON AMERICAN PEOPLE

Mr. Speaker, ladies and gentlemen of the House, this is a sordid tale of our practically worthless foreign loans. This is the truth about the international bankers, bloated millionaires, financial pirates, and bandits who have sold America short, who have sent good American dollars to Europe and South America, and have unloaded billions of dollars of worthless securities on the unsuspecting American people. This story is one of the darkest pages in the financial history of our country. Lift the curtain and give the American public a glimpse.

American citizens have been taught to rely upon and to trust their bankers. Our people have always regarded their bankers with confidence and utmost reverence, depending upon their advice and counsel to make their investments and loans. Unfortunately, the small banker has, in many instances, been the victim of these selfish and predatory interests. Recent investigations by Congress of the transactions of international bankers and men prominent in high financial circles have shaken public confidence and lost in part the trust of the American people.

The rude awakening from the financial crash of the stock market of 1929 and repeated many times thereafter, resulting in bankruptcy and devastation of American industry, agriculture, and commerce, has caused our people to search for some of the underlying causes of our depression and serious economic problems. Destitute American citizens, their savings gone and life earnings dissipated, now ponder and meditate while great international bankers of the country wax fat with their ill-gotten profits and commissions from their gigantic loans to foreign countries. To-day with their swollen wealth we behold these same selfish interests propagandizing the country and belittling Congress for not doing something to relieve the terrible conditions that have arisen, principally as the result of their high-handed finance and manipulations. Much has been done by Congress to reassure and restore business to its normal activities. Never before has so much organized propaganda against every effort proposed by Congress come to my attention. Big-business men in high financial circles have repeatedly helped "put down" every effort to return to normal circumstances. They have preyed upon the financial distress of small investors who, in their distress, have had to let loose of their holdings to these financial buzzards, who have swollen their fortunes at the turn of the tide.

The truth should be told to those who have undergone great financial hardship and suffering during this depression. Tell the truth to those who are to-day blaming our Government and our Congress. The truth will disclose one of the principal causes of the panic and depression which now holds our country in its grasp. Here is the story of these financial racketeers: Approximately \$30,000,000,000 of practically worthless bonds and securities sold to and unloaded upon innocent and unsuspecting American investors. Do you read editorials in the papers condemning what has been done? No. The press in the great financial centers evidently considers the fleecing of the public out of the millions of dollars as a just and righteous business. The gigantic swindle of the hard-earned savings of millions of American citizens has been diverted from productive business enterprises here at home to be sent abroad and used for the benefit of the people of foreign countries.

Is it any wonder that this group of financial robbers, who have fleeced the American people out of billions of dollars,

now hope to shield and cover their crimes by directing public attention elsewhere? The truth of these investigations should be given to the people. Systematized, false, and misleading propaganda; vilifying and muckraking attacks directed against the Congress, have served as a smoke screen to hide the manipulations and crookedness of these financial pirates and bloated millionaires. By broadsides of unfair propaganda through the press, by misleading editorials and cartoons, through the magazines, by radio, by paid lecturers, and through the mails they have tried to shield their unscrupulous operations and guilty conduct from public view.

Much of this \$30,000,000,000 squandered or loaned abroad has been used by our competitors in other countries. Why did the international bankers do this? It has been admitted by many that they did this solely for the purpose of making gigantic and unholy profits aggregating millions of dollars in the way of commissions on loans. Foreign countries have used these loans to make great internal improvements. They have used these loans to develop parks, to build roads, bridges, canals, tunnels, and so forth. They have used a great part of these loans to create and build great manufacturing institutions to compete with American industry. They have used these loans in building and maintaining extravagant armies, navies, and war equipment, that endanger the peace of the world. All this has been done with American dollars, that should have been kept at home and spent for the benefit of our millions of patriotic American citizens who are now suffering privation and want.

We have in this country to-day approximately 10,000,000 people unemployed. Forty million Americans are suffering as a result of this unprecedented unemployment. It is estimated that the United States has more jobless men than Germany and France combined and almost twice as many as England and France combined. The American laboring man is idle, brooding over the unkindness of fate, unable to secure employment or make a livelihood for himself and family. The farmer, the small merchant, banker, business, and professional men are all virtually bankrupt. American industry, agriculture, and commerce are idle and stagnant. Would it not have been better to have spent at home a part of this \$30,000,000,000 sent abroad in the employment of American labor to revive American industry, agriculture, and commerce? We have played Santa Claus long enough to the nations of other lands.

Approximately \$30,000,000,000 of practically worthless foreign securities have been unloaded upon the American people. Did the international bankers truthfully warn American investors or the general public that they were unloading billions of dollars of worthless securities? Did the international bankers truthfully advise the American people and the small banks? Evidently not. The doors of several thousand small banks are now closed, and many of them have these worthless bonds as frozen assets in their safety-deposit boxes. The international bankers knew when they were floating these gigantic loans to Europe and South America that these countries would be unable to meet the interest and principal as the loans came due, having already defaulted or refused to meet their obligations. I am amazed at this recklessness upon the part of these bankers. They knew the situation. They did not heed the facts. They acted only from selfish purposes and for the profits they took. They gave no heed or thought to the American people or American industry, agriculture, and commerce. Is it any wonder that they now plead for the cancellation of foreign debts owed to our Government, a great part of which have already been cancelled? Is it any wonder that they asked for the moratorium or further cancellation of debts due our Government in order to protect themselves or their private loans? They would saddle the entire burden on the now already overburdened American taxpayer.

The American people may not know it, but we canceled all of Italy's debt except approximately 21 cents on the dollar; all of France's debt except 42 cents on the dollar; and like cancellations have been made to other countries of various debts owed to and borrowed from our Government before the end of the war. We are receiving less from these two

countries than they borrowed from us after the close of the war. It has been estimated that under the terms of the Italian debt settlement we placed an additional and unjust tax of \$14 on every man, woman, and child in the United States, or approximately \$70 on the average American family. Under the settlements negotiated with European nations we have canceled or remitted approximately \$11,000,000,000. The cancellations we have made place an average additional tax burden of \$28.33 on each man, woman, and child in the United States, or about \$141.65 on the average American family. I opposed these debt settlements. I spoke and voted against them. These same international bankers and their friends would have Congress cancel the debts contracted since the close of the World War. The moratorium was a step in that direction, other moratoria or postponements will mean a scaling down of these debts or lead to their ultimate cancellation. Is the now overburdened American taxpayer willing to assume this additional load? Farmers and home owners are unable to meet their local taxes. Beef, pork, wheat, corn, and other agricultural products are bringing practically nothing. Our people can stand no more.

Mr. Speaker, ladies, and gentlemen of the House, again I repeat that the American people should know the truth. The international bankers, bloated millionaires, financial pirates and bandits who have sold America short and have sent good American dollars abroad, never to return, have been guilty of high crimes and misdemeanors. Their swollen profits and ill-gotten wealth have brought destruction, destitution, hunger, hardship, and poverty to millions of patriotic American citizens. These same international bankers to-day oppose any and all efforts that would bring some measure of relief to widespread human misery and suffering.

Let the American press and the critics who sit in high positions in the affairs of our Nation tell the American people the truth, pull the curtain aside and give them the true picture. In so doing you will find one of the real causes of the American panic and serious economic conditions. You will find one of the real reasons for our unprecedented unemployment; untold fall in commodity prices; and the unmeasured economic losses that threaten and challenge the very foundation of our Government, our economic and political system. You will find one of the real reasons for the unequal and unfair distribution of the wealth of our country; one of the reasons why the average man of our fair Republic is not to-day enjoying the prosperity to which he is rightfully entitled.

I may repeat that the unloading of \$30,000,000,000 worth of these now worthless foreign securities upon the American public at a time when the same creditors were in default on their obligations which they owed our Government, was a sad tragedy and is one of the darkest pages of American history.

Did President Hoover or any of the members of his Cabinet or administration protest or object to the unloading of these worthless securities? The press boasted of the Hoover market with Wall Street waving the Hoover flag. Speculating tendencies were encouraged. The people were led to believe by acquiescence or silence that many of these investments were sound, safe, and secure. The markets went to unreasonable and dizzy heights. Domestic and foreign stocks and bonds, good and bad, skyrocketed and soared. Unsuspecting American citizens, lacking knowledge of the true conditions, dreamed of the day when they would be millionaires. Financial houses and big banking institutions became enormously rich in commissions and fees. At last the crash came. Fortunes were swept away. Dark pages were written in the financial history of our country; the confidence of the American public trembled and the inflationary bubble had burst. President Hoover refused to admit a panic. After the crash and the wild orgy of speculation, he still insisted that prosperity was just around the corner and that all the evidence indicated that the worst effects of the crash would pass within 60 days.

Hoover confidently predicted if we continued the policies which he advocated that the poorhouse would vanish from

among us, that poverty would be banished from the Nation. What has happened?

Since 1920 almost 10,000 banks have failed, about one-half of them under President Hoover. Business is ruined. The tax-burdened farmer is selling his products at less than cost of production. Hunger and despair are spreading among the masses. The Hoover prosperity myth has exploded. Millions of loyal, patriotic American citizens are out of work, without purchasing power, and are unable to buy. Additional taxes have been saddled upon the American people; billions of dollars of American money invested in foreign bonds, many of them worth about 10 cents on the dollar; millions of dollars tied up in business abroad, and foreign countries still owing us more than \$10,000,000,000 on their debts; and eight of our principal European debtor nations spent for armaments during the year 1930 the enormous sum of \$1,779,346,162.

Has the Hoover moratorium, which was a donation of \$252,000,000 to Europe, done us any good? Great Britain, France, Italy, and other European countries got their debt holiday from the moratorium, but the overburdened American taxpayers will have to make up that amount. Hundreds of mortgaged farms and the small-home owners in the city might have been saved. Millions of unemployed Americans might have been employed if the Hoover administration and our high financiers had shown their faith in America first and not played Santa Claus to other nations. It would have been a grand and glorious thing for the American people if charity had begun at home. I believe that if there was to be a debt holiday, it ought to have begun at home. It ought to have been given to the American farmer burdened with debts. It ought to have been given to the small-home owner, the merchant, and business man facing bankruptcy and ruin.

Unrestrained greed and gambling have been encouraged, helping to bring about the present deplorable conditions of the country. Wall Street and high financiers have dictated to the country and the Hoover administration. The country is in the midst of a panic. The American people have witnessed the growing power of special privilege that to-day threatens and presents a greater danger than ever before. Greedy and special interests are determined to rule or ruin. It is time that every American citizen should think seriously. Unfair attacks have been made upon the representatives of the people. They have been threatened with defeat and punishment because they have refused to follow the legislative demands of special and greedy interests. These same interests would destroy our representative Government, your Government and mine; they would write the tax laws; they would rule over all of us or ruin us; they would repeal the antitrust laws. They believe in and encourage gigantic mergers, monopolies, and trusts to rob the people.

The American people rightfully demand a new deal. Speculative tendency must be curbed. Mergers and monopolies in violation of law must be broken up or strictly regulated. The depression and the panic under Hoover is indeed terrible. There has been no shortage of gold or goods. There has been no nation-wide famine or flood. Our factories and granaries are full. America is enjoying under the Hoover administration to-day its first panic in a land of plenty. These abuses must and will be corrected or else our Government will collapse. Government must be restored to the people.

THE OHIO COAL SITUATION

The coal and mining industry, which but a few years ago ranked second to agriculture as the greatest industry in the State of Ohio, has collapsed. To-day thousands of miners are out of work. Some of them have not had work for more than two years. Most of these miners have families. Suffering and privation among these poor people in the Hocking Valley, Shawnee, and Crooksville fields have been the worst ever known. Of the hundreds of mines in the State very few are operating to-day. Ohio has the coal, the mines, and the miners to furnish all of its 70,000,000 tons a year consumption. For years Ohio controlled the lake trade, "the cream of the business." We were compelled to yield that business

slowly but surely to other fields by a prevailing system of coal freight rates which helped to literally kill one of the greatest industries in my State. Competing coal fields in neighboring States of West Virginia and Kentucky developed by discriminatory and unfair freight rates have gradually absorbed the markets and displaced the coal from Ohio mines. I have fought this unfair practice constantly since I became a Member of Congress. I have fully discussed this question in speeches delivered in the House of Representatives. I have always believed that a more just, fair, and equitable system of freight rates, based upon a mileage cost per ton of transportation, with proper terminal charges, should be inaugurated and put into effect by the railroads and the Interstate Commerce Commission. The coal fields of the country should be properly zoned, if possible. Distance and transportation costs should be in accordance with the rates charged. Unjust freight rates over long and short hauls exist to-day.

I have always contended that each producing coal field should have a fair chance to successfully compete for its share of the trade and not be discriminated against and lose its natural markets through unfair, unjust, and discriminatory freight rates. We must admit that the bituminous-coal industry of the country is overmanned. We know that there is an excess of production. We also know that in this industry the encroachments of electrical power, of natural gas, of improvements in consumption, have operated to slow down the annual demand from its high peak.

At the same time the introduction of labor-saving devices has decreased the demand for mine labor. Destructive competition and economic conditions have resulted in the final breakdown of wages and the industry. This has resulted in human misery and suffering which is wholly out of place in our American system. There must be a reduction of this destructive competition. It has tended to reduce to poverty all those who have engaged in it. We must have competition which will protect the consuming public, but it is time that the coal industry should be stabilized, if possible.

I have given my whole-hearted support to the principles incorporated in the Kelly-Davis regulation coal bill pending before Congress. I regret that favorable action by Congress on a measure of this character has not been taken. I know that there is much opposition against this legislation. It needs clarification, but I believe that the principle of cooperation contained in the bill will do much to solve the problems of this industry. It would do much to stop the unrestricted and senseless competition which for years has injured and almost destroyed the entire bituminous-coal industry.

This legislation provides a minimum of governmental regulation with stabilization supervised and developed through the experience of those in the industry itself. Since the World War, as a result of uncontrolled and unlimited expansion, the coal industry has been totally disorganized. The operators and miners are agreed that something must be done to remedy existing conditions. The rights of the public and mine workers must be protected and a relief plan worked out.

A coal commission is created by the measure, to be appointed by the President and approved by the Senate. It provides for regional sales associations and marketing pools in the coal ranks of the country. The action of these associations, concerning prices and production schedules, is subject to approval by the coal commission. This measure provides that the coal industry shall govern itself from within. It will do much to eliminate the destructive competition now existing within the coal regions of our country.

The labor provisions of the bill protect and guarantee the rights of the mine workers and the operators. Workers can not be deprived of the right of collective bargaining. It is only through collective bargaining that fair wages and reasonable hours of labor may be secured, their rights protected, and shorter working hours maintained. Fair wages would spread the benefits to all groups of the industry. The measure provides a reasonable control of prices and production, but the rights of the public must and will be properly safe-

guarded. The consuming public does not benefit when coal is sold at a price which means bankruptcy for the producers and starvation wages for the mine workers. There may be some question as to the constitutionality of the measure. However, the time has arrived when something must be done by the National Government. For the benefit of the industry and the interests of the country as a whole Congress must act on this vital question of coal control and stabilization.

I do not contend that this legislation would cure all the ills of the bituminous-coal industry. I do contend that it would do much to insure a fair share of the business to the different fields of the country; that it would protect the consumers against monopoly; that it would insure to the capital invested in this industry and the labor dependent upon it a fair return. I think it would do much to relieve the problem of unemployment, bankruptcy, losses, and starvation wages from which the industry now suffers.

We must meet the problems resulting from this new age, caused in a large part by machine production and cutthroat competition. At the same time, we must properly protect the public, maintain fair prices, just wages, and prevent unemployment and continued distress.

The Kelly-Davis coal bill would help, in a large part, to remedy existing conditions. We must meet the issues of the day and insure, if possible, to the people of our country an equal opportunity and a fair chance of life, liberty, and the pursuit of happiness. Any measure that will help the mining industry will also help the farmers, merchants, business and professional men of our country and my State and district.

I can see before me to-day in the mining fields, composing a part of the district which I have the honor to represent, thousands of these loyal, patriotic American citizens face to face with actual want and hardship. Ladies and gentlemen, the miners of Ohio, who have always been honest, fearless, and true to their families, their country, and their God, believe that partial relief can be granted.

If you will go with me into the mining fields of Ohio to-day, with which I am acquainted, I can show you the coal miner living in a modest and simple home, where he sits with his family brooding over the unkindness of fate. If you knew the miners of my district and State as I know them, if you had associated with them, as I have done, if you only knew the many hardships they have encountered and are encountering to-day, I am sure that you and the good people who have sent me here would not ask that I remain silent upon a question which is of so vital importance to the happiness and welfare of thousands of men, women, and little children in the coal fields of my State and district who are suffering from the pangs of hunger and unemployment.

We should remember that the coal miner is just like other men, with the same patriotic devotion to his country that is found in other men.

I am interested in their welfare. It is my duty to represent them, as well as all my people, in this Congress. I have been their friend and will continue to help them by my vote and influence whenever possible. The Ohio miner only seeks for himself and family what every true American wants—an honest living and a square chance to work in unrestricted and unhampered competition with his fellow workers in other fields. I want all sections and all the people of this great country to prosper and be happy. I regret that any of our people must suffer where it is possible to grant them a measure of relief.

SUMMARY

I have dealt very briefly with a few major legislative matters only and given a brief résumé of my work in Congress. In addition to the foregoing I have taken a definite stand on legislation providing for economy, salary-reduction legislation, emergency-relief measures, moratorium, cancellation of foreign debts, settlement of railroad-labor disputes, railroad consolidation, banking, public buildings, reduction of armaments, aircraft, retirement pension for Federal employees, rivers and harbors, Muscle Shoals, reapportionment, postal legislation, good roads, radio, Army, Navy, and numerous other questions of vital importance to the people of

the country. In addition to these all the various appropriation bills providing for the fiscal operations of the Government must be passed by Congress.

Many bills are introduced. In the Sixty-eighth Congress 17,415 bills and joint resolutions were introduced in the House of Representatives and 6,007 in the Senate. In the Seventieth Congress 17,769 were introduced in the House and 6,127 in the Senate. Almost an equal number of bills and resolutions have been introduced in this Congress to date.

Service in Congress is an interesting and important work. Again, I repeat, it is a great honor and privilege to represent the people of the eleventh congressional district of Ohio in the greatest legislative body in the world. For this privilege and the splendid cooperation of my constituents I am thankful.

EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having published therein a splendid Flag Day address delivered over station WOL June 14 by Hon. Robert M. Tolson, chairman of the Flag Day speakers' committee of the American Legion.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, who delivered the address?

Mr. JOHNSON of Oklahoma. The address was delivered by Robert M. Tolson, one of the most forceful and logical speakers in the entire country. Let me add further for the benefit of my friend from Wisconsin, that the address in question is one of the finest patriotic speeches I ever heard and should be read by every schoolboy and girl in America. I will assure my genial friend from Wisconsin that no mention is made in the address in question to the eighteenth amendment; so I assume he will not object.

Mr. SNELL. I object, Mr. Speaker.

THE CAPITAL EXPENDITURE CLAUSE AND RAILROAD LABOR

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, the railroads of the Nation have been much in the forefront of the news in recent months. Back of practically all relief legislation stood the specter of bankrupt railroads. Congress has never for a moment been allowed to forget their condition. We have been told that railroad securities were declining in value and that because of that decline the widows and orphans would suffer. To listen to some of the lobbyists of the railroad security holders a Congressman could not but believe that all the widows and orphans in America held railroad bonds; that bankers never acquired them for the purpose of making money; that railroad securities were invented and held their existence only for the benefit of the destitute and to protect the insurance policies of American farmers and laborers.

Newspapers have echoed the cry of the lobbyists and time after time the Government has come to the rescue of the roads at the public expense. Never once have the lobbyists of the security holders, the brokers, the bankers, and the insurance companies given a thought to the millions of American citizens who are not holders of these securities. These men and women who are affected by the raise in freight rates that the roads have been receiving—never once has their voice been raised in the interest of the millions of men who have spent their lives in the construction and operation of these same systems of transportation.

Someone has said that corporations are individuals without a soul. It has been said, too, that "Corporations have neither bodies to be punished or souls to be damned." Both definitions are certainly applicable to the transportation corporations of this Nation to-day.

Though we have given these corporations millions in aid through Federal gratuities, through Federal loans, through increased freight rates these same corporations have continued constantly to oppress the labor that operates and maintains them and to adversely affect the economic struc-

ture of every Main Street in America. Never in the history of any industry have the rights of the public been trampled upon as they are now being disregarded by the railroads.

Not so long ago we gave the railroads an increase in freight rates. They held that they were entitled to it under the law that allows them to make a return of 6 per cent on the investment. Included in this investment is what is known as capital expenditures. If the road lays new steel, if it builds a new station house or a bridge, if it buys locomotives or freight cars, those items are charged as a capital expenditure and the road is allowed to realize 6 per cent on that expenditure.

Railroads have bought steel under special contract at a price above the price that steel could have been bought on the open market and charged it up as a capital expenditure. One of the Van Swearingen railroads bought 40 new locomotives at a price of approximately \$145,000 each, when it had perfectly good locomotives in storage and even put most of the new ones in storage. Yet on this expenditure they are entitled to realize 6 per cent that must be obtained by freight rates.

But labor is not capital expenditure; the man who operates the train, the man who works on the section, the man in the shop, unless he is engaged on new work, does not find a place in the capital-expenditure list. And so his salary is cut at every opportunity—on every pretext. Not only is his salary cut but his name is eliminated entirely from the pay roll.

Labor is not a capital expenditure, and every dollar that can be saved by these corporations, "these individuals without a soul," is saved so that it may be expended in special contracts for steel in excess of the open market price—expended for locomotives that can be placed in white lead. An exact statement of the controlling interest of the other corporations from which purchases are made and the controlling interest of the railroad would be interesting and illuminating.

The Pennsylvania Railroad was one of the first to suggest a cut in wages. It was one of the first to make a cut in wages—a cut that affected every man in the shops, every man engaged in operation, from superintendent down to call boy. The Pennsylvania system cut every employee; but the Pennsylvania that forced its employees to take a loss because of the depression declared a dividend of \$42,000,000 that equaled 9 per cent on the investment. Within 60 days after that dividend was declared the Pennsylvania had borrowed 27 million from the Reconstruction Finance Corporation—\$27,000,000 that is provided from the pockets of the taxpayer who is already giving to the Pennsylvania Co. freight rates called for by a 6 per cent return on capital expenditures for steel bought in excess of the open market price and locomotives bought to place in white lead.

Among the very first to come hat in hand to Messrs. Dawes, Mellon, and Eugene Meyer to borrow the taxpayers' money was the Wabash Railway. It was in the hands of receivers. To be in the hands of receivers is nothing new for the Wabash. Jay Gould started the practice of fleecing small stockholders by this method years ago, and since the Pennsylvania acquired the property in defiance of the Interstate Commerce Commission orders the practice is continued.

The Wabash had eliminated thousands of employees from the pay roll. Employees that did not contribute to the "capital expenditure graft" on the shipper and consumer who pay the freight rates. It had talked depression and propagandized the fact that the employees should take a loss. It had cut wages. But it came to the Reconstruction Finance Corporation crying that it was wrong for the bankers to take a loss and received from the Eugene Meyer-Dawes corporation \$7,000,000 of the taxpayers' money to pay interest to Kuhn, Loeb & Co.

The ink was hardly dry on the approval of that loan until it moved its terminal from Peru, Ind., to Montpelier, Ohio; reduced its force; reduced superintendents, trainmasters, clerks, shopmen, and other employees; forced men to move; reduced the value of real estate; and deprived men of their

life savings. The Wabash, too, had bought new engines that went into white lead on delivery so that the Wabash could profit from the capital expenditure provision.

The Missouri Pacific is another instance of the capital expenditure graft at the expense of the shipper while it borrows \$11,500,000 from the Reconstruction Finance Corporation—the record is replete with examples—scarcely a railroad that has not offended.

The men who operate railroads from superintendents down and from section men up, from shop foremen to engine wiper are America's finest. They have made transportation what it is to-day in America. But each and every one of these employees is being sacrificed on the altar of banker's greed to the banker's god of interest and "capital expenditures."

The slogan of a famous railroad financier was "the public be damned." That slogan has been enlarged to-day. It includes the employee and taxpayer and shipper specifically—the slogan now is "all be damned except the banker who owns the securities and stock."

The corporation that takes from labor in the time of prosperity should take care of that labor in times of depression. The bankers who have laid the foundation for vast fortunes and increased those fortunes at the expense of labor and the taxpayer in times of prosperity through the "capital expenditure" provisions should not welsch in times of disaster.

Let the New York banker take a loss as well as labor and the taxpayer. If Eugene Meyer, Ogden Mills, and the other appointees of the President will not protect the taxpayer, the reconstruction finance act should be amended so that they must do so.

To-day we hear talk on every side of mergers. Mergers are merely another name for trusts. No group of lobbyists in Washington is more anxious to see the Sherman anti-trust law repealed than are the lobbyists of the railroad bankers. The only object of railroad mergers when all the camouflage is removed is that the securities of these roads may be easier manipulated—that the public may be more easily fleeced and that more labor may be eliminated. Every time a merger is consummated more men are thrown out of employment. With more than 10,000,000 men out of employment to-day it would seem to me very unwise for the Federal Government to provide ways and means for more and easier mergers to throw more men on the already overstocked unemployment market.

In the beginning of the Wilson administration many men were out of employment. At that time the unemployed were few compared with to-day. The railroads were suffering then, too. Sound governmental principles dictated that the slack be taken up in unemployment. Railroad employees were working on a 12-hour basis. A wise Chief Executive promoted legislation to change that basis to eight hours. Business revived.

To-day we talk of the machine age that has destroyed us. Machinery on the farm, larger locomotives, larger cars on the railroad. If this be true, then hours must again be reduced to "take up the slack." A wise leader at this time would promote another reduction in hours. He would promote legislation to employ more men. The 6-hour day on railroads would do it. But the bankers who govern railroads oppose. Labor is not a "capital expenditure." On labor 6 per cent can not be realized to boost freight rates. Our leader to-day talks of increasing employment. Talks against a dole, but he gives a dole to the railroad bankers—a dole of millions of the taxpayers' money so that the taxpayers can be further crucified on the altar of capital expenditures that is built with the public's money.

COMPACT OR AGREEMENT BETWEEN THE STATES OF WASHINGTON, IDAHO, OREGON, AND MONTANA

Mr. HALL of Mississippi. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5649) to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana, respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for

other purposes," with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, after "1935," insert: "Provided, That the State of Wyoming shall be made a party to such compact or agreement."

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

Mr. SCHAFER. Mr. Speaker, reserving the right to object, has every Member of the House Committee, which reported the bill in the first instance, approved the Senate amendment?

Mr. HALL of Mississippi. They have.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

INTERSTATE AND FOREIGN COMMERCE TRANSACTIONS IN COTTON

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8559 for immediate consideration.

The SPEAKER. The Chair does not recognize the gentleman for that purpose. Bills of that character will come up next Monday, if at all.

ESTATE OF ANNIE LEE EDGEcumbe, DECEASED

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2437) for the relief of the estate of Annie Lee Edgecumbe, deceased, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. PATTERSON. Mr. Speaker, reserving the right to object, what is the nature of the claim?

Mr. BLACK. The House amended the bill, cutting the appropriation from \$5,000 to \$3,000, I think at the request of the gentleman from Alabama.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BLACK, CLARK of North Carolina, and GUYER.

CUTTING THE COST OF GOVERNMENT

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, there is no phrase which has been used more in the first session of the Seventy-second Congress which is rapidly drawing to a close than "economy in government." The entire country is aroused, as never before, by the rising tax burden, and this proper interest in our public finances is reflected in the seriousness with which Congress has considered the problem.

Contrary to the comment of some of its critics, Congress has cut the cost of government. It has cut the expense for the next year drastically and it has paved the way for still greater economies. This has been accomplished despite the fact that the recommendations from the administration have been vague, contradictory, and incomplete. The present session of Congress has slashed \$627,422,101.42 from the amount required to operate the Government last year. Further, it has cut the running expense \$162,466,556.74 below the amount recommended by the administration in the Budget. In addition to this great saving, the economy bill has cut the annual costs approximately \$150,000,000 more.

The universal cry for economy has had a wholesome effect in that it has awakened more citizens to their responsibilities and has created a greater interest in the workings of Congress. Taxpayers are asking for an accounting, and they are to be commended for their attention to the actions of their Representatives. I hope that this increased interest in Congress and in the expending of public funds will continue long after the present depression has passed.

Federal, State, county, and municipal taxes must be reduced greatly. The State and local expenses now constitute the greater burden upon the taxpayer, and all governmental costs must be lowered before the public will get the relief

to which it is entitled. Useless boards and bureaus must be abolished. Real estate is bearing too much of the burden. Many officials and boards in the Federal, as well as in State governments, are duplicating and overlapping in their work.

I am glad that citizens in all parts of the country are asking Congress just what has been accomplished during this crisis; and I am confident that when they study the record they will be convinced that their Representatives have done much to curtail the heavy running expenses of the Nation and at the same time provide adequate means of relief for the country.

First of the major measures passed by the Congress was the 1-year moratorium on intergovernmental obligations. This moratorium, arranged by the Executive without consulting Congress nearly six months before the session started, allowed our debtors to suspend payments totaling about \$250,000,000, despite the fact that the debts have been scaled downward almost out of reason, and despite the fact that the payments were more acutely needed by this country than ever before. Relief for foreign nations before help was extended to our own stricken citizens seemed to be the keynote of this proposal, and I am glad to say that I voted against this unwarranted usurpation of legislative authority by the Executive.

Second of the important proposals approved was the reconstruction finance act which created the Reconstruction Finance Corporation. As a result of this measure, there has been a great decline in bank failures and confidence has been restored to some extent. I gave this plan my support and voted for it. Critics who have assailed the corporation as helping only big business interests in certain favored sections of the country are misinformed or else they are distorting the facts. I know of many business institutions in my own district in west Texas which have secured loans from the corporation, and which were enabled thereby to help their respective communities. These institutions have included banks, wool and mohair warehouses, building and loan firms, and other organizations. The largest bank in my district to close its doors, an institution at El Paso, obtained a loan from the corporation which enabled it to make a payment to its depositors and benefit every man, woman, and child in that vicinity. Every producer of wool and mohair in west Texas has been benefited directly or indirectly by the corporation. Bank failures have ceased altogether in that section now.

Prohibition received two record votes during the present session. I voted against the repeal resolution and the beer bill, as I had promised, flatly and explicitly, two years ago when I sought nomination. I believe it to be the highest duty of a Representative to carry out the expressed will of his people. I am ready and anxious to carry out their will as indicated by the Democratic national platform or by a direct vote of the people, such as is proposed on the ballot for Texas on July 23.

The "lame duck" amendment to the Constitution was one of the most constructive pieces of legislation enacted. When ratified by the States, this amendment will cause the Congress to convene within two months after its election, and it will prevent a Member's serving after he has been defeated. I voted for this resolution.

The immediate payment of the veterans' adjusted-service certificates, or so-called bonus, was a major problem before Congress. As passed by the House, this measure would substitute a negotiable medium for the acknowledged debt to the soldiers and would have put money in circulation in every section of the Nation. Approximately \$6,000,000 of this money would have gone into my district alone. I signed the petition which brought the measure to the floor of the House in order that the Members could discuss, amend, and act upon it. On the floor the Owen plan, which provided for controlling inflation of the currency by means of bonds to be held by the Federal reserve banks, was substituted for the original Patman plan, and I voted for the measure. This sound method of financing by bonds would not have necessitated additional taxes or appropriations.

Outstanding among the accomplishments of the Congress was the adoption of the economy bill. The House wisely rejected some of the ill-considered suggestions offered by the administration, chief among which was the proposal that Federal aid for vocational education be discontinued forthwith without allowing counties and States to prepare to assume the full burden of this invaluable work. I strongly opposed this recommendation of the President. I favored the proposals offered during the consideration of this bill which would cut the pay of the higher-salaried Government officials rather than the lowly clerks struggling to maintain their families on small wages. I voted for the proposition which would have cut my own salary and that of every other Member of Congress 25 per cent. I am strongly in favor of the consolidation of various Government bureaus and departments as well as the elimination of a great many of them. I voted for the portion of the economy bill which would have consolidated the Army and Navy under one head and which would have saved the taxpayers of this Nation from fifty to one hundred million dollars.

This Congress has been aware of the distressing conditions faced by the Nation's unemployed and has acted to provide relief. I am confident that before adjournment the two Houses will agree on a sound proposal of this nature.

In relating some of the achievements of this Congress and accounting for my stewardship in it, I think it is not out of order to point out that I am serving my first term here, having been sworn in when the House convened some seven months ago. I had the honor to be appointed a member of one of the exclusive committees of the House, the Committee on Military Affairs, which has jurisdiction over all legislation affecting the Army and national defense from a military standpoint, as well as a number of other major problems, the chief of which is Muscle Shoals.

As an advocate of satisfactory national defense and a foe of extravagance on the part of the Government departments, I have vigorously opposed the War Department's plan of abandoning certain posts along the Mexican border, principally Fort D. A. Russell at Marfa. It was the department's plan to abandon this needed post, which cost the taxpayers about \$1,000,000, and send the troops stationed there to Camp Knox, Ky., which is nothing more than a temporary cantonment. The original abandonment was scheduled many months ago, but I am glad to say that execution of the order has been postponed until January 1 next, and I still hope that the order of abandonment will be canceled.

I fought for a moratorium on construction charges for farmers in the irrigated valley of the Rio Grande, in the vicinity of El Paso, and the action of Congress in passing this bill has been of inestimable value to those farm owners.

The plan of the Department of Commerce to place a fish hatchery intended for west Texas in the northern part of the State was bitterly contested by me, and after a struggle of many months the department announced the hatchery would be placed in San Angelo, where it will serve the spring-fed streams of a large portion of that area.

The attacks on the Cavalry as an integral part of our Army have appeared to me to be without justification in view of the fact that cavalry is vitally needed as a means of defense in the rugged sections of the Southwest. I appeared before the Appropriations Committee and opposed the elimination of the fund to provide high-grade stallions for the use of horse breeders. Many of these stallions are loaned to west Texas ranchmen, who raise some of the finest horses in the world for the use of the Army.

The House was unwise, I believe, in its rejection of the amendment which I offered to the agricultural appropriations bill, which would have provided a small sum to fight the bitterweed, a poison plant infesting the ranges of many States, and which has done much damage in the San Angelo and Sonora country. When the amendment was rejected I urged the officials of the department to send at least one expert to the affected areas, paying for this service out of

existing appropriations, and recently I was pleased to learn that they had done so.

I have been diligent in my efforts to obtain needed Federal buildings in my district and have been in some measure successful. Contract for the project at San Angelo is to be let within the next few days; the Big Spring Building bids will be accepted soon. I am hopeful that early action will be taken with regard to the structures at Kerrville, Pecos, Midland, Colorado, and other places.

Congress did not alter the tariff schedules at this session, other than to adopt import taxes on oil, copper, and other commodities. I strongly favored the import levies on these two products, and I believe that adequate protection is due the producers of raw material in this country. My stand in favor of tariff on wool, mohair, hides, cattle, and other products of the ranch is well known.

Among the personal services I have rendered my constituents I regard my assisting them with applications for loans from the Reconstruction Finance Corporation as perhaps foremost in importance. I have helped all that asked me in this regard and am ready to continue to do so at any time.

A road construction bill was passed by the House which would have added to the Nation's highway system some needed links and which would have provided for employment for thousands of men. I voted for this bill, and I introduced an amendment, which was adopted by the House, which would have prevented the expenditure of any portion of the funds in the employment of any person not a citizen of the United States.

My consistent record on legislation in sympathy with labor has been indorsed by the representatives of the various labor organizations.

Correspondence from the district has been heavier than from many other districts, I am informed, and older Members of the House tell me that the mail this session has not been exceeded in volume by that of any other Congress, not excluding the war Congress. Personal letters and telegrams from constituents have averaged as high as 100 per day for prolonged periods, and requests for departmental work have been many and varied.

I have almost invariably answered every communication on the day it was received, and I have taken up every departmental matter requested. Outstanding among these have been veterans' claims, and I have handled hundreds of pensions, compensation, disability allowance, insurance, and other kinds of cases, appearing personally at the Veterans' Administration on many occasions to argue cases on appeal. I have given my services freely to every veteran or veteran's widow in my district who requested them.

I want to reiterate my contention that Congress has accomplished much in grappling with the tremendous problems this depression has created, and every citizen should study the record of its achievements carefully. If we are to maintain good government and at the same time lower its cost, it behooves every voter to scrutinize the record of the men asking election to Congress and act accordingly.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. LARSEN. Mr. Speaker, we had general permission last week to extend our remarks in the RECORD on the soldiers' bonus bill, but it was to be done within five legislative days. I failed to get my remarks ready, and therefore wish permission to extend them in the RECORD at this time.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARSEN. Mr. Speaker, this caption, "Extension of Remarks," is made necessary by reason of curtailment of debate on bill providing for payment of adjusted-compensation certificates, which was under discussion when death came so unexpectedly on the floor of this Chamber to our late colleague, Hon. Edward E. Eslick, of Tennessee. If we had done justice to the ex-service men of the World War in the first instance, this vexing problem which confronts us to-day would have been disposed of years ago, but the same forces and interests which prevented payment then oppose

it now. They manufactured their odium at that time and designated it "bonus," and they apply it with vehemence to-day. Why designate an honest debt "bonus"? They know it is not a gratuity. They apply no words of odium when loans are made to large corporate interests—it is then termed "emergency relief" for depression!

Why appropriate billions for those we do not owe and refuse to pay those in dire need whom we do owe? These questions naturally present themselves to any thoughtful person interested in the solution of this problem. I am sure no Member in this Chamber desires to see the soldier debt settled unless its cancellation can be so arranged as not to endanger the public welfare. I am equally as sure no one would wilfully and knowingly permit the obligations of our Nation to become so impaired that its urgent needs can not be met. Those of us who advocate the immediate settlement of this debt, are as sincere and patriotic as are those who oppose payment, yet the opponents paint such a picture of havoc and distress which they say would result from payment that many of our best citizens firmly believe the ex-service men and friends of payment legislation are selfish eccentrics who endanger the welfare of the Government.

So far as I am concerned, I believe payment of the debt under plans proposed will result in substantial benefit to the Nation. Of course, I do not contend, nor do I believe, it will aid those who have hoarded the money of the Nation, for they will not be able to purchase quite so much with their hoarded dollars, but this is just the result I would like to see. If the average person is to pay debts at all, it must be through some arrangement which will enable the unemployed to secure work and those who produce commodities for sale, whether in factory or on farm, to obtain a reasonable price for that which they produce.

So long as those with money can purchase wheat for less than 50 cents per bushel, corn for 25 cents, cotton for 5 cents per pound, and tobacco at 3 cents, no one engaged in agriculture can live decently, much less pay obligations incurred. If we can expand the currency and put more money in circulation, we will accomplish something. Certainly this should result not only in benefit to agriculture but to commerce and manufacturing as well. Its tendency will be to give employment to millions of unemployed, put money into pockets of penniless masses, and spell prosperity to the Nation. I do not undertake to guarantee, but certainly if immediate payment will do what the opponents of the bill say will result, it will prove a long step in the right direction. If it will expand the currency, it will cheapen the dollar, and should enable those engaged in agriculture to obtain a better price for farm commodities. It will put into circulation \$2,200,000,000. What does this mean? Divide the sum among the 122,000,000 population of this country and you will see it increases the per capita circulation of currency more than \$18 per person. It means an average of more than \$5,000,000 distributed in every nook and corner of each and every one of the 435 congressional districts in the United States.

But they tell you the Government is not able to finance the proposition. Mr. Speaker, I assert that under the proposed plan it can be done without levying additional taxes upon any citizen. It is certain that it incurs no new obligation, for the debt already exists and must be paid in 1945. We are told by expert economists our supply of gold is amply sufficient to warrant the issue of Treasury certificates necessary to retire the adjusted-compensation certificates now held by the ex-service men. They contend 40 per cent of gold reserve is sufficient for this purpose and that we have more than the required amount.

Let us consider just how it is proposed to pay the debt in question. The plan is to have the ex-service men surrender the \$2,200,000,000 adjusted-compensation certificates owned by them to the United States Treasury, have the Government issue bonds due in, say, 20 years for the amount, and print Treasury certificates in an equal amount. When the bonds have been issued deposit them with the Federal reserve banks to be sold if and when necessary and deliver the Treasury certificates to the ex-service men in payment

of the debt we owe them. This does not create a new obligation—it simply changes the form of an existing one. Using the language of economists, it simply converts a non-circulating Government obligation into a circulating Government obligation. A noncirculating Government obligation does not affect the price level but, increasing the circulating obligations, will cause an increase in the price level. If bonds are payable in 20 years, it will in truth give seven years' additional time in which to pay the debt.

These bonds will expand the currency, cheapen the dollar so it will not purchase so much of our farm and manufactured commodities as it now obtains, and thereby raise the price of all commodities in commerce and agriculture. If and when the prices of these commodities are raised too high—that is to say the dollar becomes too cheap—the Federal reserve banks can put the bonds on sale and thereby prevent inflation of the currency. But we certainly shall not need this soon. I do not see how anyone can object to this except those who have already hoarded the money in this country, desire to purchase the world with it, and impoverish everyone but themselves.

It may be asked why such benefits as I have enumerated did not result from previous loans to veterans on adjusted-compensation certificates. The answer is this: Those loans were made from funds already in the Treasury and did not create a new and additional medium of currency. However, under the proposed plan of issuing Treasury certificates the national currency would be expanded \$2,200,000,000, and thus more money would actually be put into circulation. The volume of currency in the United States would be increased—a result not obtained from previous loans.

Some of those who have spoken in opposition to the pending bill seem greatly alarmed because they fear the proposed law will result in the issuing of fiat money. Fiat money may not be altogether desirable, but it is far better than none at all. If those who are alarmed will only study some of the statements which frequently come from the Treasury Department to their offices, they will find we already have considerable fiat money in circulation. I have before me the statement for June 17, and find on that day we had 501,073,250 silver dollars in circulation. What is the commodity value of that amount of such currency? About 28 cents per dollar, or \$140,300,510. The difference between this commodity value and the currency value is \$360,772,740, and must be considered purely and simply fiat money. Is it good money? Yes. The credit of the Federal Government is back of it. Why are not these cautious Members alarmed concerning this condition? If they are disturbed, there is still more cause for alarm.

Look at the Federal reserve bank notes as listed. We find \$2,791,931,000 in this kind of money. At the end of the line we find the letter "a," which designates the security back of the issue. What do we find it to be? It is \$510,313,000 in commercial paper. Does anyone believe this security rises to the dignity of fiat money? We know it does not. Then, again, we find as additional backing, \$401,700,000 in United States Government obligations, the same character of security proposed for issuance of Treasury notes with which to pay compensation certificates, and also \$1,879,307,000 in gold. Who can say this should not give as much cause for fiat-money alarm as does the pending bill? Again we find listed \$737,484,014 as a class of money in national-bank bonds. Part of this is secured by United States bonds held by the Treasury and part assumed by the United States on deposits of lawful money for their retirement. More fiat money, but all of it good currency because the credit of the United States is back of it.

The aggregate value of all property in the United States, exclusive of public highways and Government buildings, is estimated at more than \$300,000,000,000 and constitutes the credit basis of our Government; for from our Nation's wealth income is derived. The outstanding obligations of the Government do not exceed \$20,000,000,000. Who, then, can say that an issue of \$2,200,000,000 Treasury certificates will endanger the credit standing of our Government? It is silly to say that it will.

It is evident that a very large portion of those who oppose payment of the adjusted-compensation certificates must feel as I do regarding solvency and ability of the Government to pay, or they would not favor the issuance of Government bonds in such large sums for other purposes. Illustrating this point, I call attention to an article appearing in Monday's issue of the Washington Herald, carried on its front page, wherein it is said that some half dozen Senators or more—naming them—who voted against payment of the so-called bonus certificates now propose to enact legislation at this session of Congress to put over a public-works construction plan to be financed by Federal bond issue in the amount of five and a half billion dollars—more than twice the amount necessary to pay the adjusted-compensation certificates. We are pleased to know the Senate has rejected this extravagant proposal.

The paper also states that this five and a half billion dollar proposition is to be offered as a substitute for the \$2,000,000,000 program contained in the Wagner bill, sponsored by the President of the United States. Perhaps some one would like to know where the President, and these distinguished Senators, who could not find funds with which to pay the acknowledged debt owing to ex-service men, discovered so much money over night with which to finance such programs as the Herald indicates they intend to do through governmental agencies. The answer is simple. In principle they propose to do it in the same way which we, who advocate payment of soldier obligations, would finance the scheme. It is sometimes very easy to finance propositions when we are inclined to do so, but hard when we are not in favor of them.

Some of us who would now pay the suffering and destitute veterans remember the generosity of many who now oppose payment when they were dealing with foreign governments, bankers, and big corporations of this Nation. They were very willing some five years after the war, and when the Nation owed some \$10,000,000,000 more than it owes to-day, to adjust pay of the railroads to the amount of something like \$1,600,000,000; also to adjust pay of war contractors, who were fattened on profiteering contracts while our soldiers were wading in the mud of France and Belgium, some \$2,000,000,000.

Many of these same Members who oppose payment to the soldiers at present were highly in favor of canceling foreign debts, money which we had loaned European nations. The cancellations proposed amounted to approximately \$11,000,000,000. Oh, there is plenty of money to pay, to give, to lend, and for everything, until it comes to payment of the obligations due these poor boys who defended the Government and made its credit standing in the eyes of the world what it is to-day.

During the present session of Congress the Reconstruction Finance bill was enacted into law, obligating the Government to pay \$2,000,000,000, all of which funds are to be loaned to insurance companies, banks, railroads, and so forth. I voted for this bill myself because I thought it was better for the Government to aid our life-insurance companies, in which the small savings of so many million citizens are invested, than to see them lost; because I thought it better to aid them than to see farms upon which the companies have loaned money sold from under the owners who now occupy them and are producing food and clothing for our Nation. I was willing to aid the Federal banks which have loans on so many farms and homes throughout the country to extend loans rather than see mortgages foreclosed and property sold. I deemed it better to protect large transportation companies than to permit them to be junked and our means of transportation, necessary to commerce and agriculture, destroyed.

I also recently voted for the Garner bill, which would bind the Government for \$2,300,000,000 to be used in a building program throughout the United States, for loans to aid unemployment, and so forth. This bill was considered of sufficient importance by my own Democratic party for it to call a caucus and bind members to support it, regardless of individual views as to the advisability of such legislation.

But, Mr. Speaker, in voting for this legislation, I did not feel that my action would bind me to vote against any proposal which would enable the Government to pay just debts owing to other citizens in distress and without employment.

The present situation reminds me of an old poem, written almost a hundred years ago, entitled "The Moneyless Man." In those days human nature must have been about the same as it is to-day, for that sweet-singing poet, H. T. Stanton, wrote:

Is there no secret place on the face of the earth
Where charity dwelleth, where virtue has birth,
Where bosoms in mercy and kindness will heave,
Where the poor and the wretched shall ask and receive?
Is there no place at all where a knock from the poor
Will bring a kind angel to open the door?
Oh! search the wide world, wherever you can,
There is no open door for a moneyless man.

Go look in your hall where the chandelier's light
Drives off with its splendor the darkness of night;
Where the rich hanging velvet, in shadowy fold,
Sweeps gracefully down with its trimmings of gold;
And the mirrors of silver take up and renew,
In long-lighted vistas, the 'wilderling view,
Go there at the banquet, and find, if you can,
A welcoming smile for a moneyless man.

Go look in the banks, where Mammon has told
His hundreds and thousands of silver and gold;
Where, safe from the hands of the starving and poor
Lie piles upon piles of the glittering ore;
Walk up to their counters—ah! there you may stay,
'Til your limbs shall grow old and your hair shall grow gray.
And you'll find at the bank not one of the clan
With money to lend to a moneyless man.

This philosophy is as true to-day as it was then, and may shed light on the motives of those who would indict the proponents of this bill.

AGRICULTURAL SITUATION

Mr. LARSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the agricultural situation.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARSEN. Mr. Speaker, in his 1928 acceptance speech as presidential nominee of the Republican Party, Mr. Hoover declared:

The most urgent economic problem in our Nation to-day is in agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly and to all our people indirectly. We have pledged ourselves to find a solution.

If any solution of the agricultural problem which then existed has been found, it certainly has not been applied. I believe the agricultural marketing act may be regarded as the major agricultural effort of his administration. I was a member of a committee which framed this bill, and I am sure that, so far as members of the committee could ascertain, it was drafted and enacted to meet his approval. The Federal Farm Board, charged with administration of the act, was of his own selection, and all funds which he has requested have been made available for its operation, yet the situation to-day as regards agriculture is worse than it was when he entered office. Surely the condition of the country as a whole is no better, for the army of unemployed has increased from 4,000,000 to not less than 8,000,000.

The farmer's trouble began with the inauguration and secret arbitrary policy of the Federal Reserve Board, which deflated values of all farm products in 1920. At that time, in addressing one of the farm groups, I called attention to this policy and predicted its ultimate effect on agriculture. Within a short period cotton declined from 40 cents to 10 cents per pound. Decline in all farm commodities was marked and disastrous. Products were reduced to a price below cost of production. It is estimated that approximately \$30,000,000,000 was the loss to agriculture and not less than \$18,000,000,000 to merchants and business in farm communities as a result of this policy.

The War Finance Corporation, which was then in existence, undertook to check disaster, and by liberal loans restored prices to about one-half their former level. As the war had ended, however, the corporation did not long remain

in existence, and without its aid agriculture soon again fell into evil hands.

The Esch-Cummins Act of 1920 proved another hamper to agriculture, in that its administration increased transportation charges on farm products about 60 per cent. This act not only resulted in great loss to the farmer—amounting to several billions of dollars—but I doubt whether these increased rates on farm commodities greatly benefited the railroads, since its tendency has been to divert freight from rail transportation to motor trucks.

American loans to, and investments in, foreign countries are said to total about \$30,000,000,000. These loans and investments tend to deplete capital for our own domestic needs. They also increase our burden of competition with foreign countries, reducing the earnings and purchasing power of our own citizens. Thus, the consumption of our farm products has been decreased and the commodities reduced in price.

Agriculture has also suffered its portion of the burden resulting from extensive, expensive, unnecessary, and oftentimes wasteful and useless activities maintained and carried on, not alone in the Federal Government but in State and municipal organizations as well. While Congress has made considerable headway and progress during its present session in reducing and eliminating Federal expenses and abuses, there still remains much which should and must be done by Congress and the States before conditions conducive to general prosperity will prevail.

American citizens should realize that American capital is the result of American labor and resources. They should be patriotic enough in so far as American interests require, or necessities demand, to invest it and use it for American institutions and enterprises. Debts due the Government by foreign countries should be collected as quickly as possible. Foreign investments by American citizens should not be encouraged or financed by American capital, except in so far as may be necessary to our public welfare.

Congress and the States should enact legislation which will encourage agriculture and prevent manipulation of the markets and speculation in farm commodities when such practices prevent the producer of farm commodities from receiving the cost of production.

The House Committee on Agriculture, of which I am a member, favorably reported to the House at the present session of Congress a bill designed to accomplish these results. It was sponsored by the leading organized farm groups—the National Grange, American Farm Bureau Federation, and the Farmers' Union—and would have been passed by the House except that a Republican-controlled Senate, refusing to consider the bill, returned it to the Senate committee to die an ignominious death. This act on the part of the Senate makes it impossible to pass the only farm legislation which has been favorably considered by these farm organizations sponsored and insisted upon by their representatives in Washington.

During the present and preceding sessions of Congress large sums of money have been appropriated to aid the farmers in crop production, and so forth. As a temporary aid and emergency relief to agriculture such legislation is all right, but it is only palliative. The farmer should have substantial and permanent relief. Conditions created by legislation and otherwise which do not give to farmers the cost of production with reasonable profits do not afford opportunity to meet obligations or to remain in business very long. Legislation alone will not solve the problem. The farmer must realize that much of this burden rests upon him—that without aggressive and economic efforts and methods he can neither hope nor expect to successfully meet present-day competition. He needs not so much an opportunity to borrow money as to pay debts, a condition which will enable him to receive cost of production with a reasonable profit, and nothing less will meet his legitimate demands. In addition to all this we might also profit throughout the Nation from the exercise of more frugality, honesty, and a high conception of moral and spiritual life and obligation which characterized the boundaries of our country and brought peace and prosperity to our forefathers.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bonus bill.

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, because of the curtailment of the general debate on the bonus bill, which was caused by the death of our distinguished colleague from Tennessee, Mr. Eslick, on the floor of the House while he was eloquently advocating the passage of this bill, which made it impossible to obtain time to speak before the bill was passed, I am availing myself of the privilege granted me to extend my remarks in the RECORD. In view of the fact that all my Colorado colleagues in both the Senate and the House have voted against this bill, I feel that it would be appropriate for me to give my reasons for supporting the measure.

I am in favor of paying the adjusted-service certificates of the World War veterans. It is not a bonus. It was an obligation of the Government even before those certificates were issued. The boys who served in the World War received one dollar a day for service in this country and one dollar and a quarter a day for serving abroad. During that time the young men who stayed at home and took no risks and experienced no hardships received from \$3 to \$10 a day, and they quite largely took the jobs of those who entered the service to defend our flag. The 500,000 Federal employees with annual salaries of \$2,500 or less received an average of \$1,000 adjusted or additional pay for their war services; and they were paid cash at the time their services were rendered. That was a bonus in addition to their salaries. And that is practically the same as the veterans are now asking for—the payment of cash of \$1 and \$1.25 a day—that has been acknowledged by law as being due them.

The railroad owners were paid nearly \$2,000,000,000 in addition to their regular pay for their war services, and they were paid in cash at the time the services were rendered and shortly thereafter. Yet the opponents of this bill would compel the veterans to wait for their payment 26 years after the services were rendered.

About \$3,000,000,000 were paid to war contractors shortly after the war.

The foreign governments are using the nearly \$11,000,000,000 of their indebtedness that we have canceled toward paying their own soldiers and providing for the hungry and destitute of their countries, as well as also preparing for another war.

I was in Congress that tragic day of April 5 and voted at 3.30 o'clock in the morning of April 6, declaring war against Germany and forcing 3,600,000 of our boys into the service. We were all supremely proud of those boys, and we cheered them, both in this country and as they went abroad, and we promised to retain their jobs for them and give them whatever they wanted when they returned. At the close of the war when they came home we gave them \$60 apiece, which was scarcely enough to buy them a new suit of clothes.

In 1922 and 1924 Congress decided that, inasmuch as they had only received one dollar or one dollar and a quarter a day during their services in the Army, that they were entitled, as a just compensation for actual loss of time and service, and very largely losing their positions, to the payment of an additional dollar a day for service in this country and one dollar and a quarter a day for those who served abroad; and that was figured up, and they were given a certificate of indebtedness.

Uncle Sam issued them his promissory note for the payment of that amount of money; but it was made payable in 1945, with 4 per cent interest from that time till 1945. Now, owing to the tragic crisis which our country is now passing through and owing to the fact that one-third of all of those men who were in the service—1,200,000 of them—are to-day without employment and without means of any kind, many of them with families, many of them with homes partially paid for, they come to Congress and ask our Gov-

ernment to fund that indebtedness and pay them the face value of those certificates now. It does seem to me that that is a fair and honest request. It is not increasing the Government's indebtedness, because it is now an official and acknowledged indebtedness.

Under the bill, as now amended by the provisions written by former Senator Robert L. Owens, of Oklahoma, who was one of the coauthors, if not the main author, of our Federal reserve system and one of the most profound fiscal students of the United States, the Government can, in my judgment, pay this \$2,400,000,000 without any injury to our credit or without affecting the balancing of the Budget in any degree whatever. These men never needed this money so much in their lives, and the communities in which they live have never needed this money so much during the history of our country as they do now.

Regardless of the causes of this condition, the results are that money has been practically doubled in value and commodities have been cut down from 50 to 75 per cent, and before we can ever return to prosperity in this country we have got to deflate the dollar from nearly 200 per cent and inflate property values accordingly.

The payment at this time of that money in actual cash to these ex-service men would, I believe, be the greatest boom of anything that could possibly be done by Congress. It would increase the money circulating throughout this country approximately \$18 per capita. It would go into the most remote nooks and corners and crossroads of our country. It would not be wasted. It would be economically expended, and would probably pass through from 10 to 20 hands in the first 90 days, and revive business in every community and greatly help the whole country. But, more particularly, it would enable these ex-service men to pay their grocery bills and to pay off the mortgages on what little they have, if they have anything. It would benefit every storekeeper and everybody in every community.

When the payment was made on these certificates some two years ago, an exhaustive investigation showed that only 7 per cent of all that money was wastefully expended, and under existing conditions I doubt if 1 per cent of it would be wastefully expended. So that in fairness to the boys who defended our flag and our national honor and who are now without jobs and are destitute, we are abundantly justified in redeeming those certificates at this time; and for the welfare of the country, as a step toward readjusting our contracted currency and giving something like fairness to the values of farm products, I feel that it is not only fair but necessary to take some such step as this.

It is significant that most of the people opposing this settlement with our veterans are those who most vigorously urged the cancellation of about \$11,000,000,000 of the just indebtedness of the foreign countries to our country. I thought those cancellations were an infamous outrage upon the taxpayers of our country, and I voted against every one of them excepting the adjustment with Belgium. Likewise the Members of Congress who recently sponsored and voted for President Hoover's moratorium, relieving foreign countries from paying us \$252,000,000—which I voted against—are now vigorously fighting this appeal of the ex-service men, and they are holding up their hands in horror at the financial disaster and fiscal catastrophe that this would bring to our country. I voted against those debt cancellations not only because I thought it was unfair to the American taxpayers but also because I thought that we should be just to our own citizens before we should be generous to aliens. I have always felt that the executive branch of our Government and that Congress should first be just to those who left their homes and risked their lives and health in defense of our country and its honor before being so solicitous about the welfare and so generous to all the foreign nations, and especially to the big-business interests of this country. They were not concerned about any catastrophe to our country in making payment of hundreds of millions of dollars of not legal but what they called "equitable claims" on railroads and large corporations after the war, and those payments were made promptly in cash.

I do not question the good faith of those who say that because we have 10,000,000 or more people unemployed in this country, we should not single out the ex-service men and give them this much relief without affording adequate relief to the other unemployed. And while I am voting and doing everything I possibly can to relieve the tragically sad condition of all the unemployed in our country—and I hope we may yet devise some way of doing so—nevertheless, we have not worked out any system yet of accomplishing that, but in the meantime we can and should justly extend this relief to the ex-service men. They hold Uncle Sam's promise to pay this amount, which no other people do, and the payment of these obligations will go a long way toward relieving the distress of many millions of people besides the ex-service men.

During the past 12 years that I have been a member of the Budget Appropriations Committee of Congress, which handles all the appropriations our Government makes, I have necessarily learned something about our fiscal relations and the financial capabilities of our Government, and I can not with any degree of patience look upon the claims of dire disaster which some gentlemen assert will be occasioned by this relief.

The passage of this bill would not increase taxes a dollar and would impose no burden upon the public. Those certificates will be paid by the issuance of new currency in a manner which is declared by the highest authorities in our country to be perfectly sound. Our currency has become contracted, and much of it is now being hoarded. Our dollar is so high and commodities are so low that we can not have prosperity in this country until that condition is changed.

The dollar and commodities have both got to be stabilized and that is one of the great purposes of this bill, to bring back both the dollar and commodity prices somewhere near the basis that existed in this country in 1926. In fact, the debasing of commodity prices has gone very much farther even than the inflation of the dollar, which is estimated all the way from \$1.60 to \$2 nowadays. Corn, wheat, hogs, cattle, cotton, and practically all farm products are down to about one-fifth of what they were a few years ago, and neither the farmers nor anyone else can now possibly pay their debts that were contracted in those times when products were bringing from four to five times as much as they are now.

We have absolutely got to reduce the purchasing power of the dollar, and to do that we must expand the currency, and no method could possibly be devised, in my judgment, that would bring about—at least to a certain extent—a wider and more equitable extension of the currency than to pay these certificates to our World War veterans. This bill provides for the conversion of nonnegotiable Government obligations into negotiable obligations and puts them into immediate circulation throughout the country. It would not only be a godsend to all our 3,600,000 ex-service men but I believe it would turn this tide of deplorable depression back toward prosperity again, without imposing any new obligations upon the taxpayers, and would save the Federal Government \$112,000,000 a year from now until 1945, which amount is required under existing law to create a sinking fund to liquidate those adjusted-service certificates.

Our Nation is now in the throes of the most terrible economic and social cataclysm in its history. This Congress has been devoting its time to furnishing aid to industry, but has not given sufficient attention to the people, the consumers. Congress has aided banks, railroads, insurance companies, and big business; and while it has helped them some, business failures continue and commodity values are still rapidly decreasing, along with increasing unemployment and starvation. It is not a question of overproduction in this country; it is because the consumers have nothing to buy with. We can not restore normalcy by trying only to repair our financial structure from the top; we have got to pay some attention to the foundation.

As above stated, this bill will not increase our indebtedness; it will cancel that much indebtedness. Some one has

said, "We sent tens of billions of dollars to Europe without destroying the gold standard, but when it comes to paying a very small per cent of that amount to the men we sent to Europe, that is different." I believe the passage of this bill will reduce rather than increase taxes, and will largely tend to eliminate discontent; will instill confidence in the consumer and the general public; will hasten the return of prosperity, and it will be a general blessing to all of our people. We have enough gold as a reserve to warrant the issuance of these additional Treasury notes, and this money will be just as good a currency—as sound and as stable—as that issued by the Government or the banks against bonds. The law states that the gold reserve at any time must be at least 40 per cent of the notes in circulation. Our bullion reserve is about 60 per cent of the total amount of currency in circulation.

Under this bill as now amended sufficient claims will be issued to make the payment in the form of Treasury certificates. No one can honestly call Treasury certificates flat money or printing-press money. There is approximately \$5,600,000,000 in currency in the United States to-day. The redeeming of these certificates in Treasury certificates would increase the currency of our country to about eight billion dollars. The Treasury Department would issue \$2,400,000,000 in Government bonds bearing interest at 3½ per cent payable in 20 years with an option to pay after 10 years. These bonds would be placed in all the Federal reserve banks with instructions to the Federal Reserve Board to sell these bonds whenever deflation becomes necessary—that is, when the buying power of the dollar goes downward to the point at which it was in 1926. When that point is reached sufficient bonds will be released and currency correspondingly taken up to hold the value of money at a fairly stabilized position. When that condition is reached, our panic would be over.

If this bill would, as many eminent financiers predict, bring our country back to normal conditions, it would be worth many times more than the amount paid to the veterans. The currency issued for this purpose is controlled currency and is fully protected as to parity under the gold standards act. Prof. Irving Fisher, one of the Nation's foremost economists, testified before the Ways and Means Committee of the House, and said that this was a perfectly sound method.

In my own State of Colorado it will place into immediate circulation \$21,513,379.07. Of that amount \$2,939,827.34 would be paid the veterans living in my congressional district. The following table shows the amounts which would be paid to veterans residing in each of the counties of the State of Colorado:

Adams	\$420,488.65
Alamosa	178,663.54
Arapahoe	470,378.19
Archuleta	66,547.08
Baca	219,538.90
Bent	189,713.18
Boulder	674,111.12
Chaffee	168,777.02
Cheyenne	77,326.71
Clear Creek	44,759.35
Conejos	203,608.31
Costilla	120,029.83
Crowley	123,249.18
Custer	44,115.48
Delta	295,017.08
Denver	5,978,872.97
Dolores	29,327.24
Douglas	72,653.46
Eagle	81,501.48
Elbert	136,666.60
El Paso	1,029,568.90
Fremont	392,469.92
Garfield	207,180.75
Gilpin	25,173.24
Grand	43,783.16
Gunnison	114,795.79
Hinsdale	9,325.73
Huerfano	354,377.74
Jackson	28,787.22
Jefferson	452,993.70
Kiowa	78,635.22
Kit Carson	201,988.25
Lake	101,752.23

La Plata	\$269,490.75
Larimer	688,255.49
Las Animas	747,886.16
Lincoln	163,044.50
Logan	414,278.42
Mesa	538,109.16
Mineral	13,292.80
Moffat	100,962.97
Montezuma	161,964.46
Montrose	243,881.34
Morgan	379,758.68
Otero	506,580.30
Ouray	37,053.68
Park	42,620.04
Phillips	120,403.69
Pitkin	36,762.90
Prowers	306,606.74
Pueblo	1,371,609.26
Rio Blanco	61,894.60
Rio Grande	206,723.81
Routt	194,241.04
Saguache	129,812.50
San Juan	40,189.95
San Miguel	45,361.68
Sedgwick	115,896.60
Summit	20,499.99
Teller	86,008.57
Washington	199,205.07
Weld	1,352,064.69
Yuma	282,742.01
Total	21,513,379.07

If the benefits provided in this bill were to accrue only to those who served in the Army, the Navy, and the Marine Corps, the measure might be subject somewhat to the objection of being class legislation. But this measure will go vastly farther than that; it would not only directly benefit at least 20,000,000 people in our country, but it would provide a needed expansion of the currency in a practical, plain, sound, businesslike, and sane way which will benefit every part of our country from Plymouth Rock to the Golden Gate.

As everyone knows, money is subject to the economic laws of supply and demand; when it becomes scarce, its value increases and the prices of commodities fall. That is the condition which now confronts our country. Less than half of the total money in the United States to-day is in actual use.

It was shown before the Ways and Means Committee in the hearings on this bill that it would be not only possible but perfectly safe to issue as much as \$3,500,000,000 of new currency against our present gold reserve of the United States without bringing that gold reserve below the 40 per cent minimum required by law. It was shown in the hearings that the total amount of money that does not do any actual business is \$2,900,000,000, and that the active money is only about \$2,500,000,000. Of the money that is inactive, it was testified that about one and three-quarter billion dollars is hoarded, and that there is about a hundred billion dollars estimated to have been destroyed in various ways. In other words, the testimony before the Ways and Means Committee was that less than half of the money which should be in circulation through the channels of business is now in circulation.

It is not surprising that the large financial interests of our country are very vigorously opposing this bill, because it would tend, they fear, to break their grip on the control of money in our country. There is no possibility of the farmers of our country being able to pay their debts with 25-cent wheat, 20-cent corn, 3-cent hogs, 11-cent butterfat, 9-cent eggs, which means that a dollar is from two to three times more difficult to obtain to-day to pay off these debts than when the debt was contracted. In fact, the debt of \$1,000 has now become a debt of twenty-five hundred dollars or \$3,000 as measured in terms of the commodities received by those who have to pay these debts. It is often said that the prices of some commodities to-day are the lowest they have been in 300 years.

An expansion of the currency and a corresponding cheapening of money is the only way of raising the prices of the products the farmer has to sell. This plan of inflation of the currency is not only practical but it is just. It has a

tendency to make our money honest money and to make the American dollar an honest dollar.

It is estimated that the present deflation has cost the United States from \$150,000,000,000 to \$200,000,000,000, while the cost of the World War itself to our country was about \$35,000,000,000. Both parties have declared in their platforms in favor of an honest dollar. Every citizen of our country wants an honest dollar, and it should be a dollar that would purchase as much commodity one year as it does another. A few years ago the total indebtedness of the United States was about \$207,000,000,000, but this amount has been increased by the growing value of the dollar to about \$400,000,000,000 at the present time. There is no way in which the American people can escape bankruptcy or repudiation except by increasing the prices of commodities. With 9,000,000 people out of employment and with farmers everywhere unable to sell their products, our country has absolutely got to resort to some measure that will to some extent restore commodity prices.

Our country is entirely without sufficient money to meet business demands. Our country has been drained of its money by high finance and stock speculation. Big business has been in the saddle for the past 12 years and has ridden the American people almost to death. Something must be done to relieve this condition. Our shrunken values in the wealth of the United States during the past three years have amounted to nearly \$200,000,000,000. Our country has been bled until it is practically white. Those loudest in opposition to this relief are among the class who reaped enormous profits under war conditions when prices were high, and to whom have been refunded in income taxes something over three billions of dollars.

This is the class who rush to buy tax-exempt securities, and loan and invest abroad, and urge cancellation of foreign loans to the United States so that their private loans may be enhanced in value, and they cry out loud against "flat money." I have supreme contempt not only for the international bankers' attitude in this matter but for all public officials who aid and abet them and assist their propaganda trying to put the entire burden of the cost of the World War onto the backs of the taxpayers of America. I feel that every official of our Government, from the highest to the lowest, who is advocating or indirectly encouraging the propaganda for the cancellation of the European war debts, should be put out of office as a disloyal friend of the American people.

I have always had a feeling of resentment against the propaganda, and what seemed to me disloyal cant of the international bankers and others about saving Europe, and I have never had any confidence in the efforts of the eminent officials of our country and big business appealing to Congress to pour out large sums to stabilize big business. We have had too much gigantic financial racketeering in this country, and splitting up stock, fake market regulating, blue-sky salesmanship to our inland banks, and investors of worthless European and South American securities which went on unchecked; and, in fact, encouraged in high places from 1921 to 1929 until it burst in ruin all over the country. I confidently feel that the period from 1921 to 1929 will go down in history as the most infamous chapter of exploitation of the American people the world has ever known.

EXTENSION OF REMARKS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short petition from a temperance organization in my district.

MR. STAFFORD. I object.

MR. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a brief editorial from the Manikato Free Press commanding the work of Congress.

MR. STAFFORD. I object.

MR. MANLOVE. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by General Harbord at the graduation exercises at West Point.

MR. BLACK. I object.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and incorporate therein a brief article.

Mr. STAFFORD. I object.

THE REVENUE ACT AND RELIEF

Mr. GARBER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and incorporate therein a brief table showing the rates in the tax bill.

There was no objection.

Mr. GARBER. Mr. Speaker and Members of the House, the reduction in the cost of Government, both Federal and State, the levy of taxes to balance the budget and their equitable apportionment, the restoration of the purchasing power of farm products, and jobs for the unemployed have been the main subjects under consideration by the present Congress and still remain the most important questions before the country to-day.

WE MUST RETURN TO THE SOIL TO FIND PROSPERITY

In an address delivered in the House on June 18 of this session, I endeavored to show that inasmuch as prosperity originated in the soil, we must return to the soil to find it; that before we could furnish jobs for the unemployed, we would have to find a market for the products of labor; that in view of the existing world-wide depression, with diminishing markets abroad, such market was to be found on the farms of the country, with their 40,000,000 consumers, producing the foodstuffs for the Nation; that a restoration of their purchasing power would mean not less than an annual increase of \$6,000,000,000 to the market for the products of labor here at home; that with such a market thus assured, capital would employ labor to resume its operations in the mines, mills, and factories of the country, and thus jobs for the unemployed would be furnished in the natural and normal channels of trade. The farmers would again resume the payment of taxes, interest, and mortgage indebtedness, the debtor class generally would be given an opportunity to pay their debts, which otherwise would never be collected, the dollar would be brought back home for the use of the common people, to its normal level, to facilitate trade in vindication of the common saying, "When money is plentiful we have good times, and people can pay their debts."

1932 REVENUE LAW

In this address I propose to furnish to the country and the citizens of the eighth congressional district of my State information relative to the main provisions of the 1932 revenue law, passed at this session of Congress to provide sufficient revenue to balance the budget.

The following table gives the rates, sources, and estimated amounts of revenue provided by the act:

HOW THE NEW TAX LAW WILL BALANCE THE BUDGET

Additional revenue for the fiscal year 1932-33 will come from the following items. The new income taxes are payable in 1933 on 1932 incomes. The other taxes become effective June 21, except as otherwise noted.

INCOME TAX

Individual—normal, 4 and 8 per cent; exemptions, \$2,500 and \$1,000	\$63,000,000
Surtax—1 per cent over \$6,000 to 55 per cent over \$1,000,000	88,000,000
No earned income credit	27,000,000
Total	178,000,000
Corporation, increased from 12 per cent to 13½ per cent	22,000,000
Exemption eliminated	16,000,000
Consolidated returns, 14½ per cent	3,000,000
Total	41,000,000
Limitation of security losses and other administrative changes	80,000,000

MANUFACTURERS' EXCISE TAX

Lubricating oil, 4 cents a gallon	33,000,000
Brewers' wort, 15 cents a gallon; malt syrup, 3 cents a pound; grape concentrates, 20 cents a gallon	82,000,000
Tires and tubes, 2½ and 4 cents a pound	33,000,000
Toilet preparations, 10 per cent; dentifrices, 5 per cent	13,500,000
Furs, 10 per cent	12,000,000
Jewelry, 10 per cent on amounts over \$3	9,000,000

Automobiles, 3 per cent	\$32,000,000
Trucks, 2 per cent	3,000,000
Parts and accessories, 2 per cent	7,000,000
Radio and phonograph equipment, 5 per cent	9,000,000
Mechanical refrigerators, 5 per cent	5,000,000
Sporting goods and cameras, 10 per cent	5,000,000
Firearms and shells, 10 per cent	2,000,000
Matches, wood, 2 cents the 1,000; paper, ½ cent the 1,000	4,000,000
Candy, 2 per cent	4,000,000
Chewing gum, 2 per cent	1,000,000
Soft drinks, various rates	7,000,000
Electrical energy, 3 per cent on domestic and commercial sales	39,000,000
Gasoline, 1 cent a gallon	150,000,000
Total	450,500,000

TARIFFS

Oil, ½ cent a gallon; coal, 10 cents 100 pounds; lumber, \$3, 1,000 feet; copper, 4 cents pound	6,500,000
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MISCELLANEOUS

Telephone, 10 cents between 50 cents and \$1, 15 cents, \$1 and \$2, 20 cents over \$2; telegraph, 5 per cent; cable and radio, 10 cents	22,500,000
Admissions, 1 cent per 10 cents on admissions over 40 cents	42,000,000
Oil pipe-line charges, 4 per cent	8,000,000
Safe-deposit boxes, 10 per cent	1,000,000
Checks, 2 cents each	78,000,000
Boats, various rates (July 1)	500,000
Total miscellaneous	152,000,000

STAMP TAXES

Issue of bonds or capital stock, 10 cents per \$100	\$6,500,000
Stock transfers, 4 cents per \$100 par or 4 cents per share no par, 5 cents for shares selling over \$20	20,000,000
Bond transfers, 4 cents per \$100 par	5,000,000
Conveyances, 50 cents on \$100 to \$500, 50 cents per \$500 in excess	8,000,000
Produce sales for future delivery, 5 cents per \$100	6,000,000
Total	45,500,000

ESTATE AND GIFT

Estate tax (June 6, 1932, collections begin June 30, 1933)	5,000,000
Gift tax (assuming tax effective June 6, 1932)	5,000,000
Total estate and gift tax	5,000,000

Total, all additional taxes

958,500,000

POSTAL

Increase first-class to 3 cents (July 6); various second-class increases (July 1)	160,000,000
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Grand total in bill

1,118,500,000

The sudden collapse of the revenues from incomes, by reason of the tremendous shrinkage in values and resultant losses, made it necessary to raise additional revenues to balance the budget, and the provisions set forth in the table above for the fiscal years 1932 and 1933 are estimated to yield a total revenue of \$1,118,500,000.

INCREASE TAX ON INCOMES

The first major increase is that in relation to the taxes on incomes, the normal tax being 4 per cent on the first \$4,000 of net income and 8 per cent on the remainder. The surtaxes are 1 per cent on incomes between \$6,000 and \$10,000, increasing to a maximum of 55 per cent on incomes in excess of \$1,000,000, whereas the maximum under the old law was 20 per cent. It will be noted that the exemptions are \$1,000 for a single person and \$2,500 for married persons, and \$400 for each dependent. The act requires every single person with a net income of \$1,000 a year or more, and every married individual with a net income of \$2,500 or more, and every individual with a gross income of \$5,000 or more, regardless of the amount of net income, to file a return. It requires husband and wife living together with an aggregate net income of \$2,500, or a gross income of \$5,000 each to make a return, or to include their joint increment in a joint return.

This increase in these income rates at least will not directly affect either the farmers or the laboring men. Under the preceding act, only one person out of every fifty in the United States had a net income of sufficient amount to require him to pay a tax upon it to the Federal Government,

or only about 2 per cent of the population paid any income tax, representing a total of about 2,500,000 persons paying income taxes, leaving 98 per cent without income sufficient to pay.

We cite these figures for two purposes: First, to show that the increase of income taxes will be upon those having the capacity to pay, upon those being fortunate enough to make incomes in excess of the exemptions; and, second, as tending to show that the income-producing wealth of the country is concentrated in the hands of the few. Of course, the incomes may be and often are the result of the industry, the good judgment, and the foresight of those who make them, instead of being attributable wholly to the properties they own.

The war-time rate during the calendar year 1921 for surtaxes ran up as high as 65 per cent on amounts of income over \$1,000,000. Successive general tax reductions reduced this high rate down to 20 per cent, and stopped the graduation of incomes at \$100,000. However, high as even such taxes were in fact, they were low in comparison with the British. In 1929 and 1930, 130 persons returned incomes in excess of \$500,000 in Great Britain. Their average income was \$930,000. We had 1,471 in this group in 1929, with an average income of \$1,250,000. The total net income of the 1,471 was \$1,848,585,793, on which they paid a tax of about 16 per cent, or \$291,337,965. Under the British rates then effective they would have paid a tax of about 48 per cent, or approximately \$900,000,000.

CORPORATION TAX INCREASE

The second major provision of the act increases the rate of taxes on corporations to 13½ and 14½ per cent on corporations filing consolidated returns for affiliates. It exempts the usual nonprofit corporations, associations, and civic organizations, but it requires every corporation to make a return, as the exemption of \$3,000 in the existing law is repealed.

ESTATE TAX WILL REDISTRIBUTE ACCUMULATED WEALTH

The third major provision increases the tax imposed on net estates, starting with a tax of 1 per cent and graduating upward with a maximum of 45 per cent. The exemption in the existing law is reduced from \$100,000 to \$50,000; the tax thus increased is more than double the levy in the 1928 law, and the excess is not subject to any credit for inheritance taxes paid to the various States. We believe this to be among the most important of the major provisions of the law. It is a new departure and a much-needed one. The increase, in time, will not only produce a large amount in revenue from sources having the capacity to pay, but to some extent will afford a means of redistributing the enormous estates of the country, and put a check to the concentration of wealth in the hands of the few.

THE CONCENTRATION OF WEALTH SHOWS INEQUITY OF DISTRIBUTION

The 504 largest income-tax payers, according to the 1929 returns, had an aggregate net income for taxation purposes of \$1,185,000,000. It is estimated that these 504 persons could have purchased with this income virtually the entire wheat and cotton crops of 1930—the two chief cash crops of the Nation, representing the labor of 1,300,000 wheat farmers and 1,032,000 cotton farmers. It is further stated that 85 of the wealthiest of the group returned a net income of \$538,664,187, an amount in excess of the wages received by the 421,000 workers in the clothing industry, said amount being \$475,318,677. According to a report from the Industrial Relations Commission, it is estimated that 2 per cent own about 60 per cent of the accumulated wealth of the country, 33 per cent own about 35 per cent of the wealth, and 65 per cent own 5 per cent of the wealth.

This rapid and enormous accumulation of wealth in the hands of the few is unanswerable evidence of the inequity and injustice of our distributive system, a system that should be entirely overhauled and reorganized in the interest of the producing masses of the people. The heavy increases in the income-tax rates and the inheritance-tax rates are important counter moves against such concentration, placing the burden of the cost of government upon those having the capacity to pay, and redistributing the estates by requir-

ing the payment of such distribution to be made into the Treasury for the benefit of the people.

In a message to Congress in 1906, President Roosevelt advocated a heavy increase in death duties for the purposes, he stated, of putting an increasing burden "on the inheritance of those swollen fortunes which it is certainly of no benefit to this country to perpetuate." In his *Gospel of Wealth*, Andrew Carnegie said, "Of all forms of taxation, this seems the wisest. It is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State." Prof. Thomas S. Adams, of Yale, said, "We should raise from this source enough revenue to measurably relieve the farmers and the general taxpayers."

THE GIFT TAX TO PROTECT THE ESTATE TAX

In order to prevent the evasion of the inheritance tax the fourth major addition provides for a gift tax, so that a person can not escape his inheritance tax by the giving away of his property before his death. It provides a tax ranging from three-fourths of 1 per cent to a maximum of 33½ per cent, with an exemption of \$50,000.

The three major provisions of the act, viz, the heavy increases of rates in the higher income brackets, the heavy increase in the inheritance tax, and in the gift tax to protect it, while necessary to raise revenue, are equally beneficial as a check upon the ever increasing concentration of wealth, and as a means of redistribution of such accumulations with payment into the Treasury to measurably relieve the burdens of taxation of the masses of the people, and it is generally conceded that they deal effectively with one of the most perplexing and menacing problems of the country.

TAX OF PETROLEUM IMPORTS

The act provides for a tax on the imports of crude petroleum, fuel oil, gas oil, and of liquid derivatives of crude petroleum, except lubricating oil and gasoline, or other motor fuel, of one-half cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. The Tariff Commission made two investigations, both of which disclosed a difference in the cost of production here and abroad in an amount that would have permitted the above rates to have been more than doubled in order to afford adequate protection against the cheap imports of monopolistic companies exploiting foreign fields, and crushing out the independent producers in this market, with their wells already capped by proration to prevent the accumulation of domestic surpluses. Such are the sinister influences of monopolistic companies rapidly acquiring control throughout the world.

THE MENACE OF MONOPOLY IN THE OIL INDUSTRY

By United States Supreme Court decision in 1911 affirming a decree of the circuit court of the United States, the holding company of the Standard Oil Companies, was then found to be monopolistic and inimical to the public interest. Since the separation of the companies by such decree, they have been gradually returning to a common control by combination and merger, until they will finally find shelter again in a common holding company, daily fixing the price of gasoline, oil, and its refined products at the filling stations to the helpless consumers of this country. They will only permit the few independents to act as pioneers in the discovery of new fields, where the hazard and risk is too great to insure satisfactory returns upon the capital invested. We have continuously opposed the combination and merger of such monopolistic companies as being against the public interest. In fact, we oppose the general trend of mergers and combinations of corporations creating monopolies specializing in mass production as permitting the accumulation and centralization of power in trade and commerce destructive of competition essential to protect the people from undue exactions and exorbitant profits. It was such monopolistic influence, with its cross currents running in all directions, through all kinds of business and sections of the country, that defeated our efforts to secure adequate protection for the preservation of such competition. But a start in the right direction has been made, which, under

more favorable conditions, will increase the duties so as to represent the difference between the costs of production.

Under normal conditions the oil industry contributes in excess of \$500,000,000 of new wealth annually to the State of Oklahoma, not including the rentals and royalties paid to farmers on their lands.

TAX ON LUBRICATING OIL AND GASOLINE

The act provides for a domestic tax of 4 cents per gallon on lubricating oil and 1 cent per gallon on gasoline.

The States have already preempted the field of taxation on gasoline, and incurred obligations dependent upon such taxes. We opposed the additional imposition of 1 cent a gallon by the Government. The tax on gasoline in the several States is in many instances already greater than the market price of the product. The States should have been permitted to have reduced and standardized such taxes and limited the use of the revenues strictly to the building and maintenance of the public highways, including farm to market roads, and to their extension and upkeep in a good state of repair. In other words, the gasoline tax should provide revenues for the States to build and maintain their respective systems of highways.

TAX ON ELECTRIC ENERGY

The act provides for a tax of 3 per cent of the amount paid for electrical energy for domestic or commercial consumption, "to be paid by the person paying for such and collected by the vendor." This is the most indefensible provision in the act. It shows the inordinate greed and boldness of the power companies. They had to be assured that the tax "would be paid by the person paying for such and collected by the vendor." What brazen effrontery! Such provision was written in the bill in the Senate, where the changes in votes became so frequent as to attract the attention of the entire country. The provision should have been, "to be paid by the producing companies and not to be passed on to the consumer." The power companies are among the very few companies whose charges to the consumers have not been reduced and whose profits from them have survived this depression.

IMPORT TAX ON LUMBER NOT JUSTIFIED

We also opposed the tax of \$3 per thousand on the imports of lumber, provided in the act. Early this year the Tariff Commission made a thorough investigation and found that lumber was not entitled to a tariff duty. The existing tariff law makes the commission the umpire to determine all such questions of controversy arising between the producers and consumers, and each industry should be required to abide by the rules of the game. It was upon such consideration that I supported the existing tariff law, knowing that there were many rates too high and many too low, and many inequities and discriminations in the bill, all of which could be eliminated and revised by the Tariff Commission established for that purpose. Subsequent events have proven the correctness of our views.

The Commission has received 164 applications for readjustments under the flexible provisions of the law. Based on the Commission's work, the President has proclaimed 31 tariff changes, 13 increases and 18 decreases, leaving rates on 42 commodities unchanged. The articles coming under these rate-adjusting investigations comprise about 11 per cent of the dutiable imports of 1931, or \$75,000,000. Duties were decreased on nearly \$14,000,000 and increased on \$9,000,000. Rates were left unchanged on the balance of \$52,000,000.

The Commission is a bipartisan one, provided with experts to thoroughly investigate and determine each case upon the facts. The President is then authorized to either increase or lower rates to the extent of 50 per cent.

We believe that the lumber industry, as with other industries, should be compelled to abide by the rules of the game. Their unwillingness to do so and their demand for the undeserved rate shows that all hogs are not in the pens on the farm. For over 10 years the farmers of the country have been unable to purchase even sufficient lum-

ber to make necessary repairs. Their actual lumber needs are greater than those of any other class. With a restoration of the purchasing power of farm products, their market would be the greatest market for lumber in the world. Under normal conditions agriculture consumes in excess of 50 per cent of the lumber and lumber products of this country. To impose a tariff duty of \$3 per thousand on lumber at a time when the farmers are unable to purchase lumber at present prices, would seem to be an attempt on the part of the lumber interests to hold up the lumber dealers, knowing that they in turn will be unable to secure higher prices from the consumers. We do not say that the tax of \$3 will be added to the cost; but where the production is in the control of a monopoly and the tax is sufficient to shut out imports, as in this case, you may rest assured that the monopoly will impose as much of the tax on the existing price as it will be able to exact from its trade.

IMPOSITION OF TAXES, THE UNPLEASANT DUTY OF CONGRESS

To vote in favor of a bill carrying such increases in taxes was the unpleasant duty of the membership of the House, but it was recognized as being absolutely necessary to balance the budget and maintain the credit of the Government. It was supported by a large majority of the Members of both parties as a duty to the Government, coupled with the determination to reduce the expenses of government to the lowest limit, in order that the nuisance taxes provided in the act might be repealed at the earliest moment, the vote in the House being 327 for and only 64 against. When the final vote was taken it was on the conference report, which prohibited any amendments.

THE MOUNTING COST OF GOVERNMENT MUST BE REDUCED

The per capita cost of all Government has increased as follows:

In 1890 it was	\$13.56
In 1903 it was	19.39
In 1913 it was	30.24
In 1923 it was	88.94
In 1929 it was	107.37
In 1932 it will be, approximately	124.00

The first thought will be that the war did it—the war itself and the aftercosts of war in such things as veterans' relief, pensions, and the increased outlay for national defense. But these are Federal expenditures, and they have much less to do with the rise in the cost of government than you would suppose. By the figures of the National Industrial Conference Board, which are standard, the rise in the cost of (a) Federal Government, (b) State government, and (c) city and local government, separately stated, has been as follows:

	Year	
	1913	1929
Cost of Federal Government, per capita	\$7.17	\$32.36
Cost of State government, per capita	3.97	16.38
Cost of city and local government, per capita	19.10	58.64

Half the total cost of all government is the cost of city and local government, and that per capita cost in 1929 was three times what it was in 1913.

The second question of major importance was the reduction of the expenses of government. Before proceeding with discussion of this question, it may be well to definitely ascertain the fixed charges of the Government, from which no reductions can be made. According to the latest figures issued by the House Appropriations Committee, the following table will show for what purpose the Federal dollar is being expended:

War-debt retirement	\$0.13
War-debt interest	.16
Pensions, hospitals	.27
National defense	.16
Total for war and its consequences	.72

Buildings, sites.....	\$0.03
Roads.....	.03
Rivers, harbors.....	.02
Flood control.....	.01
 Total for public improvements.....	 .09
 General administration.....	 .04
Civil functions, including foreign relations, immigration, science and research, territories, law enforcement, Indian affairs, public domain, etc.....	.05
Promotion and regulation of commerce, industry, transportation, agriculture, fisheries, labor, public health, and education.....	.05
All other costs.....	.05
 Total.....	 1.00

From the above, it will be seen that 72 cents out of the Federal dollar goes to pay for war and the direct consequences of war. While we believe that our national policy should be adequate for our national defense, yet such policy should not include the building and maintenance of expensive battleships which modern warfare from the air will render helpless in actual conflict. We believe that our agencies for national defense should be limited to fast modernized cruisers, submarines, and bombing planes, with a sufficient number of aircraft carriers. We have steadfastly refused to support appropriations for increased numbers of battleships, and believe that great savings can be made in the further limitation of such agencies. The program of public works to furnish jobs in buildings now approved, roads, rivers, harbors, flood control, has been enlarged to absorb the labor slack as much as possible and yet at the same time promote the public interest in furnishing competitive transportation for heavy farm products. Subtracting the fixed charges, and those for work projects and needed improvements, leaves a balance of \$1,700,000,000 from which the immediate reductions in the cost of Government must be made.

PRESIDENT AUTHORIZED TO REORGANIZE GOVERNMENTAL AGENCIES

In view of the fixed charges resulting from the war, to what extent can reductions in the expenses of Government be made? The average chamber of commerce would say, "Reduce your expenses at least to the amount of your revenues and balance your Budget." The average citizen would say, "If I were in control, I would direct a wholesale firing of useless Government clerks and a slaughter of boards, bureaus, and commissions, and reduce salaries, including those of Members of Congress, to the all-commodities basis." This expresses the views of a large majority of the Members of Congress; but when you come to tackle the job, the difficulties begin to multiply.

Undoubtedly a material saving could be effected by a thorough overhauling and reorganization of all of the departments of the Government, cutting out all duplication and unnecessary overlapping of functions. Congress can not overhaul and reorganize the departments of government; it can not select from the enormous personnel of Government employees those whose services could be dispensed with. When drastic cuts were suggested for a department, it immediately resisted the efforts. It was in favor of reorganization, yes, but only for the other departments and not for itself. So Congress wisely delegated this power to the executive branch of the Government, the President of the United States, who can call in his appointees and insist upon such reorganization as will cut out unnecessary duplication and weed out unnecessary employees.

REDUCTION OF FEDERAL SALARIES INCLUDES ALL

Drastic cuts in the cost of government must be made. The expenditure of every unnecessary dollar must be prohibited. All unnecessary boards, bureaus, and commissions must be abolished. It was with this program in view that at the very beginning of this session, on December 11, 1931, before a reduction of salaries was mentioned or even considered in the reduction of the cost of Government, I introduced a bill to reduce the salaries of all employees in the Government service, including the Navy, the Army, the judiciary, the members of the Cabinet, and all Members of Congress. This bill, I thought, was conservative. It pro-

vided for a graduated scale of reduction of salaries, beginning with a 10 per cent cut of a salary of \$1,200 and reaching the Members of Congress and the higher salaries with a 25 per cent reduction. This bill would have cut the expenses of the Government \$131,169,571.95.

The Democratic committee, however, in its wisdom laid the bill on the table with a view of a report to be made from the newly created Economy Committee providing for salary reductions. The report of such committee provided for a flat reduction of only 11 per cent on all salaries exceeding \$1,000 per annum, refusing to recognize the equity and justice of the principle that the higher the salary, the greater the reduction should be. This, however, was remedied to some extent by the conference committee of the House and Senate, which finally reported out the economy bill as amended with the cut and furlough provisions, estimated to reduce the annual cost of government \$100,000,000.

Under this plan employees, excepting those determined to be indispensable because of their specialized service, are to be furloughed for one month without pay, and even those who are held to be indispensable by reason of their specialized service must contribute from their salaries the equivalent of the month's furlough, without pay, the reduction being equivalent to 8 1/3 per cent of the salary, beginning with \$1,000, with a graduated upward scale as salaries increase. In speaking of the furlough plan the President said:

The furlough plan is the application of the stagger system, the 5-day week or equivalent symbol of indicating the shortening of the hours of labor for the purpose of giving some employment to the maximum number of people.

In speaking of the delegation of power to the Chief Executive to reorganize the departments, he said:

It is one of the most important avenues for economy in Government that has been proposed for an immediate reduction of expenditures.

PRACTICAL ECONOMY IN GOVERNMENT

The reduction in departmental appropriation bills as they passed the House was \$571,106,955.95 less than the total sum carried in such bills for the preceding fiscal year, or a reduction of 15.23 per cent. This amount of reduction in appropriations, coupled with the reductions made by the Economy Committee and to be made by the Executive in a reorganization of the several departments, should total a substantial reduction in the cost of Government, when we take into consideration the twofold program of improvements for their need and to furnish employment to labor.

THERE CAN BE NO PROSPERITY UNLESS THE FARMER IS INCLUDED

I can not conclude this address without again reminding the Members of this House, and especially those of the majority in control, that until the purchasing power of farm products is restored to its normal economic level of, say, 1926 or 1928, they can not purchase the products of labor, and you will be unable to furnish jobs to the unemployed. Thus far the main objective of this session has been to liberalize the laws to facilitate the extension of credit in all directions. The Federal reserve act has been amended. In the administration of the act, the Federal Reserve Board, with its policies of deflation and restriction of credit, has exercised a power for the destruction of values and reasonable prices for the producers far beyond that which should ever be entrusted to any human agency without a penalty of life imprisonment or death for the wilful violation of such a sacred trust.

As yet the many laws enacted liberalizing the credit currency of the country are not perceptible in the improvement of conditions. It is true that they have protected the depositors in many banks throughout the country that would have closed, and liberated the deposits in many closed banks reopened. It is now generally conceded that if the trade activities below do not demand and use the credit facilities afforded, the results will be disappointing. You can not compel the use of credit and the investment of money by legislation. Unless we supplement the remedial legislation enacted with basic legislation to restore the purchasing power of farm products, the depression may continue indefinitely.

THE PURCHASING POWER OF FARM PRODUCTS MUST BE RESTORED TO
ESTABLISH MARKET

I am just in receipt of the following letter from the Chief of the Bureau of Agricultural Economics:

DEAR MR. GARBER: In response to your request of June 16, we are pleased to supply the following price-index numbers.

Our index of prices received by farmers averaged 136 per cent of pre-war in 1926, 139 per cent in 1928, and 56 per cent in May, 1932. Our index of prices paid by farmers for the same dates averaged, respectively, 156, 156, and 112. These two indexes indicate that the purchasing power of an average unit of farm products had an exchange value in 1926 of 87 per cent of its exchange value in the five years 1910-1914, 90 per cent in 1928, and 50 per cent in May, 1932.

Sincerely yours,

NILS A. OLSEN, *Chief of Bureau.*

This letter shows what is the matter with the country and why the legislation enacted has not relieved us from this depression. Measured in terms of the Bureau of Labor Statistics index, the value of farm products has fallen 52.9 per cent since July, 1929, but the value of farm implements has fallen only 13.4 per cent. With their purchasing power gone, the market is gone for over 40 per cent of the products of labor. Restore their purchasing power and you will restore the market, with jobs to labor. The people on the farms must not only be placed in a position to produce at a profit to furnish a market for the products of labor but to enable them to pay off their indebtedness with a purchasing power equal to that of the indebtedness when incurred. In fact, the debtor class of the country and the home owner in the city must be rescued from the inequitable increased exactions of the gold dollar. The farmer who mortgaged his farm prior to 1929 for \$5,000 when measured in wheat received 5,000 bushels, but when measured in wheat to-day, at the market price of 30 cents, it represents more than 15,000 bushels; and the same is true when measured in the terms of bales of cotton or other farms products. With prices ranging from 50 to 100 per cent above the prices to-day, thousands of farms were mortgaged, thousands of little home-building loans incurred in the cities, office buildings and apartment houses were erected, vast public utility enterprises were created, and indebtedness incurred which can never be paid with the 50-cent dollar; and unless the purchasing power is restored and the dollar brought back home to the people upon its normal economic level to be used in the channels of trade and commerce as formerly such debts never will be paid.

Several months ago the major farm organizations, through their accredited representatives, appeared before the committees of Congress with many witnesses. They agreed upon a major measure for agriculture, even to the extent of formulating and agreeing upon the terms of the proposed act. They insisted that such legislation was necessary to restore the purchasing power of farm products. And now we are approaching the closing day of the session, and as yet the legislative program of the farmers has never been presented. As yet we have never been afforded an opportunity to even consider it, much less vote for it. Surely the majority in control will not adjourn until the legislation proposed by the farmers can be considered.

If you are not in favor of such legislation, you should frankly say so. But how can you expect the farmers to continue to produce at a cost of 50 per cent below the price they receive? How can you expect them to pay their debts with a 50-cent dollar? If your leaders will not approve the bill proposed by the farmer organizations, then give us something. Or take my suggestions: With the same amount of credit we extended to the banks to protect the depositors and to the railroads to protect the employees with jobs, we could refinance the farm mortgages as they come due over a long period of years at a low rate of interest and save the farm home from foreclosure proceedings.

In addition to that, we could invoke for a period of, say, two years, the emergency powers of the Government as we did during the war, and guarantee a minimum price for the basic farm products used for domestic consumption, and establish a selling price for domestic consumption sufficient to take care of the price to the producer. The minimum

price for the now 30-cent wheat should be at least \$1 per bushel, and the same is true with reference to the now 5-cent cotton, which should be at least 12 or 15 cents per pound.

With such prices for farm products, the market of 40,000,000 people on the farms would be restored, and your mills and factories would reopen and furnish jobs to the unemployed. It would start up the trade activities throughout the country, in all directions. Instead of continuing to depend upon relief extended to the top, to trickle down to the producers, let us extend our relief direct to them, so they will get the full benefits, instead of the few crumbs which may fall under the table.

GIVE AGRICULTURE A CHANCE

MR. MCGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address over the radio by my colleague [Mr. LAMBERTSON].

There was no objection.

MR. MCGUGIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of my colleague Mr. LAMBERTSON, delivered under the auspices of the National Grange program on the farm-and-home hour over the National Broadcasting hook-up June 18, 1932:

Ladies and gentlemen of the radio audience, it is a pleasure to greet you from the Nation's Capitol in the closing days of this long session of Congress. I appreciate the courtesy of the National Broadcasting Co. and the National Grange in giving me an opportunity to address the great nation-wide audience which I know is listening in at this hour.

As a farmer and a citizen, I consider it a high honor to be a member of the Grange, which is the oldest general farm organization in America. Those of us who are affiliated with Indian Creek Grange, located in Shawnee County, Kans., still remember with pleasure that happy evening last summer when our splendid national master, Louis J. Taber, Vice President CURTIS, and Senator ARTHUR CAPPER were all in attendance.

I believe in the principles and policies of the Grange, which stands for the greatest good for the greatest number, and which is animated by the spirit of live and let live. I also believe in Fred Brenckman, the Washington representative of the National Grange, whom I consider one of the most competent and trustworthy men that any farm organization ever had in Washington.

While there is a considerable number among the Members of Congress who own farm property, comparatively few of the 533 who make up the membership of both Houses of our National Legislature actually till the soil. Farming has been my only occupation.

Four years ago, when the people of my district chose me to represent them in Washington, I cherished the hope that I might have a hand in the promotion of policies which would bring equality to agriculture. My connections with farm and cooperative organizations and my experience as a member of the committee of 22 associated with the Corn Belt committee, which backed the McNary-Haugen bill, helped to give me some conception of the difficulties to be encountered in securing fair play for the farmer, particularly in the national arena.

President Hoover manifested a real interest in correcting the inequalities confronting agriculture when he called a special session of Congress, which convened a few weeks after his inauguration. The President's purpose in calling this special session was to secure the enactment of legislation establishing better marketing facilities for the farmer and to revise the tariff so as to put agriculture on a parity with industry under our protective system.

The agricultural marketing act was not exactly what the farmers wanted, but it was the best they could get. It was recognized from the beginning by farm leaders that this legislation did not make adequate provision for handling the agricultural surplus. We have been trying ever since to amend the marketing act in such manner as to include the equalization fee, the debenture plan, or some form of the allotment plan, but thus far without success. We still hope to be able to accomplish something in this connection before the close of this session of Congress.

If the agricultural marketing act was not exactly in accordance with the specifications that the farmers had in mind, the same is equally true of the Hawley-Smoot Tariff Act. While the work of tariff revision was undertaken primarily to meet the needs of agriculture, other industries were not slow to take advantage of the opportunity thereby presented. Notwithstanding the copper-riveted protection which most of these industries already had, as one of my colleagues expressed it, their spokesmen came before the Ways and Means Committee on wheel chairs and crutches, asserting that they were meeting insurmountable competition from abroad, and asking for higher rates, which were granted. In this manner the benefits accruing to agriculture were nullified. As is well known, the reaction in other nations was anything but favorable, and we have paid the penalty in the diminished volume of our exports.

William McKinley has been one of my ideals, and sentiments expressed by him in the memorable address which he delivered

at the Pan American Exposition at Buffalo on the day preceding his assassination I accept as my tariff views exactly. He said:

"By sensible trade arrangements which will not interrupt our home production, we shall extend the outlets for our increasing surplus.

"We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us nor for those with whom we deal.

"We should take from our customers such of their products as we can use without harm to our industries and labor. A policy of good will and friendly trade relations will prevent reprisals. If, perchance, some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?"

Agriculture had not yet recovered from the effects of the deflation which began in 1920 when the present depression set in, following the stock-market crash of 1929.

Since then we have gone on down faster than the rest. According to the price index of the Department of Agriculture, the average price of farm commodities is now 56 per cent of the pre-war level. The price of things the farmer must buy is at 112 per cent of the pre-war level. The purchasing power of the farm dollar stands at 50 per cent of the pre-war level, and not taking into consideration taxes.

As a farmer I saw good in the Reconstruction Finance Corporation, but I could not overlook the fact that the legislation which brought this giant corporation into being largely left out those who had needed help the longest and had suffered the most.

Other legislation which has been enacted at the present session primarily for the benefit of our financial institutions seems only to have given our large banks a greater incentive to hoard. Is it not about time for the heads of these institutions to give some thought to meeting the legitimate needs of industry and business, the purpose for which they were created? Such a step would go far toward dispelling the depression.

As Federal revenues began to fall off, it was easy to foresee as early as last summer that one of the biggest battles in the present session of Congress would be fought to determine who should be taxed to make up the deficit, the rich or the poor. In due time, the forces of organized greed launched a campaign of propaganda in favor of a general sales tax, a measure to which we did not resort even during war times. It was worthy of note that among the principal backers of this tax proposal were those who had advocated a sales tax prior to 1929, when there was plenty of money in the Treasury, and who wanted it to take the place of the income and inheritance taxes.

A general sales tax, falling heavily upon the necessities of the people, would be the most unfair of all taxes, particularly under prevailing conditions. While there are many taxes in the new revenue act which will prove irksome and burdensome, I am glad that we escaped a general sales tax, to which I was strongly opposed.

A great American whose body rests in Arlington, just across the river from Washington, once said that there were just two schools of political thought in this country. The one school, he said, believes that this Government hangs from the top, while the other believes that it is built up from the bottom.

I have heard the exponents of these two conflicting philosophies argue the subject in the cloakrooms of Congress when they were at ease and could freely speak their minds. Those who believe that everything begins at the top, and that everything important and worth while trickles from there to the bottom, hold that, after all, there is nothing we can do for those engaged in agriculture nor for those who toil in industry; that we must simply let needed economic readjustments work themselves out; that we can not lift ourselves by our boot straps; and that it is pure demagoguery to state anything else.

Let me say with all the emphasis at my command that I do not believe in this doctrine. If it is possible for Congress to enact legislation for the benefit of business, commerce, and finance, it stands to reason that legislation can also be passed that will help the farmer, the workingman, and the average citizen.

Having levied the taxes to balance the Budget, and having passed the legislation deemed necessary for the welfare of big business, the metropolitan press and the spokesmen for big business now say to Congress, "Adjourn, go home, and give business a chance!"

There is never a time when anything constructive for the benefit of agriculture comes from these spokesmen of special privilege. That is one of the reasons why we are in such a predicament to-day. If we had been willing to pass prosperity around and give the farmer a fair chance along with the representatives of other groups, the whole country would now be infinitely better off. If the purchasing power of the 30,000,000 people on our farms could be restored, the revival of industry would follow as a matter of course.

I assert boldly that it is not sufficient that Congress should enact legislation to save the railroads, the banks, the insurance companies, and similar institutions. It is the solemn duty of Congress before adjournment to do all that lies in the power of the Government for agriculture. We need legislation for monetary stabilization in harmony with the plan contained in the Goldsborough bill, which passed the House but struck a snag in the Senate Banking and Currency Committee; we need more liberal credit facilities, backed by the Federal Government, to save many thousands of farmers from losing their homes through mortgage foreclosure; and we need a policy of protection that will give us an American price for our products consumed in

America, as advocated by the grange and the other farm organizations of the country.

May God give Congress the vision to conceive and the courage to formulate and make effective now, and yet, measures that will keep alive the spirit of hope in the breasts of those who dwell in our farm homes.

OUR ANCIENT AND UNSCIENTIFIC MONETARY SYSTEM MUST BE REFORMED OR ELSE REVOLUTION WITH ALL OF ITS HORRORS IS INEVITABLE

Mr. CROSS. Mr. Speaker, the monetary system of a nation is its financial heart and when that system is materially defective the nation will at irregular intervals suffer great economic distress, and unless corrected will inevitably sooner or later, result in national dissolution.

Mr. Speaker, this Congress is the only physician that can correct the disorders of the financial heart of this Nation and restore it to prosperity, and yet, with the exception of having applied a few makeshift experimental remedies, we are preparing to adjourn, leaving our patient to writhe in his agonies and perchance to die.

Mr. Speaker, through the years every industry as well as every science has made wonderful progress, except that of our monetary system, and I suspect the reason for its not having progressed is that legislative bodies, imbued with the idea that it was a mysterious science incapable of being understood save by the major banking fraternities, have let these high priests of finance dictate laws giving them power to control and manipulate, inflate, and deflate, and these things they have not always done with an eye singular to the welfare of the country.

Mr. Speaker, not so many years ago the doctors in their ignorance bled people when they were in dire need of more blood and not less blood to regain their health, and for any physician to question this vicious practice so long established meant professional ridicule and ostracism. Finally, however, there were those who did have the temerity to question it and condemn it and ultimately convince the profession it did not help but hurt their patients. But since our superfinancial medicine men consist of our so-called international banking groups, who often profit by bleeding their patient, the public, I am afraid if they are to correct the evil, will continue to be bled.

Does anyone doubt that our unsound, vicious monetary system is the cause of our present economic tragedy? Mr. Speaker, in theory, barter furnishes an ideal system of traffic, and if such a system was practicable, with all our farms and ranches amply stocked with all the animals that go to fill the smokehouse, with all our barns filled with all the grains that go to feed, and all our warehouses stored to capacity with all the materials that go to clothe mankind, with all of our obligations contracted and payable in commodities, and therefore easily discharged, would we not be enjoying an era of wonderful prosperity rather than being as we are, "crucified on a cross of gold"? [Applause.]

Mr. Speaker, the things that possess real or intrinsic values are those things that feed and clothe and shelter and add to the comforts and welfare of mankind. And while their value may vary from time to time in relation to each other as the result of supply and demand, yet in the aggregate they are as valuable to-day as they were five or a hundred years ago, and will be as valuable five or a hundred years hence. The common commodity used as a medium of exchange, and which we call money, whether it be the shells used by the tribes of Africa, the silver tael of the Chinese, or the gold dollar of America, has but little intrinsic value, but as the medium of exchange it becomes the token of the values of property, and if properly adjusted, controlled, and regulated, would, like a mirror that reflects the true image of an object, reflect the true values of commodities as well as that of all other property; neither magnifying nor minimizing those values. Or, if I may personify an honest or stabilized dollar, it is one that holds in its hands a pair of scales, a measuring cup, and a yardstick that give correct weights and measures; while those carried by the dishonest or unstabilized dollar give false weights and measures, registering pounds as ounces, quarts as pints, and yards as feet, or vice versa. Such is the record of the American un-

stabilized dollar, and its photograph ought to be hanging in every rogues gallery in the country.

Mr. Speaker, it is estimated that the sum total of the public and private debts of this country exceed \$203,000,000,000. This stupendous amount of money is nearly twenty times greater, according to the recent report of our mint, than the entire stock of gold in all the world. With the exception of an insignificant minor fraction, this vast sum represents an equation, in purchasing power of the dollar at the time it was borrowed and of the purchasing power of the dollar at present of one to four. That means, translated into commodity values, that the borrower is to pay back four times as much as he borrowed, since it will take four times as much wheat, corn, cotton, wool, livestock, farm or ranch land, or other real estate to purchase as many dollars to-day as when the loan was made. It means that the taxpayers, in order to discharge the bonded indebtedness of the Nation, the States, the counties, and municipalities must pay back four times in property values what they borrowed, and that the wealth of those who hold the bonds have been trebled. In other words, through the trickery of the unstabilized dollar, the debtor classes of this country are being hijacked out of two to three additional dollars for every dollar they received.

Mr. Speaker, is it not inevitable that such injustice must lead as surely to revolution as that "the night follows the day," and no amount of patriotic appeals to men whose wives and children are hungry can prevent it.

Mr. Speaker, every country in the world has gone off the gold standard, either officially or unofficially, except the United States. Every country in the world is permitting its citizens to pay off their debts in a currency having practically the same purchasing power as the money they borrowed. That is, they have stabilized the purchasing value of their money on a parity with property values. For instance, France, in 1928, stabilized her franc practically at par with commodity and other property values, and when the American dollar is at par with property values, \$1 is equal to about 5 francs, but with the present abnormal purchasing power of our skyrocketing dollar, it takes 25 francs to equal in purchasing power \$1. The same may be said of the Italian lira, as well as the money of other countries.

Mr. Speaker, Canada, Mexico, and this country produce only 24 per cent of the gold of the world while these same countries produce about 75 per cent of the world's silver. The world's gold supply has for years been on the decline. The world's yearly average production of gold from 1908 to 1917, inclusive, was 21,908,270 fine ounces, while the world's yearly average production from 1918 to 1930, inclusive, was only 18,296,742 fine ounces or an average yearly decline of the last period of 3,611,528 fine ounces. In 1915, according to the report of our mint, this country produced 4,887,604 fine ounces of gold, while in 1930, being the last year reported, only 2,285,603 fine ounces, or a decline of more than 53 per cent in 15 years. Gold-producing areas in Africa controlled by European countries furnish more than 58 per cent of the world's supply. A fraction more than 22 per cent of the world's annual production is consumed industrially. The United States mint reports the total gold coin and bullion in the treasuries and banks of the world, authenticated and unauthenticated, at \$10,975,311,000.

Mr. Speaker, this country's future foreign trade does not lie across the Atlantic but across the Pacific. The major part of Asia including China is now on a silver standard, and if this country would but take the step, every country in the Americas would gladly follow her. It would mean tremendous trade advantages for us approaching a monopoly. Mr. Speaker, if we are to bring about a more equitable distribution of the wealth of this country and save it from revolution, we must get off the gold standard and stabilize the purchasing power of our dollar at par with the average commodity value index line over a period of normally prosperous years such as from 1925 to 1928, inclusive, and this can be accomplished by the Treasury issuing stabilization

certificates backed up by bullion or coin, dollar for dollar, these certificates to be put in circulation by the Federal reserve banks through means of its member banks.

This stabilization currency to be supplied, without interest, to the Federal reserve banks and to be furnished by them to their member banks at a nominal rate of interest, but the Treasury reserving the right to withdraw a certain per cent at stated periods. Thus in this way its ebb and flow can be so regulated as to keep the purchasing power of the dollar constantly stabilized at par with the average commodity value index line.

Mr. Speaker, with the exception of having patted big business on the back, I regret that this Congress is to adjourn without doing ought to help our stricken country out of its tragical plight, and God grant that we may have the privilege of again meeting before the lightning strikes and the storm destroys the temple. But, of course, Mr. Speaker, I fully realize that it would have been utterly futile to have attempted to bring about any such reform during this session of Congress when those occupying key positions with the Government and in high authority have been reared as worshipers at the shrine of "the golden calf" and whose judgments I fear have been shaped, though maybe unwittingly, by itching palms.

"But och! mankind are unco' weak
And little to be trusted;
If self the wavering balance shake,
It's rarely right adjusted."

[Applause.]

COL. WILLIAM CRAWFORD

Mr. MOUSER. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MOUSER. Mr. Speaker, I ask for this short time to direct the attention of the House to a resolution which I am introducing, and which I hope will be adopted. It is short, and I am going to read it to you:

House Resolution 275

Resolved, Whereas Col. William Crawford, an American soldier, native of Virginia, and assistant surveyor to Gen. George Washington, lost his life in the service of his country; and

Whereas he accompanied Braddock's luckless expedition against Fort Duquesne in 1775 and in 1776 was appointed colonel of the Fifth Virginia Regiment; and

Whereas in 1782, at the request of Col. George Washington, he assumed command of an expedition against the Delaware and Wyandot Indians near the Sandusky River in Ohio, and on June 4 of that year he encountered a combined force of about 300 Indians and British soldiers who had been dispatched from Detroit; and

Whereas he was captured by a band of Delaware Indians and burned at the stake approximately 3 miles from Carey, Wyandot County, Ohio; and

Whereas there has been erected to his memory a monument on rural route No. 1, approximately 3 miles east of Carey, Ohio; and

Whereas his valiant memory has never received recognition from a grateful country for this valiant and heroic service to his country: Now therefore be it

Resolved by the House of Representatives, That the Postmaster General be, and he hereby is, authorized to cause to be printed a series of stamps, the design and number of which is to be decided by the Postmaster General, to be known as memorial stamps in recognition of the great service and martyrdom of Colonel Crawford.

I may say that the people in Ohio and likewise, I am sure, the people of Virginia, and all those who reverence the name of George Washington, would like to see some belated recognition of the wonderful life, statesmanship, and character of this illustrious citizen of Virginia.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FREAR, for one week, on account of business.

To Mr. GIBSON, for the balance of the week on account of important business.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 111. An act for the relief of Rosa E. Plummer;

S. 157. An act for the relief of Sarah Ann Coe;
 S. 217. An act authorizing adjustment of the claim of J. G. Shelton;
 S. 224. An act authorizing adjustment of the claim of Lewis Semler;
 S. 229. An act for the relief of Don C. Fees;
 S. 248. An act authorizing adjustment of the claim of the David Gordon Building & Construction Co.;
 S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.;
 S. 258. An act authorizing adjustment of the claim of H. E. Hurley;
 S. 478. An act for the relief of Cicero A. Hilliard;
 S. 860. An act for the relief of William Girard Joseph Bennett;
 S. 943. An act for the relief of John Herink;
 S. 1028. An act for the relief of W. Stanley Gorsuch;
 S. 1216. An act for the relief of the owner of the barge *Mary M.*
 S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.;
 S. 1436. An act for the relief of the Copper Ridge Mining Co.;
 S. 2159. An act for the relief of the Columbia Casualty Co.;
 S. 2364. An act to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555);
 S. 2909. An act for the relief of Ross E. Adams;
 S. 3119. An act for the relief of J. D. Stewart;
 S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; and
 S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

EXTENSION OF REMARKS

OFFICIAL SPENDTHRIFTS

Mr. DISNEY. Mr. Speaker, as this session of the Seventy-second Congress is about to draw to a close, I desire to make certain observations upon the work of this session and to comment on the problems that have confronted us.

When the history of the American Congress is written this Seventy-second Congress, coming into existence, as it did, with a deficit of more than \$2,000,000,000 facing it, and with the problem of a foreign-debt moratorium confronting it, the moment the Speaker was sworn in, will be classed as the most hectic since the Civil War, with its attendant problems.

Ever since the World War—for a dozen years—this Government has been in the hands of three administrations noted for corruption, extravagance, and inefficiency. The greatest orgy of official extravagance that the world has ever known has taken place in the United States Government in the last 10 years; part of the time with Calvin Coolidge, so-called economist, at the helm. Since 1924, governmental expenses have increased on an average a billion dollars a year. During that period of time the people were interested in making money, and they and their spokesmen, the newspapers, were sound asleep as to what a vast scale governmental expenses were growing and to what an alarming extent the Government was getting into competition with private business. Every once in a while some one would visualize the matter and make some suggestion about economy, but the word was somewhat taken out of the Nation's dictionary, only to be rediscovered by this Congress, when Democratic Congressmen started offering resolutions looking toward economy, shocked as they were by the awful spectacle of a deficit of from two to four billions of dollars.

VOTED TO CUT HIS OWN SALARY

In this session of Congress I voted to cut my own salary, first on the so-called McReynolds amendment, which would have reduced the salaries of Congressmen to \$7,500 a year. When this failed I followed by voting for the salary cut in

the economy bill, which, as it passed the House, cut my salary 11 per cent. After the Senate worked on the economy bill, and powerful influences set in motion the so-called furlough plan and as the bill was changed, I voted for a cut of 10 per cent in my salary. This became the law. I was not so much interested in the loss of 10 per cent of my salary as I was to show the people of my district and the Nation, that my heart was with them in this awful calamity and depression, when industry, labor, agriculture, and all other activities have each taken a deep cut.

NO RELATIVES ON THE PUBLIC PAY ROLL

Mr. Speaker, I have never had any relatives on the public pay roll. I served two terms in Muskogee County as county attorney, and three terms in the Oklahoma Legislature, and this term in Congress. Not once during that entire time has a relative of mine, either by blood or marriage in any degree, ever drawn a penny from the Public Treasury. The practice of nepotism is abhorrent, because it is looked upon by the people as a species of bribery, whereby the official takes unto himself an undue advantage on account of his official position, to the benefit of himself and his kinsmen and to the detriment of the people who placed him in office.

CUT APPROPRIATIONS \$627,422,101.42

Mr. Speaker, I have always been the foe of useless expenditures. Any useless expenditure is a moral wrong. The tax bill of this Nation is unreasonably and outrageously high because of unscientific and log-rolling methods in making appropriations. During this session of Congress I voted for a decrease of \$627,422,101.42 in appropriations for 1933, as compared with the appropriations for 1931 passed by the preceding Congress. This indicates how the taxpayers can be saved if there is the will on the part of the Congress and the Executive to save it. The bills for which I voted in the House of Representatives during this session were \$161,000,-000 less than the Budget estimate submitted by the President at the convening of Congress last December. This proves that the way to cut appropriations is simply to cut them, regardless of what or where it hurts.

To be more specific, I voted to cut the following amounts from the following bills:

House Office Building repairs, proposed appropriation \$780,000, voted to cut to \$60,000, a saving of War Department, voted to cut under 1931 appropriation, or an amount of \$24,000,000 under estimate of President	\$720,000.00
First deficiency bill	56,000,000.00
Department of Agriculture	15,171,120.00
State, Justice, Commerce, and Labor	10,834,591.00
Treasury and Post Office	5,568,144.56
Independent offices	22,797,742.00
Legislative	55,463,610.00
District of Columbia	2,293,973.00
Navy Department	4,173,109.00
Interior Department	15,323,991.00
Abolishing Army and Navy transport service, approximately	6,258,930.00
To consolidate Army and Navy, approximately	2,000,000.00
	100,000,000.00

These are vast sums, which the taxpayer should carefully study and inquire about.

INTRODUCED BILL TO REPEAL DESTRUCTION OF VALUABLE BUILDINGS

During the Seventy-first, the preceding, Congress, a law was passed by Congress and signed by the President providing for the demolition of four valuable buildings in the District of Columbia, namely, the State, War, and Navy Building, the Southern Railway Building, the Post Office Building, and the Municipal Building. These buildings cost millions to build. Their destruction would simply be wantonness, only benefiting the building-contracting clique. Consequently I introduced a bill to repeal that statute. I am fortified in the judgment that these buildings should not be demolished by the fact that, in the District of Columbia, right at this time, in spite of the vast acreage of public buildings, the Government is paying rent on privately owned buildings. It appears to me to be little less than criminality to even contemplate the demolition or change in the State, War, and Navy Building particularly, as it is a landmark in the history of this Republic.

MORATORIUM ON FOREIGN DEBTS

At the beginning of the session we were confronted with the President's moratorium granted last July on foreign war debts to this country. I voted against this as ill-advised and as a step in the wrong direction, for I was certain that it would lead to ultimate cancellation of the debts, and the current news of to-day proves that judgment to be correct. International bankers who have milked the American public for billions of dollars appear to have been back of the move, and that suspicion has not been removed. Approximately \$12,000,000,000 are yet due on the foreign war debts; but if we pursue a vacillating policy, we will never collect the balance. Imagine Andrew Jackson or Grover Cleveland yielding to the importunities and false propaganda of the international bankers!

Since the World War and up to 1925, the United States had canceled, remitted, or lost the enormous sum of \$10,705,618,006.90 in war debts, counting interest at 4½ per cent, and now it is proposed that we lose approximately the same amount by the present policy being pursued.

This Government settled those debts with Italy at 24 cents on the dollar and with France at 46 cents on the dollar, and yet by the news of last week, France proposed to repudiate the balance of the European debts to the United States. This at the expense of the already overburdened American taxpayer!

VOTED AGAINST \$2,000,000,000 FINANCE CORPORATION

When the Reconstruction Finance Corporation was before the House I voted against it and gave my reasons, chiefly that this did not provide for assistance to the rank and file, but only took care of the immense corporations, banks, railroads, life insurance companies, and others, to the exclusion of the average of the people. Almost before the bill was signed tremendous loans were made to the railroads so that they might pay off notes to Morgan & Co. Yes; there was relief in that bill, assistance to the creditor class, but not to the people.

EXCISE TAX ON IMPORTED CRUDE OIL

The Oklahoma delegation appointed me House leader in the fight for a tariff on crude oil. The public knows how successful that fight was. The flood of cheap foreign crude oil produced by foreign labor in competition with labor in America had all but destroyed the independent oil producer. I made this subject my night and day religion, and when the bill left the House it carried an excise tax of 42 cents a barrel on crude oil. This ought in the nature of things to be of assistance to the oil industry, notwithstanding the fact that the Senate cut down the tax to 21 cents a barrel, but the tax on imported gasoline was raised.

THE GENERAL SALES TAX

A general sales tax would have raised about \$650,000,000 by taxing every article that the people of my district have to buy, from the cradle to the grave. Whatever the citizen should turn his hand to would bear this sales tax. I opposed this as a matter of principle, for once placed upon the backs of the people the sales tax is never removable, when we take into consideration its history in other nations. As extravagance in Government grows, so the sales tax is enlarged until it becomes unbearable. The chief proponents of the sales tax advocated it as a substitute for the income tax, which to my mind is the fairest tax ever devised. They hope to finally completely supplant the income tax with the sales tax, and their vow is to drive out of Congress every man opposed to a general sales tax. The revenue bill carries some nuisance taxes, such as enlarged postal rates, stamps on checks, and electric power. I opposed these also, but they are preferable to the general sales tax, for these nuisance taxes only last until 1934, then automatically expire. If they did not expire automatically by law, the interests affected would fight them to a repeal, but the general sales tax would always go on undisturbed, because it is in the nature of an invisible taxation.

REVENUE BILL HAD TO BE PASSED

The people are entitled to complain about the revenue bill. It is preposterous that it was necessary to pass it. It is the

result of a long debauch in governmental expenses and extravagance. When this session of Congress came into being we were confronted with a deficit of more than \$2,000,000,000 and which has grown to nearly \$4,000,000,000. Not a dime of this \$2,000,000,000 was appropriated by a Democratic Congress, but it had to be passed in order to balance the Budget and to save the Government from bankruptcy, as the result of governmental corruption, extravagance, and inefficiency, which have in turn characterized the last three Republican administrations.

VOTED TO CONSOLIDATE ARMY AND NAVY

When the question of the combination of the Army and Navy was before the House, I voted for it. Chairman BYRNS, of the Appropriations Committee, stated, and it was undenied, that this item alone would save \$100,000,000 per year. This bill was defeated by lobbyists from the Army and Navy Departments, by Cabinet influence, and by the President's own private secretary, an ex-Congressman, lobbying against the bill on the very floor of the House! Whence comes the talk for economy!

INCREASED GIFT TAXES, INHERITANCE TAXES, AND ESTATE TAXES

The country has long demanded that gift taxes, inheritance and estate taxes be increased, in order to take power from the tremendous estates that have grown up. For an illustration, an immensely wealthy man could dispose of his estate by gift and avoid any inheritance tax, and his heirs would take the property upon his death free of any tax except an inheritance tax. This Congress raised inheritance taxes, gift taxes, and estate taxes so as to prevent such subterfuges. My vote aided.

FOR SOLDIERS' BONUS

The veterans of the World War were settled with in 1924 with adjusted-service certificates. England gave her veterans a bonus of \$1,427, Belgium \$492, Canada about \$750, France \$249, while the United States, the richest Government under the sun, gave her boys a bonus of \$60. Since the debt was adjusted in 1924 and the soldiers are now in need, they demand the payment of their certificates now in full instead of waiting until 1945. There was no issue as to the existence of the debts or its justice. The only question was whether it should be paid now. I supported this measure and signed the petition to bring it to the floor of the House. It would not have added one penny to the public debt, for the debt already exists. It would not have required a dollar of appropriation, for under the plan proposed by ex-Senator Robert L. Owen and incorporated in the Patman bill, new money would have been issued by the Federal reserve system, based upon bonds into which the certificates would have been converted. This two and one-quarter billion dollars going into every nook and corner of the Nation would have created a currency expansion and circulation that economists have all been clamoring for. It would have paid bills at the store, notes at the bank, and fed hungry mouths and clothed worthy people.

No greater financial mistake was ever made by the Government of the United States than the defeat of this measure by the Senate. The President had declared he would veto it, the Senate saved him the trouble. Big business declared against it, so that the administration and the Treasury Department, representing big business in official life, obeyed their master's voice. There was the cry of "The Nation's credit will be ruined" and "it means flat money" and "it will drain the Treasury"—each one was false. But we did not hear those cries when Congress was appropriating two billions for the Reconstruction Finance Corporation for the banks, railroads, and internationalists.

VOTED FOR TAX ON STOCK-MARKET OPERATIONS

The curse of this country has been the stock market and the way it has been handled and managed. It created a mania for stock-market gambling that existed until 1929; and, when the bubble burst, those who had made the money slunk into darkness and, with their money, went into seclusion and hoarding. The Democratic House of Representatives passed a bill taxing all sales on the stock market one-fourth of 1 per cent and sent it to the Senate. Again big

business was horrified, and again it cried out that the credit of the country was about to be ruined and that the Nation was on the brink of despair, and again the administration and the Treasury soft pedaled and again the Senate yielded to its master's voice, and the stock market escaped unscathed. This would have produced from one to three hundred million dollars per year and would have been of vast assistance in balancing the Budget. But we heard little about balancing the Budget when this bill was suspended mid-air in the Senate.

VOTED FOR LAME-DUCK AMENDMENT

I supported the so-called lame-duck amendment, as a progressive step in governmental affairs. A newly elected Congressman should not have to wait 13 months before the issues upon which he was elected should be expressed. Every genuinely progressive issue during this session has received my support.

PHILIPPINE INDEPENDENCE

There never has been any sound economic, financial, or racial reason for our retention of the Philippines. None was developed at the hearings before the committee on the subject, so in the House I voted for freeing the Philippines and their 13,000,000 in population at the end of eight years.

ANTI-INJUNCTION BILL

To prevent abuses in labor disputes, the Norris-LaGuardia anti-injunction bill was presented to the House, and I voted for this on the ground that labor should not have to bear the brunt of indiscriminate injunctions. This legislation remedies the injustice that has heretofore existed.

OLD-AGE PENSIONS

I introduced a bill providing for old-age pensions. This subject is more and more becoming a matter of public importance; and thoughtful persons are looking forward to the time when a system shall be devised looking to the assistance of the elderly, deserving, and indigent of our Nation.

CURRENCY EXPANSION

Everyone has agreed that what this country needs is a sound expansion of the currency; the only disagreement is on the question of methods and means. I voted for the Goldsborough currency expansion bill, the object of which is to restore the 1926 price level, but the Federal Reserve Board and the Treasury Department would have none of it, because big business was against it. Consequently it stopped in the Senate and there it will stay. It will never be brought out of that body until there is a new order of things, until big business is released of its hold on the executive department and the Treasury as well as upon the Senate.

BANK GUARANTY LAW

Every public officer, under a penalty of prison sentence and removal from office, is required to insure the deposits of public money before he may place them in a bank, by means of a surety bond furnished and paid for by the depository bank. There can be no sound reason why the money of the ordinary depositor should not be protected by a similar system. This plan has been tried by several States but never by the Federal Government, so when the bill came before the House it was passed by an overwhelming majority. I voted in the affirmative. The bill went to the Senate, where it will either be killed or will stay until the old order passeth and a new order of things takes place, if that time ever comes.

INDIAN LEGISLATION

I voted and worked earnestly on legislation pertaining to the Pawnee, Cherokee, and Osage Indian Tribes and was successful in procuring the passage of the Osage civilization tribal fund bill, which means much to the Osage Nation. I was instrumental in assisting Congressman HASTINGS in his advocacy of the Cherokee jurisdictional bill for Cherokee claimants and have a similar bill pending for the Pawnees. I procured the passage for the Pawnees of a bill permitting the reinvestment of funds from restricted lands condemned by municipalities in lands that would again bear the restricted feature.

ADDRESS OF THE MINORITY LEADER AS PERMANENT CHAIRMAN OF THE REPUBLICAN NATIONAL CONVENTION

Mr. SNELL. Mr. Speaker, under unanimous-consent request to extend my remarks in the RECORD, I beg to print the speech I delivered on June 15, 1932, as permanent chairman of the Republican National Convention.

The speech is as follows:

Fellow Republicans, you have done me the honor of asking me to preside over the convention that is about to name the next President of the United States.

I thank you for the trust thus imposed and shall try to merit it by dealing fairly with all.

You have heard the note of exultant Republicanism as sounded by the distinguished chairman, Senator DICKINSON. I have heard your enthusiastic response. I congratulate Senator DICKINSON upon his eloquent and accurate presentation of our cause.

I congratulate our great party upon the selection of a body of delegates whose solidarity and militant enthusiasm insure the nomination of candidates and the formulation of a platform that will command the support of the Nation.

The Republican Party is accustomed to victory. From Abraham Lincoln, our first Republican President, who was nominated in 1860 not far from the stadium in which we are assembled, the Republican Party has elected 11 of the 13 Presidents down to and including President Hoover.

Victory has come to the Republican Party because victory has been earned.

Our doctrines and policies have been hammered out on the anvil of experience.

We have never shirked responsibility.

We have never become a disorganized mob under the pressure of great emergencies.

We have never offered quack remedies for national disorders.

By long trial in the actual responsibility of conducting the Government, the Republican Party has become capable of governing. From Lincoln to Hoover, our Republican Presidents have met the shock of war and the storms of depression and weathered every gale.

The Nation has been safe when the Republican Party has been in control of the Government. It has never been safe when Republicans were not on guard.

The Republican platform of 1860 to which Abraham Lincoln gave his allegiance declared that the perpetuation of the Republican Party was necessary for the national existence. That declaration is as applicable to-day as it was then. The national welfare demands the success of the Republican Party.

Everywhere, outside of the Republican Party, is confusion and chaos. The only sound and united public sentiment of the United States is represented in this convention.

The Democratic Party is fatally weak because it does not command the support or confidence of the Nation and because it is utterly lacking in teamwork.

The Democrats have a minority complex which they can not change. As a fault-finding, cavilling minority opposition they are 100 per cent perfect. As a driving, constructive majority they are 100 per cent failure.

As proof of this I need not recall to your mind the false gods they have pursued for over a century; the panaceas they have proposed and a wise people have rejected. Events of the past five months furnish abundant evidence of their failure.

Accepting their promises at face value, the country placed them in charge of the House of Representatives. They had assured the Nation that if given this power, they would restore economic equilibrium. This much must be stated to their credit: As long as they followed the leadership of the one man in America who has furnished leadership in this great crisis—Herbert Hoover—they functioned in splendid fashion.

But when they set out to carry forward their own program they exhibited colossal incapacity, hopeless division, and disintegration, with the result that there was a complete collapse of their party machinery.

As tragic as is the breakdown of a great political party, had the party alone suffered the situation would not have been so bad. But it was the country—the whole people of these United States—who suffered. In a few months the confidence of the country in the House of Representatives, which had been lifted to a high degree during the past 13 years under progressive, forward looking, constructive Republican leadership, was utterly destroyed.

And with what consequences? Uncertainty about the future increased; confidence all but disappeared; business continued to slow down. The country was thrown into a state of mind approaching chaos. No one could foretell what the Democratic majority would propose or would do next. There followed a period of anxious waiting, of trembling inactivity.

This was a natural state of things for the Democrats came into control of the House of Representatives without any definite program. They had the good judgment, at first, to follow the lead of the President. So long as they did, all was well. When they started casting about for a program of their own they became mired. They began with a blaring of trumpets. They organized what they grandiloquently termed "a policy committee," which was to arrange a program to put the world back into joint.

This committee was made up of the Democratic leaders in both the House of Representatives and the Senate. They called in

for consultation and advice all of their defeated candidates for president and all their other master minds.

But not all of these geniuses combined were able to evolve a plan because no two of them could agree on any plan. And with this division among the generals it was not at all surprising that there was utter confusion—nay, open revolt—within the ranks.

With this record behind it in this grave hour of national distress, the Democratic Party is about to ask the country to accept a candidate whose identity is still unknown, standing upon a platform whose planks will probably contradict themselves. The Nation is to be asked to accept confusion as a national policy and disorder as a rule of government.

The Democratic Party has as many wings as it has candidates, and certainly its candidates are legion. These wings do not flap together; they flap against each other.

The Democratic Party is a mob of feuds and of factions unable to bring order out of the chaos in its own ranks. How can it be expected to maintain order in government?

An intelligent order in government is what the American people demand in this crisis. They want a party in control that has a program, knows where it is going, and has the courage, leadership, and the sense of responsibility to get to its destination. They want a party in control that knows what constructive legislation is and has the ability to enact it into law.

My countrymen, the solidarity of the Republican Party in this crisis means the salvation of the United States.

If this country is to be governed with judgment and prudence, the Republican Party must do the job.

Call the roll of the Presidents from Lincoln to Hoover. The illustrious names of Republican Presidents are an epitome of the history of the United States. Supported by the people and united in a responsible party they perpetuated the Union; they linked the coasts by railroads and opened the West to settlement; they preserved the honor and integrity of American currency; they liberated Cuba, and placed the Stars and Stripes over Alaska, the Philippines, Hawaii, and Puerto Rico; they built the Panama Canal; they created a Navy; they brought about a genuine regulation of interstate commerce and suppressed monopolies; they halted the mistaken attempt to involve us in European politics and wars; they ended the naval rivalry of the great powers and compelled recognition of the equality of the Navy of the United States; they dealt generously with foreign debtors while protecting American taxpayers; they provided that the United States Army should always be ready for mobilization on a scale sufficient to repel any enemy; they prevented the invasion of hordes of immigrants pauperized by the World War; they protected the American farmer, manufacturer, and working-man against ruinous competition in the American market; they have fought with stout heart the dreary battle against world-wide depression, and thank God, they are on the way to win it.

We can not pause to enumerate to the full the list of Republican accomplishments. Our task is to continue the process of achievement. We point to the past as evidence of work well done. We face the future with eagerness to grapple with its problems.

We know that Republicans and Republican principles have brought safety and national well-being out of very trial.

We do not offer experiments as candidates.

We do not offer quack remedies and exploded theories as a platform.

We offer to conduct the Government on tried principles, to be administered by men who have met the supreme test of intrepid leadership.

In Lincoln's day the people stood loyally by their President, who brought them out of the shadow of disunion. In Hoover's day the people stand loyally by their President, who is bringing the country out of the shadow of vast economic adversity.

The people will not strike down the pilot who keeps eternal vigil on the bridge of the ship of state.

And Herbert Hoover, courageously and determinedly, has kept this vigil for three years.

No man, living or dead, has had to grapple with such gigantic problems at home and abroad.

No man, living or dead, has fought world-wide economic adversity with so stout a heart and so deep an understanding.

No man, living or dead, has had such tremendous calls from home and abroad upon his energies and his unusual resources.

No man, living or dead, has given so unreservedly of his experience, intelligence, and leadership as has Herbert Hoover.

A government that does not protect its people is not in fact a government. The American people, after forming the Union and insuring justice and public order, declared that their first object was to provide for the common defense.

The Republican Party holds that common defense means protection of the people in their livelihood as well as protection against armed invasion. Our Union is a union against economic invasion and all other forms of aggression. Our national resources and advantages are useless unless they are defended.

We hold that a protective tariff is necessary for the common defense. The Democratic Party refuses to provide this protection, although I could name Democrats by the score who eagerly seek such protection on the sly for their own States and districts, while denying it to the Nation at large.

The tariff was revised by the Republican Party just in time to avert a catastrophe. This tariff law has been the bulwark of the common defense against world-wide depression. But for that law the United States would have been inundated with foreign imports and vast additional numbers of workers would have been

unemployed. That law has kept over 40,000,000 American citizens at work in spite of world-wide adversity. Americans have had the advantage of a monopoly of their own market, the greatest consuming market in the world. This market belongs to them, and the Republican Party protects it for them.

What would be thought of an army that defended every frontier but one and left that one open to invasion? Yet that is what the Democratic Party does when it refuses to defend the economic front.

Against all falsehoods, all sophistries, and all sectional selfishness, the Republican Party moves triumphantly forward in the common defense of all the people in all sections, for the protection of their livelihood against any form of foreign aggression.

We meet here in this bicentenary year of the birth of George Washington.

Washington, as an engineer, solved stupendous and vexatious problems for the benefit of mankind.

It was said of Washington then, as it is said of Hoover to-day, that he was not a politician. In the baser sense he was not, but in the higher sense he had the profound political instinct of statesmanship and his statesmanship was good politics. The substratum of Washington's statesmanship was his engineering experience, his practical accomplishments, and his profound human sagacity.

President Hoover's mind is the mind of an engineer. He first gets his facts and then he acts. No engineer has attained success by deciding his problems on a basis of expedience. Equivocation is directly contrary to the fundamentals of the profession. Sureness of decision, solidity of formation and enduring construction by using tested materials is ingrained in the education and thought processes of an engineer. These traits are governing in all decisions on all questions.

Herbert Hoover, the engineer President of the United States, is solving and will solve stupendous and vexatious problems, as did our first engineer President, for the benefit of all mankind.

We are now engaged in a war of defense. We are fighting under the leadership of the most capable citizen in the United States. Already he has gained many battles, and the victorious end of the war is nearly in sight.

Our enemy is the invisible but ghastly pestilence of world-wide economic depression. It is the ghost of the World War stalking over the earth. It is the reaper that gathers the harvest of 10,000,000 lives and the destruction of \$10,000,000,000 of hard-earned wealth.

In its present gigantic form this is a new enemy, and our people have been mystified and terrified in trying to defend themselves. Fortunately our President was well prepared for the task of generalship in fighting off this enemy.

You know the record. You know the battles he has already won.

He solidified labor and capital against the enemy.

He avoided the deadly pit of the dole.

He rescued the drought victims.

He beat off the attacks upon railroads, agriculture, banks, and public securities.

He mobilized the Nation's financial resources.

He warded off the stealthy approach of panic by way of Germany.

He preserved the integrity of the gold standard.

He had the manhood and courage to tell the people that their Government's revenues were depleted and must be replenished.

He fought and won the battle of the Budget, by resolutely lopping off extravagance and by instituting severe economies. Throughout this war the American dollar has been as stable as the American flag.

The Republican Party is conscious of its responsibility and realizes its stewardship. Under the wise leadership of President Hoover the Republican Party is functioning with solidarity to the satisfaction of the country, but to the confusion of those who offer no constructive ideas.

During the entire world-wide depression every civilized nation has looked to America for leadership. They have looked to us to lead them out of their economic and financial morass and to place their feet once more upon solid ground. And out of it all, and through it all, the one man who to-day stands head and shoulders above any leader among the nations of the world is the Republican President of the United States, Herbert Hoover.

As Lincoln once said: "The occasion is piled high with difficulty." Nevertheless, the Republican Party is equal to the occasion. That party has its plow to the furrow and is not looking backward. It is now, as ever, the party of rehabilitation.

The way to resume specie payments after the Civil War was to resume, and the Republican Party accomplished it; the way to restore prosperity following Democratic free-trade depression was to open the mills, and the Republican Party did it; the way to establish the gold standard was to establish it, and the Republican Party did it, and now, the way to restore good times is to restore them, and the Republican Party has set itself resolutely upon that course.

With indomitable courage and confidence, with faith in our Commander in Chief and with a comradeship of purpose to meet every foe of the Republic, foreign or domestic, let us press onward, shouting the great American battle cry:

"Forward to victory!"

ZIONISM AND AMERICANISM

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my speech before the conven-

tion of B'rith Sholom, held at Atlantic City, N. J., June 19, 1932.

The speech is as follows:

Zionism in the United States is compatible and consistent with American ideals and traditions. Although I am not a Jew, I am a convinced Zionist, and more so to-day than when I introduced the joint resolution in 1922 in favor of a homeland for the Jewish people in Palestine, which was unanimously adopted by the Congress and signed by President Harding.

I deem it an honor to serve in an executive capacity on the recently organized American committee, composed of non-Jews, to further the aims and purposes as expressed in the joint resolution and to encourage the actual work now being done to rehabilitate Palestine. It is only just and fair that the Jewish people be afforded an opportunity to help build up that ancient land of their fathers and of their faith given to Abraham by Jehovah, and which they maintained until driven out by Titus and the Romans 1,900 years ago.

The Balfour resolution was a definite pledge given during the critical days of the World War to the Jewish people of the world, and indorsed by practically all the allied nations, that Palestine would once again be restored to the Jewish people as a homeland, and an opportunity afforded to them to reestablish a center of Hebrew culture and training. The Jews of the world look forward with religious fervor to this long-sought opportunity to carry on their glorious traditions and ideals founded on justice and righteousness as handed down to them by the great pioneer lawgiver and liberator, Moses, the immortal prophet statesmen of Israel, the wisdom and religious genius of the judges, and the valor and brilliant leadership of the princes of the house of David.

The American people are sympathetic toward a rehabilitation of Jewish thought, culture, and education in Palestine and will gladly cooperate with the Zionist movement headed by the distinguished scholar, Dr. Nahum Sokolow, to build up Palestine through Jewish energy, genius, and funds and make it once again a land of milk and honey and a homeland for those Jews who are oppressed and persecuted wherever they may be. We in this country should in the midst of our tribulations and afflictions take to heart the following words of Theodore Roosevelt: "The foes of our own household shall surely prevail against us unless there be in our people an inner life which finds its outward expression in a morality not very widely different from that preached by the seers and prophets of Judea when the grandeur that was Greece and the glory that was Rome still lay in the future."

There is no better or more loyal citizen than a religious Jew. We do not anticipate that many American Jews will return to live in Jerusalem, but that they will make it possible for their coreligionists in central Europe, where they are discriminated against and are in great distress, to enter Palestine, from whence they were brutally driven out centuries ago to endure centuries of persecution in many climes and in many foreign lands. The Jewish immigrants in the last 10 years have already developed the waste places of Palestine from Dan to Beersheba into fruit orchards and fields of grain. They have erected hydroelectric power stations and built modern cities like Tel Aviv, and brought the newest attainments of science and research to that most ancient of lands that gave birth to three of the world's greatest religions. They have built a university at Jerusalem and established hospitals and homes for the aged and other charitable institutions, as they have done all over the world. They have merely scratched the surface; the future of Palestine is secure just as long as we Americans uphold the pledges given in the Balfour resolutions, backed by the heart and mind and the religious faith of millions of Jews throughout the world.

The matchless oratory and intellectual genius of Isaiah rings true to-day with added force, in view of the recent shameful disclosures of stock-market manipulation by small groups of rich men at the expense of the public. Isaiah arraigned the unjust business practices of men of wealth and leaders in the economic life of his day who were above the law and who oppressed the poor and betrayed the common welfare in the following expressive words: "The spoil of the poor is in your houses; what mean ye that ye crush my people and grind the face of the poor?" We still have much to learn from the prophets and seers of Israel; and what would be finer and nobler than to help revive the ancient faith of the prophets and lawgivers in their ancient and sacred homeland for God and humanity?

In this day of turmoil, and attempts to array class against class, and loss of religious faith, I commend the words of the courageous Hebrew prophet Micah, who loathed shams and hypocrisy, to both Jew and gentile: "What doth the Lord require of thee but to do justly and to love mercy, and to walk humbly with thy God?" We need a revival of religious faith in the world, and anything that will tend to revive and spread the wise principles of the Hebrew prophets will be for justice, righteousness, and happiness, and for the fatherhood of God and the brotherhood of man.

No one can honestly impugn the loyalty of the American Jew. He has participated in all our wars since the American Revolution. The people of Jewish origin in this country have contributed freely their share of blood and treasure in defense of our free institutions and republican form of government. There were 27 Jewish officers in the Revolutionary Army. Among our most distinguished patriots were Maj. Benjamin Nones and Hayim Solomon, of Philadelphia; the latter supplied the finances to keep Washington's army in the field. After the victory had been won Washington received numerous congratulatory addresses, among

them one from the Jewish congregation at Newport, R. I., to which he replied as follows: "It is now no more that toleration is spoken of as if it were by the indulgence of one class of people, that another enjoyed the exercise of their inherent natural rights, for happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support. May the children of the stock of Abraham who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid."

The people of the United States are in the midst of celebrating the two hundredth anniversary of the birth of George Washington, and we can well pause in the midst of our present-day difficulties and take to heart and for our guidance those characteristics of Washington that made him the greatest figure in American history. When the Declaration of Independence was written by that great Democrat, Thomas Jefferson, it was a mere scrap of paper until George Washington, through his leadership, courage, determination, and faith, translated it into a political actuality, our republican form of government—the Government of the United States. My message to you in the midst of this economic depression and the afflictions that go with it is to uphold the same principles as shown by Washington under more trying conditions, and above all, to maintain your faith in the traditions and ideals that have been handed down to us and in our free institutions and our republican form of government.

There was never a time when there was more need for faith in America than at the present time. Men and women of radical persuasion, communists, socialists, pink intellectuals, and college professors have been going around this country in the last few years talking to groups of young people, and particularly to women, telling them that everything was wrong and rotten and corrupt in our democratic institutions, and that our economic system was brutal and oppressive to the wage earners, that religion is the opium of the people, and that everything that had been handed down to us by Washington, Jefferson, Lincoln, and Roosevelt was wrong and should be scrapped for some temporary form of foreign dictatorship—socialism, communism, or fascism.

In answer to all these charges, made by those who would undermine the faith of the American people in their own institutions and Government, is that for the last 50 years our wage earners have been the best housed, the best fed, the best clothed, and the most contented in the world, and that at any time within the last 50 years, if we had let down our immigration barriers millions upon millions of foreigners would have flocked to the United States, and if Soviet Russia, where these American visionaries, without any experience in business or government, find everything beautiful and peaceful, should let down her barriers to-morrow one-half of her terrified population would try to get out within 30 days.

Fifty years ago American labor worked 12 and 14 hours a day on a pitiful wage scale and standard of living. Step by step the various State legislatures and the Congress of the United States, at the demands of the American people, have gradually brought about shorter hours for labor, provided better wages and more sanitary working conditions, and have enacted child labor laws, workmen's compensation laws, and now old age pension laws. We still have in America the same capacity, the same intelligence, and the same patriotism to solve all our economic problems as we have done in the past, for the best interests of all the American people without recourse to socialism, communism, or fascism, and we propose to continue to solve our problems as we have in the past, along purely American lines. We do not propose to surrender our civil, economic, and political liberties, including freedom of speech and of the press, for any foreign form of dictatorship.

When we emerge from this depression—as emerge we will through the courage, hard work, and faith of the American people—I hope and urge that prosperity will be passed around to a greater degree than it has been in the recent past; that labor shall be given larger benefits and a greater share of the fruits of their labor. The rank and file of the American people, including the unemployed, have been loyal and faithful to our institutions in the midst of this depression, because they know from past experiences that under them they have been better off than the people in any other nation in the world.

I urge more specifically that when we get back to normal times the American wage earner be provided with security insurance in their industrial life by requiring corporations in the various States employing labor to provide adequate health, life, and retirement insurance for all their employees. One of the greatest tragedies of our economic collapse is that men who have worked 25, 30, and 35 years for the same corporation to build up the wealth and greatness of our Nation have been let out on a day's notice without any pay or retirement to maintain their family or home. In these days of mass production and industrialization we must take steps to see that such a situation as exists now shall not happen again. If security insurance had been in effect for the last 30 years the economic situation in the country would not be one-half so appalling.

I do not deny that there are still evils and abuses in our economic system, but they can be corrected and remedied just as they have been in the past for the best interests of all the American people. My message to you is not to be led astray by false remedies that seek to destroy both our political and economic system, but rather to use your influence and abilities to stabilize and improve our economic system, which is erroneously called "capi-

talism" by its opponents as a word of reproach and opprobrium. In the United States labor as well as capital are both "capitalists." A man who owns his house, car, and garage is just as much a capitalist as the man who owns a bank. The difference between our economic system and communism or socialism is the difference between individual liberty and compulsion.

Let us make every effort to wipe out any abuses and evils that exist in both our political and economic systems by further liberalization of our laws, and make changes where necessary for the public good. Let us make the fight within our own American institutions rather than follow the revolutionary and false doctrines advocated by Karl Marx in Germany in 1848 at a time when labor had no civil, economic, or political rights. I agree with Theodore Roosevelt when he said: "The more we condemn unadulterated Marxian socialism the stouter should be our insistence on thoroughgoing social reforms."

RELIEF MEASURE PASSED BY CONGRESS DURING THE SEVENTY-SECOND CONGRESS

Mr. FREAR. Mr. Speaker, it is asserted that Congress has done little or nothing during this session to relieve the depression. Any such statement is untrue, so far as legislative authority could be exercised.

During a service of nearly 20 years I have never known, with one exception, any Congress that put aside partisanship or worked harder to meet demands, considering world-wide economic conditions. That exception was the war Congress in 1918, when both branches and the Chief Executive were all under the same political control and without any pending political campaign to arouse suspicion of motives for legislation.

Not in 20 years, or possibly in double that period, has Congress, in committees and in legislative debate, worked more exhaustively, sometimes from 9:30 a. m. with committee hearings to midnight in the legislative Chamber. Twenty deaths during the year, of which 17 were Members of the House, double the usual number, give only a limited understanding of strenuous labors by those directly engaged on the most important committees.

Constitutional limitations, governmental difficulties of financing, administration and scope of possible relief were problems to be debated and overcome. Divergent views of employing expenditures that would not involve the Government's credit in a battle with world-wide conditions were also factors on which opinions and judgment necessarily varied.

Not all of the hoped for program was carried out, but Congress gave the best it had and with a Democratic House, close Senate, and a Republican President, no equal record for performance, I submit, can be found during the century. It might have been better. It could have been far worse. Here are a few of the relief laws passed.

Mr. Speaker, the World War left Europe topsy-turvy, depending on an alleged "vengeance" Versailles treaty, impossible of performance, German reparations that Great Britain, France, Italy, and other Governments insisted by military force should be paid. These conditions threatened a European financial crash last year that would have disastrously affected European and American economic conditions. Congress granted a one year's moratorium for its first world-wide act providing only that Germany must be given a like postponement as a condition for postponing an annual \$252,000,000 debt payment from European \$11,000,000,000 debtors.

In that first month of December, 1931, Congress also extended a \$100,000,000 fund, authorizing extension of installments on mortgages held under the Federal farm loan act. Seed loans to insolvent or needy farmers and other relief measures were among minor items Congress also authorized by law.

When it was realized an economic war, second only to the World War, was to be faced, a Reconstruction Finance Corporation of \$500,000,000, to be increased to \$2,000,000,000 if need be, was authorized by Congress and immediately it furnished money to save 4,000 banks and other semipublic institutions from failing. Over 60 per cent of these were in small cities under 5,000 inhabitants with many hundreds of thousands of small depositors and others clamoring for that aid. This act was necessary to prevent a crash that could

not be accurately measured but was certain to injure both debtors and creditors and affect the stability of the Nation.

Over 2,000 banks had closed in 1931. The reconstruction act furnished liquid credit, and it helped save the 4,000 banks and other companies with frozen assets, if possessed of sufficient security. When funds so advanced were paid to the banks and investment associations the money was held by them for their own self-protection and not reloaned as intended by Congress to meet needs of individuals and industrial concerns, but it helped save the situation. Congress set aside \$50,000,000 in the reconstruction act to make loans to individual farmers for production purposes. The same privilege of extension to \$150,000,000 additional, or \$200,000,000 in all, was made a direct aid to agriculture.

Congress next extended power to the Federal Reserve banks to buy Government bonds and undertake the issuance of credit to the extent of \$700,000,000 thus far reached in additional currency circulation so as to meet a known deflation in prices alleged to have occurred through a restricted currency.

A \$50,000,000 credit to the Secretary of Agriculture to loan to agricultural credit corporations was next in order, closely followed by a 40,000,000-bushel wheat contribution to the Red Cross to save hungry people. Of this wheat and flour, over 65,000 families in Wisconsin received relief but calls from the unemployed not yet fully met caused Congress to appropriate 50,000,000 additional bushels of wheat or a total of 90,000,000 bushels of grain was given the Red Cross. Held by the Farm Board in its effort to stabilize farm prices—an experiment in agricultural relief attempted by Congress, only partially successful, it could serve no better use.

Responding to calls from the unemployed, the House appropriated \$120,000,000 for extraordinary highway construction to be met by an equal amount from the States, affording practically a combined quarter of a billion dollars for new constructive highway work to help the unemployed.

The Federal farm loan act was amended by authorizing the appropriation of an additional \$125,000,000, to enable the Secretary of the Treasury to subscribe to additional stock in the bank to replace extensions made to farmers.

Mr. Speaker, believing deflation in agricultural prices was largely responsible for prevailing conditions, the House passed the Goldsborough stabilization of money bill that proposed to issue more currency secured by a bond reserve, to inflate money price values, equal to those current during normal times. A \$250,000,000 home building Federal loan act was among other relief laws passed by Congress.

A relief appropriation reaching approximately \$2,000,000,000 for the Garner (House) bill and the Wagner (Senate) bill met with serious question as to the Government's ability to handle either amount without serious economic injury, but both branches of Congress passed their respective bills to be ironed out in conference. The latter Senate bill included a \$300,000,000 item for Federal loans to municipalities to aid unemployment. This amount was conceded to be needed for emergency aid.

Another \$500,000,000 bill to cover bonds for public construction was also given right of way, although two other bills or amendments, one for \$3,500,000,000 and another for \$5,500,000,000, for public works and other relief work offered in the Senate failed to pass that body.

In addition to this direct aid sought to be given agriculture, as briefly noted, Congress, by protective tariffs through the Ways and Means Committee, of which I was a member at the time, endeavored to prevent the importation of food products, including dairy competition from Denmark, Canada, and New Zealand.

A Philippine independence bill passed by the House laid the ground for protection against large free imports of sugar and of vegetable oils used in oleomargarine.

Agricultural tariff rates, with additional rates fixed by the President under the flexible tariff provision where needed, also helped retain to our own industries their home market. This home market is by far the greatest asset in the world

now possessed by American agriculture. Although the Farm Board's effort to stabilize wheat prices failed after costing several hundred million dollars, much of which was lost by the experiment, some protection has occurred by holding surplus wheat and cotton from the market.

The experiment was approved by Congress, based on the advice of reputable farm experts, many of whom differ to-day on the relative values of the debenture, equalization fee, allotment system of restriction, and other proposed remedies for overproduction of home market agricultural needs. Bills to embrace all these methods were introduced this session in both House and Senate together with a proposed remedy for handling farm loans through the Frazier bill method of financing. Strong arguments in their support were based on the necessities of our greatest industry.

Had these bills been passed by the Senate in a way to give substantial relief I believe they would have been approved by the House, but the proposals did not get senatorial sanction during this session. They are on the program for additional agricultural relief when Congress again meets. A reason advanced why full consideration could not be given several other proposed relief bills was found in the necessary passage by Congress of a dozen great appropriation bills to run ordinary expenses of the Federal Government.

Mr. Speaker, some of these bills, numbering hundreds of pages and including many hundreds of items, under the rules, as we know, must all be read in the House and thereafter in the Senate. Numerous amendments were offered and debated which added or deducted from the amounts set forth in these bills. To illustrate the character of this legislation it should be understood that the amounts requested were originally recommended by Cabinet officers at the head of that particular branch of government.

Recommendations were then scrutinized and materially reduced by a Budget official provided under law by Congress to limit Government expenditures to the amount of revenues collected. When both Houses took up the carving knife they lopped off many millions more in efforts to economize.

National expenditures, like those of States and smaller municipalities, have increased since the war, but expenditures and taxes by the States and local governments have increased more than twice as fast as those incurred by the Federal Government.

Increased Federal Government expenditures may be traced to the national debt and veterans' relief directly due to the World War.

The record will nowhere hold me accountable for our entrance into that conflict. Once in, we had to win, and every effort was to that end, but though ready to defend national honor, I was not one of those who believed in advance it was necessary to sustain an enormous financial loss, now estimated at possibly \$50,000,000,000, with an indirect loss of far more than that amount.

A loss of life of 100,000 American boys killed or died in Europe and several hundred thousand disabled by casualties or sickness was of far more importance. National honor is cherished by every American, but it was not to be expected that warring nations would permit noncombatants to travel in a recognized war zone, especially if lending aid and munitions to the enemy. These matters, with evidence, I have heretofore presented to the House in detail.

We should never again make Europe's quarrels ours. This war burden reaches an economic form because while the direct war costs may have been less than \$50,000,000,000 in actual cash, the ultimate direct cost through pensions and debts is now a national burden and will reach double that enormous amount.

In its Budget of Federal expenditures, the following large annual items of approximately \$4,000,000,000 annual expenditures now are paid by the taxpayer:

Veterans' pensions, hospitalization, etc.	\$1,000,000,000
War bond interest and sinking fund	1,000,000,000
Army and Navy	750,000,000
	2,750,000,000

Leaving a balance, broadly speaking, of only 30 per cent for actual Federal increases, which latter amount includes ap-

propriations for local highway aid, local food-control aid, and various other local relief, reducing costs of actual Federal Government activities to less than 25 per cent of its total expenditures.

Mr. Speaker, with war items deducted, Federal expenditures are practically no more than normal increases.

Two major bills have occupied much time of Congress this session. A proposed economic bill or reduction in Federal expenditures has been buffeted like a medicine ball from the House to the Senate, thence to the President, and thence back again, traveling forward and back over the road of "furloughs without pay," direct salary cuts, and various other controversial items in order to cut from net annual Federal expenditures of \$1,000,000,000 not covered by the 70 per cent war and national-defense items an amount of \$200,000,000 if practicable—below figures recommended by the Budget officer.

A second bill of equal importance and accompanied by long debates in both House and Senate was a tax bill that also was intended to balance the new relief expenditures added to the Budget. This latter tax bill occasioned bitter resentment because the House committee without notice reported an obnoxious general sales tax for \$600,000,000, or one-half of the \$1,200,000,000 additional annual tax alleged to be required to balance the Budget.

This general sales tax was discussed before the committee so reporting in only 15 pages out of a couple of hundred pages of its tax hearings. Not one expert tax witness supported a general sales tax which would collect \$600,000,000 from the American public by a "painless" raise in prices on their necessities and luxuries bought by the average individual but so inequitable that a farmer or laborer with a family of five or more would pay five times as much for the necessities of life as Mr. Rockefeller, senior, or others in his class of multimillionaires.

Although slight exemptions were named, it was a tax distinctly opposed to the principle of paying according to ability and was favored particularly by those who purposed shifting their income and estate taxes over to the average layman now paying direct taxes on his farm, home, and other property for State and local taxes. This layman ordinarily pays no direct tax for the support of the Federal Government, but his local taxes are extremely heavy.

Those advocating the sales tax based their demands on a shift of income taxes which now will furnish nearly one-half of the total required Federal Government revenues. Having good incomes, they should pay like Congressmen, all of whom have accepted without question a cut in their own pay and also a heavy income tax as their part of the economy program.

The tax bill now in force contains bank-check stamps, higher postage, and other items that I opposed, offering substitutes therefor, but by the defeat of the general sales tax, upward of \$50,000,000 was saved to the people of Wisconsin annually. Tax experts generally agree that a consumption tax on necessities heavily oppresses the poor and is unjust and merciless. It was defeated.

In offering this brief statement of accomplishments by Congress in one session I have not referred to a possible thousand other measures on the private or committee calendars out of many thousands introduced every session, all of which have served to keep Congress on the jump morning, noon, and night.

Mr. Speaker, business recovery may continue slow and results may not meet one-half of demands, but next Congress will take up the work where this one left off and also pass other emergency relief which will save suffering to those in greatest need.

I have not sought to trace the present world-wide depression with the World War, because apparent to every student of events and history, but our entire economic system has now undergone a change. That too, due to the war. We were told to produce, produce, and produce more. This we did until we were providing food, clothing, and war materials in 1918 for armies numbering 30,000,000 men or more in addition to caring for our own people. When we over-produce in peace times the result is to destroy our own

markets and prosperity. A supply now in store of one year's foodstuffs and clothing is reported due to that quantity production.

The Department of Commerce is quoted as saying that 120,000,000 people in the United States compose only 6 per cent of the total number in the world, yet we lead the world in production and consumption to almost unbelievable proportions. Our 6 per cent consume 15 per cent of world's wheat supply, 17 per cent of world's wool supply, 23 per cent of world's sugar supply, 26 per cent of world's cotton supply, 51 per cent of world's coffee supply, 61 per cent of world's oil supply, 66 per cent of world's rubber supply, 72 per cent of world's silk supply, 75 per cent of world's automobiles.

Thus, we live far better than any other people in the world.

Yet we have 8,000,000 or more unemployed. The Government's entire wealth is estimated around three hundred and twenty billions; private company bond debts reach forty-seven billions; municipal bonds twelve billions; Federal bonds eighteen billions, but a credit against the latter of Europe's eleven billions has a cash value of less than six billions. We may never collect half or even any of that amount from ungrateful debtors who urge repudiation.

Bank deposits in this country were recently reported at \$56,864,000,000, while deposits in the family stocking may add ten billion or more to the bank balance. Currency and gold of \$18,500,000,000 is only a small part of the exchange medium offered by bank checks.

These statistics are interesting, but to the man with an unpaid mortgage, unpaid interest, or threatened unemployment they are valueless to aid his needs. Yet they indicate a sound Government that must speedily be righted and placed on the road to complete recovery. There can be no other result.

ENORMOUS WORLD WIDE LOSSES DELAY RECOVERY

It has been said that apart from the \$50,000,000,000 or more we shot away or wasted during the war we have also lost since that time \$70,000,000,000 in deflation of speculative securities. Securities that have been punctured and are now flat. Agriculture through deflation has suffered many billions of dollars and yet people wonder why Congress in one short session of unprecedented grind while feeding the hungry millions now in need can not set the world aright in one session. Never before has Congress given so much to aid the States in meeting a national emergency.

How much the world has lost no man knows but every country is badly in debt, every municipality in our own country is in debt, and with few exceptions every individual is in debt. Business is depressed because people are not able to pay or to buy.

Mr. Speaker, a people who possess all the estimated national billions and have wasted or lost \$70,000,000,000, must sacrifice a portion of their pleasures and supercomforts found nowhere else in the world. Those who groan over taxes, not half as heavy as those in the average European country, are now enjoying all the privileges of this country in which free education for their children, opportunity for themselves, and comforts in dress, food, and leisure for their families, are to be found as nowhere else in the world.

Congress is now expected to provide immediate relief for communities that spent their substance and bonded themselves for public buildings, schoolhouses, highways, and for innumerable individual expenditures.

Every dollar expended by Congress must be raised by taxation or by borrowing. Congress is made up of men 75 per cent of whom have been in humble circumstances, worked hard for their education and living, often in the same school of hard knocks and sacrifice. I receive letters which indicate writers seem to think Congressmen believe they are of different clay from the average mortal. A brief survey would convince to the contrary. Suffering of their fellow man whether due to his own folly or extravagance finds its counterpart in the experience of those in Congress.

Responsibility to their country and constituencies may make them more deliberative and investigating of facts pre-

sented and they employ the best experts to be found in reaching conclusions, but within its field of labor Congress is ready to lend all Government aid permitted under the Constitution which governs its activities like it does the course of every other official.

In olden days Congress was never expected to aid local conditions. Due to present economic and industrial changes the national body has been subject to constant appeals. In so far as Federal finances and governmental activities permit, as one of the 435 Members of the House which, with 96 Senators, are in part responsible for the welfare of our people, I am sure every such official is anxious to extend all possible aid to those in need.

Those who unjustly criticize or fail to understand the limitations of legislative power to cure economic ills are often impelled to hold Members individually and collectively personally responsible for failure to meet all demands.

Mr. Speaker, others familiar with legislative procedure and not influenced by political or personal motives will not be deceived nor misled by unjust criticism. Speaking personally, I have sought to present fairly and frankly a situation that confronts Congress and the country as I understand it. Without offering apologies for failure to extend more adequate relief or measure up to expectations of those who do not understand or fairly consider many problems to be faced in securing agreements and concessions when drafting laws, I modestly offer my judgment of the record during the session.

Based on a fairly long service in State and national legislative bodies, some valuable experience is afforded in such schools that constantly seeks to separate good from impracticable legislative proposals. I do not rely upon personal judgment alone in meeting unwarranted criticisms which are the lot of practically every other Member, but during that legislative work those best acquainted with efforts and results have generously expressed confidence in my judgment particularly in the field of agriculture, labor, economic, and tax legislation. Such opinions I can not here offer except possibly by brief reference to two outstanding agricultural legislative authorities whose recent letters afford full answer to constituents who seek the truth. One is from Senator FRAZIER, author of the "Frazier bill," whose work in agricultural relief and other legislative fields, notably Indian welfare, is outstanding because of his close study of such needs. It came to me without personal solicitation near the close of the session and is as follows:

UNITED STATES SENATE,
June 23, 1932.

Hon. JAMES A. FREAK,

House Office Building.

DEAR CONGRESSMAN FREAK: You have proven yourself to be a real representative of the people. I especially appreciate your fight in behalf of the farmers and labor.

You are to be congratulated on your success in helping to defeat the sales tax which was so strongly advocated by the great financial interests; also on the fearless fight you have made toward reducing Federal expenditures in general and especially in the Army and Navy.

The progressive voters of your State and of the Nation appreciate the good work you have done.

Wishing you success in your coming primary election, I am,

Yours truly,

LYNN J. FRAZIER.

One of several letters received from heads of agricultural organizations and from an acknowledged able national organizer and student of the farm problem is as follows:

THE FARMERS' EDUCATIONAL AND
COOPERATIVE UNION OF AMERICA,
Washington, D. C., June 11, 1932.

Hon. JAMES A. FREAK,

United States Representative,

Washington, D. C.

DEAR MR. FREAK: As the end of this session of Congress approaches I want to thank you for the assistance you have given the measures introduced in the House of Representatives and endorsed by the National Farmers' Union.

I have watched your record in Congress for nearly 20 years. I assure you that I approve of practically every position you have taken on public questions, including war times and all, during that 20 years.

I sincerely hope you will be successful in your campaigns, both in the primaries and general election, and thus the farmers have your services in Congress another two years.

Yours very truly,

JOHN A. SIMPSON, President.

These letters speak for themselves. That Congress met all demands would be idle to assert, but in response to savage and easily understood motives for criticisms by certain metropolitan papers I suggest it is unjust to write scathing attacks in the safe confines of an editorial chamber.

Next Congress will have further work to do along the line of direct aid to those in need, because it is unreasonable to believe that a long reign of national and individual extravagance which ignored world-wide war suffering and economic conditions can be corrected by any brief legislative treatment. It is equally certain that the most wealthy country in the world, both in national and natural resources, possessed of the best minds in this or any other country, will bend every effort to a quick and complete recovery in our present business conditions.

Until that result has been reached it is well to face the future with optimism instead of pessimism, because what the country needs most in the present emergency is faith in its form of government. Better to recognize the wonderful possibilities, privileges, and opportunities found in our land over those of any other people in the world and seek to maintain and protect those rights and privileges than to lose faith in a government handed down to us by brave pioneers who met far greater sufferings and difficulties when making certain the rights we now enjoy.

SOME RECENT FEDERAL AIDS TO AGRICULTURE

MR. DAVENPORT. Mr. Speaker, many Federal activities are carried on primarily to benefit farmers. This is true of much, though by no means all, of the work of the Department of Agriculture. Research in the department develops ways of reducing farm costs of production, discovers new uses for farm products, promotes the adjustment of agriculture to market requirements, and through standardization, grading, and commodity inspection protects farmers in their marketing operations.

Other branches of the Federal Government do work of great importance to agriculture. The Federal Farm Board fosters agricultural cooperation and conducts important marketing functions. The Federal Reserve Board, Federal Farm Loan Board, and the Reconstruction Finance Corporation exercise great influence upon credit in ways that reduce the cost and widen the area of efficient financial service for agriculture. With the consuming public generally, farmers benefit from the administration of regulatory laws by the Federal Government. Many regulatory laws benefit them also in their capacity as producers, as, for example, the food and drugs act, which widens the market for farm products by enforcing standards of purity and honest measure.

The Federal Government has made notable advances in recent years in its service to agriculture, particularly in economic planning, in research tending to increase the dependability of crop growing and livestock breeding, in the extension of useful information to producers, in agricultural credit, and in agricultural marketing. Following are a few typical accomplishments of the last two years:

UNITED STATES DEPARTMENT OF AGRICULTURE LAND UTILIZATION

A definite, constructive land policy for the United States is rapidly coming into the agricultural picture as a result of the lead recently taken in this all-important field by the Secretary of Agriculture.

Almost from its inception the Department of Agriculture has been pointing out the need of a national policy of land use. In the domain of lands for forest use and for game preserves the department has partially translated its ideas into action. In these fields we now have a sound national policy.

Eight years ago the department suggested in broad outline a national land policy. A few States took up the idea but real progress languished. Farmers continued to suffer

from the mistakes of the past, mistakes based on the assumption that all cultivated land is destined to be used in the production of food and fiber, and that the sooner it could be put to use the better. Ours has been a policy, not of land use but of land exploitation.

Agricultural leaders cooperate with department: Realizing that a reversal of this policy was needed, that many important problems of the farm, such as overproduction, could not be permanently bettered until the Nation as a whole established a sound program for the use of its land resources, the Secretary of Agriculture called a national conference at Chicago, November 19 to 21, 1931. This was the first national conference on land use ever held. Some 350 agricultural leaders attended, discussed the multitude of problems involved, and approved 18 recommendations, one of which authorized the creation of two national land-use committees. In this way a continuance of the progress made was provided for. Immediately renewed interest in this vital problem sprang up in all the States. Indicative of this interest was the recent national meeting of the American Association for the Advancement of Science which devoted its entire program to a study of the land-use problem.

Objectives of a land program: Broadly speaking, a national land-use program has seven principal objectives. They are: (1) A scientific classification of our land resources, so that crop, pasture, and forest requirements may be most efficiently met; (2) a definite and immediate check upon acreage expansion and a contraction in some areas; (3) all public agencies—local, State, and Federal—should divert tax-delinquent lands or lands obviously submarginal for farming purposes to other uses; (4) our national reclamation policy should be reconciled with the need of restricting farm production; (5) reforestation should be encouraged; (6) our public-domain policy should equally serve the interests of the local farming and grazing industry, the interests of agriculture as a whole, and the interests of the Nation; (7) information should be made available to guide private enterprise in land settlement.

SOIL EROSION

Just three years ago Congress placed upon the department the responsibility of checking the appalling national losses that are occurring through soil erosion. Much has already been accomplished. The department has aroused farmers to a realization of the cost of this insidious form of land depreciation. And it has started practical methods of slowing down the wastage. In many respects this is one of the most important agricultural programs undertaken in recent years.

More than a million acres of crop land were terraced in the State of Texas alone during 1931. A system of comparatively inexpensive strip cropping has been developed. The rapidity with which farmers have taken hold of this practical method indicates that it is going to be extensively used in many localities, not only for checking erosion by water but for controlling wind erosion in the dry regions.

A machine has been developed which digs 10,000 holes per acre on fallow land, each excavation having a capacity of about 5 gallons of rain water. This scarification process, which can be done as cheaply as ordinary cultivation, holds back not less than 50,000 gallons of rain water per acre, thus enormously increasing the absorption of water and at the same time reducing erosion. The loss of rain water from areas in western Kansas cultivated with this machine has amounted to only 1.5 per cent of the total precipitation, as against 34 per cent for untreated areas immediately alongside. This machine will find an important place in the Nation's program of soil conservation.

An inexpensive method of controlling small gullies has been worked out and is being rapidly adopted by farmers. This consists of filling old fertilizer sacks, no matter how rotten they may be, with soil and grass roots and placing them in the bottom of the washes. The roots go through the sacks, take hold of the ground, and quickly establish effective grass dams.

Accurate measurements have shown that soil is being lost from moderately steep slopes of the Corn Belt at the rate of 1 inch annually where the land is used continuously for corn. This means the removal of the entire depth of fertile topsoil within a period of about 10 years and the exposure of comparatively infertile subsoil, such as produced in the good corn year of 1931, only 14 bushels of corn as against 51 bushels from land still retaining its topsoil. In the great cotton-producing belt of central Texas one rain in 1930 washed off 23 tons of soil per acre.

It is obvious that farming can not withstand such losses. Already in excess of 21,000,000 acres of land formerly in cultivation in this country have been rendered essentially useless largely by gullyng. The impoverishing effects of sheet erosion are far greater than those of gullyng. This slow process, which takes a part of the soil during every heavy rain, is gradually whittling away the productivity of 75 per cent of the crop land of the United States. Department investigations indicate that no nation in history has permitted its agricultural lands to suffer as rapidly as those of the United States. Many thousands of farmers are trying to make a living on erosion-pauperized land, where there is little real opportunity for success even when prices are good. Our good land is largely in cultivation, and this is being cut into by unrestrained erosion. The move made by the Federal Government to stop this devastating waste will in the future be recognized as a move to save for agriculture its basic resources.

ADVANCES IN PLANT INDUSTRY

The development of new varieties of plants and the introduction of foreign varieties to American soil make it possible better to utilize our land resources. Pima cotton, for example, was developed by selection from cotton originally brought from Egypt. It is of great length and strength and is now grown in the Salt River Valley of Arizona. Other plant research accomplishments help to reduce production costs and to meet market demands. Here are some examples of the last two years:

Seed of the Jersey Queen, a newly introduced variety of cabbage resistant to yellows, has been selected from the Early Jersey Wakefield variety. The Jersey Queen has proved highly resistant to yellows under conditions where the ordinary Early Jersey Wakefield variety has developed 50 per cent infection.

The Blakemore strawberry, introduced commercially in 1929, has met the requirements anticipated for it. During the spring of 1931 in the tidewater region from New Jersey to North Carolina, it commanded a premium on the market as compared with the older commercial varieties commonly grown there. Another superior strawberry selection, the Redheart, has been introduced in the Pacific Northwest. It has proved to be a superior early market berry for the region and desirable for canning. It is adapted to many different soil types.

The Katahdin potato, recently released for extensive cooperative tests, is the result of many years of critical hybridization and selection of different varieties, conducted in different potato regions of the United States. It is resistant to mild mosaic diseases. Among other good qualities, it is remarkable for the uniformity in size and shape of the tubers and for uniformity in cooking quality.

In tomato breeding, an outstanding recent achievement is the dissemination of the variety Break o' Day. This variety has been widely tested for the past three years and has given unusually good results.

The yields of crosses developed in a corn-breeding program cooperative with the Iowa Agricultural Experiment Station exceeded the yields of the best open-pollinated varieties in each of the 12 districts of the Iowa corn-yield test. The average excess-acre yield of the crossed seed was 8.7 bushels, or 13.2 per cent.

A new variety of oats, Brunker, originated in cooperative experiments at the Akron, Colo., field station as a selection from Burt, is proving very promising throughout the central spring-sown redcoat region. This variety is very early, uniform, and awnless, and is of the red-kernelled type.

In the north-central hard red spring wheat area the breeding program is centered around hybrids between the Hope variety and the best commercial varieties, Ceres, Marquis, and Reliance. Certain selections from these crosses have been entirely free from rust under all conditions where tested, and in addition are resistant to stinking smut.

During the dry season of 1930 the Korean lespedeza, an early-maturing species (*Lespedeza stipulacea*), introduced by the United States Department of Agriculture, showed unusual capacity to resist drought conditions. In some sections it was the only plant left in pastures during midsummer.

The development of strains of sugar beets resistant to curly top has reached a point where extensive field trials of the resistant stock can be carried out in the important curly-top areas to determine the commercial possibilities.

The acreage planted to sugar-cane in Louisiana is still short of that planted before the epidemic of mosaic, but the performance of the varieties introduced by the department has restored confidence in the cane crop and there is a tendency to gradual resumption of planting upon sugar-cane lands that have long been idle.

In February, 1930, the first two strains of lettuce which are highly resistant to both brown blight and mildew, or "double resistant," were distributed.

Bison, a new variety of wilt-resistant flax, selected and distributed by the North Dakota station, is now widely grown. It is estimated that approximately 250,000 acres of this variety were grown in 1930. The 1931 acreage of the bison variety was considerably greater.

Conditions during the past year indicate that citrus canker will be entirely eradicated from the United States. The eradication of this disease, which 15 years ago threatened to destroy the citrus industry of the South, is the result of the intensive campaign conducted by the department in cooperation with the Gulf States.

Through an investigation of the car-reicing requirements of precooled and preiced shipments of California oranges, a modified icing service has been found practicable, making possible a saving to shippers in excess of \$30 per car on through shipments to points on the Atlantic coast. The annual saving to producers through this is estimated at from \$500,000 to \$1,000,000 per year.

The department has completed the third year of the campaign for the eradication of the phony disease, an infectious virus confined to the root system of peach or nectarine trees and to other trees grafted or budded on these roots, which causes them to become dwarfed and to produce abnormally small and poorly flavored fruit. The campaign is succeeding.

The so-called blue stain of sapwood is caused by fungi that enter logs and lumber before they are seasoned, and is particularly prevalent in the Southern States. With the increasing proportion of sapwood in lumber and the growing insistence of buyers that lumber be free from defect, blue stain has become a factor of great importance, particularly in southern pine and gum. With the cooperation of the lumber industry, a successful preventive treatment has been developed which costs from 9 to 12 cents per thousand board feet for application.

In connection with the campaign to control white pine blister rust in New England and New York more than 7,000,000 acres of land were included in *Ribes*-eradication work during 1930. Since 1918 control work has been performed on approximately 8,500,000 acres of land in this region.

Stem-rust epidemics on wheat and other small grains in the spring-wheat region have decreased with steady progress in the elimination of the common barberry and with wide dissemination among farmers and city people of information concerning the principles of rust control. In the case of wheat, for example, the average annual loss for the period from 1916 to 1920 was estimated at 57,000,000 bushels, while for the 5-year period, 1926 to 1930, after millions of barberry bushes had been destroyed, the average annual loss attributed to this disease was estimated at less than 10,000,000 bushels.

A new method for determining the boron content of irrigation waters has been developed. The findings with respect to the occurrence of boron in irrigation supplies is being utilized by farmers and irrigation companies to minimize losses from this cause, in some cases by eliminating the sources of boron from the irrigation supplies and in others by blending these sources with larger supplies so as to dilute the boron concentration to the point of safety for general use.

AIDS IN FIGHTING INSECT PESTS

Two methods were recently developed for sterilizing citrus fruits infested by the Mexican fruit fly. One involves the utilization of heat and the other the utilization of low temperatures. The latter method was effectively used in connection with moving a small part of the citrus crop in the lower Rio Grande Valley in the spring of 1932.

A new poison-bait spray has been developed to aid in the control of the Mexican fruit fly. This spray is fully as effective as sprays heretofore used on fruit flies and has no detrimental effect.

An economical and effective method of controlling citrus thrips by sulphur dusts has been perfected.

Chemically treated bands were developed recently which greatly aid in reducing the numbers of the overwintering brood of the codling moth. These bands are economical and effective and have been brought to the attention of the apple growers throughout the United States.

During the seasons of 1930 and 1931 grasshopper outbreaks occurred in many areas previously affected by drought. Specialists of the department predicted these outbreaks and aided States in planning campaigns for grasshopper control. During late summer and autumn of 1931 a survey was conducted to furnish accurate information as to egg deposition in order to aid in control of the anticipated outbreak for 1932.

Real progress has been made in controlling insects affecting cured tobacco by advising tobacco companies on methods of fumigation. Millions of dollars worth of cured tobacco in storage has been protected.

A method has been developed for controlling the tobacco flea beetle in areas where tobacco is grown under shade.

Methods have been developed for controlling the gladiolus thrips, an insect which has recently caused excessive losses to the floral industry.

Investigations on the control of sand flies have developed an effective, economical insecticide. It will probably soon be practicable to control the pestiferous sand flies and mosquitoes of the Atlantic coastal plain.

A method has been developed by which nursery stock can be safely and economically treated with lead arsenate to eliminate infestations by grubs of the Japanese and Asiatic beetles. And it is now possible to fumigate small perishable fruits such as blueberries, blackberries, and so forth, to remove infestations by the Japanese beetle.

Specialists have developed a method of preventing the Japanese beetle from injuring sweet corn.

The Mexican bean beetle at first caused almost complete destruction of the bean crop. This pest has now been brought under commercial control as a result of the work of the department's entomologists.

Here is an attempt to place a money value on research. An analysis was recently made of 20 continuing projects in pest control, the projects cost \$300,000 a year, they result in saving crops that are worth about \$70,000,000 a year.

AIDS TO THE BEE INDUSTRY

By standardizing shipping cages for package bees there has been a very material reduction in express rates and this has enabled fruit growers to purchase with distinct savings bees for pollination purposes.

Investigating the spore content of commercial honeys proves conclusively the inadvisability of subjecting honey to inspection. These investigations have apparently forestalled legislation contemplated by many States requiring certification of honey. These investigations have thus prevented unnecessary restrictions on its interstate movement.

PLANT-QUARANTINE WORK

The pink bollworm of cotton, an insect equally as destructive to cotton as the boll weevil, has been eradicated from extensive areas of Texas and Louisiana, resulting in the complete freedom of the main Cotton Belt from this pest. An infestation in Arizona has been reduced to negligible proportions with hope for a successful conclusion.

The gypsy moth, an important pest of fruit and shade trees, was completely eliminated from an area of over 400 square miles in New Jersey, the department withdrawing from this work after the inspection season of 1932.

The Mediterranean fruit fly, perhaps the worst known fruit pest, was discovered at Orlando, Fla., April 6, 1929, and subsequently found in 20 counties in that State. An intensive eradication campaign conducted by the department and the State of Florida in cooperation, was apparently successful as no specimens have been found since July 25, 1930.

The port-inspection service is constantly intercepting dangerous insect pests and plant diseases, many of which are new to this country. Among these are the Mediterranean fruit fly, West Indian fruit fly, Mexican fruit fly, citrus black fly, melon fly, pink bollworm of cotton, turnip gall weevil, avocado weevil, sweetpotato weevil, gypsy moth, brown-tail moth, gold-tail moth, dagger moth, European tussock moth, sawflies, Lima-bean pod borer, citrus canker, rice smut, and red rot of sugar-cane.

The Mexican fruit worm, a serious pest of grapefruit and oranges in Mexico, has been prevented from becoming firmly established in the United States. The occasional local outbreaks in Texas since 1927 have been stamped out as they arose and have been prevented from spreading to other fruit-growing sections of the United States.

The number of palms infested with the parlatoria date scale in California and Arizona has been reduced from 1,590 in 1929 to 232 in 1931. Total eradication is anticipated by 1935. This pest is so serious that the success of the promising young industry of date culture in the United States is believed dependent on the insect's total extermination.

SOME ANIMAL-INDUSTRY ACHIEVEMENTS

Increased economy in meat production: Department investigators recently announced improved means of raising and fattening domestic animals and safeguarding them from diseases and parasites. One recent finding is that beef and lamb of high quality can be produced on pastures. For maximum gains beef animals should have a small amount of grain in addition to good grazing pasture, but with lamb a supplementary grain ration has no material advantage so far as the quality of the meat is concerned. These results point to increased economy in meat production. In a swine investigation pigs on somewhat restricted rations were more efficient in utilizing their feed than those given all they would eat. These results indicate a means of further reducing swine-production costs.

America can export Wiltshire sides: American production of satisfactory Wiltshire sides for export is foreshadowed by a comparative study of this commodity as produced in Denmark, Sweden, Poland, Ireland, and the United States. Wiltshires produced from American-grown hogs were noticeably lean compared with those produced in the other countries. Chemical analyses, however, showed the American Wiltshires to be more heavily cured than those from the other countries, yet the latter Wiltshires, though milder, were in sound condition. The study suggests a milder cure of Wiltshires intended for the English markets.

New disinfectants discovered: In combating many diseases that threaten domestic animals, dips and disinfectants that are economical as well as efficient are needed. Tests of common, cheap, readily available substances, such as sodium hydroxide and sodium carbonate alone and in combination with other substances, have disclosed new economies in this field. For general disinfection, even in the presence of organic matter, a 2 per cent solution of sodium hydroxide is effective. The same inexpensive chemical also makes certain other disinfectants—commonly applied hot—effective at ordinary temperatures. These investigations showed the

chemical orthophenylphenol to be practically odorless as well as effective in disinfecting dairy barns and stables in connection with tuberculosis eradication.

Aiding the poultry raiser: A simple test for detecting pul-lorum disease in poultry has been favorably received by the poultry industry which has needed a rapid yet accurate means of diagnosing this destructive malady. In poultry research, investigation has shown that, contrary to general opinion, high egg production during the breeding season is apparently conducive rather than detrimental to good hatchability. Inbreeding tends to decrease the hatchability of eggs, whereas the breeding of unrelated parent stock tends to increase it.

A program of controlling liver flukes in sheep, based on previous scientific investigation, has helped sheepmen in California and other Western States to restore flocks that had previously been devastated by the destructive parasites. This work has again placed sheep raising in affected areas on a safe basis of production.

Foot-and-mouth disease stamped out: In conducting the eradication of destructive livestock diseases, in supervising public-livestock markets, in the inspection of meat, and in maintaining preventive quarantines the department performs services often taken for granted but that would be sorely missed if suspended. The outbreak of the foreign-livestock scourge, foot-and-mouth disease, occurring in southern California April 28, 1932, was effectively suppressed in 10 days—the shortest time for an achievement of this character. The United States Bureau of Animal Industry, which conducted this work in cooperation with local and State authorities, used the drastic but proved method of promptly slaughtering and burying all affected and exposed animals, thereby destroying all centers of infection before the highly infectious virus could spread. This is the only large livestock country in the world free of foot-and-mouth disease.

The campaign against bovine tuberculosis has gone forward at moderate expense and with noteworthy effectiveness. On June 1, 1932, more than 46 per cent of all counties in the United States were officially recognized as modified accredited areas, signifying the practical eradication of bovine tuberculosis in those counties. The estimated extent of bovine tuberculosis for the entire country is now 1.4 per cent as compared with 1.7 per cent in 1930, and 4 per cent back in 1922. Practically all livestock diseases are now being eradicated or effectively controlled by scientific methods or suitable regulations in which there is excellent cooperation on the part of stockmen, State officials, transportation companies, and others interested. The definite economic benefits of this work are well recognized.

Commission rates reduced: Savings even more tangible have occurred recently in the administration of the packers and stockyards act which provides for supervision by the Secretary of Agriculture over commission rates and various stockyard charges. Through recent official action, estimated savings to shippers at the Kansas City market are approximately \$250,000 annually and at the South St. Joseph market about \$100,000 a year. Protective features, such as bonding of market agencies, supervision of trade practices, inspection and testing of scales, and investigation of complaints also have resulted in substantial savings to producers.

DAIRY INDUSTRY AIDED DURING THE PAST YEAR

The department recently developed methods for determination of the suitability of casein for paper coating and for eliminating some of the defects which occur when inferior casein is used.

A process of which milk sugar can be removed from skimmed milk without affecting the casein has been perfected. This will make it possible to increase the amount of milk solids not fat in ice cream by about 20 per cent without danger from the defect known as sandiness. This additional quantity of milk solids improves the quality of the ice cream and increases its nutritive value.

A method has been developed by which milk may be held in a frozen condition as long as three weeks and restored to its normal state without impairment of the flavor or physical

properties. This process offers possibilities for the shipment and storage of milk when fresh milk is not readily available.

Equipment has been devised by which the albumen can be separated from cheese whey without impairing its physical properties. The powder obtained by this process, added to cow's milk, gives it the approximate composition and physical properties of human milk.

Scientists have found that certain of the minor ingredients of milk act as auto-oxidants and that by insuring the proper distribution of these ingredients in certain dairy products their keeping qualities can be materially increased.

Work has been completed on a process by which American cheese can be ripened in cans without molding or the swelling of the cans due to gas generated in the normal ripening of the cheese. This permits the marketing of unprocessed cheese in an attractive package and eliminates waste due to loss of moisture and the formation of a rind.

Herd improvement: The Bureau of Dairy Industry cooperates with the State agricultural colleges in promoting dairy herd improvement associations, organizations which keep production and feed records of dairy cows. By means of these records unprofitable cows may be eliminated and only the best cows retained in the herd. During the past year there were nearly one-half million cows on test and the individual cow records were sent to the bureau for tabulation and study. These records show that cows which freshen in the fall and winter months produce more milk and butterfat, consume more feed, and return a larger profit over feed cost than cows that freshen in the spring and summer months. The records also show that the large cows within the breed are better producers and more profitable than smaller cows in the breed.

The bureau also assists the States in organizing cooperative bull associations, which enable the dairy farmers to cooperatively own registered dairy bulls, of high quality at a low cost per herd. During the year 1931 there were 1,852 such bulls owned by 8,024 farmers. These bulls were mated with more than 68,000 cows. On an average the cows produced 387 pounds of butterfat, yet the daughters sired by association bulls produced an average of 412 pounds, an increase of 6.6 per cent.

The department has demonstrated that dairy cows will produce milk and butterfat profitably when fed exclusively on cheap, home-grown roughages, such as alfalfa hay alone, or alfalfa and silage, either with or without pasture grass.

Investigations have also shown that the best hays are made from plants cut at a somewhat immature stage and cured with the retention of the natural green color and without the loss of leaves. Artificially dried hay is superior to field-cured hay in color and in certain substances that are essential for perfect nutrition of dairy cattle. Work is in progress to perfect the methods of drying so as to bring the artificial hay dryer within the reach of a larger proportion of dairymen.

In many regions of the United States pasture grass is the salvation of the dairyman. And yet perhaps no farm crop is so badly neglected. The department has found that the application of manure or fertilizer, and the practice of rotation grazing, greatly increase the carrying capacity of pastures as well as the nutritive value of the grasses. All of which leads to the more economical production of milk.

Recent results prove that many dairymen could milk their cows three times a day with increased profits, especially on farms where milking machines are used.

Dairy research has definitely shown that milk secretion takes place between milkings, that it is more or less continuous, and that practically all of the milk is present in the udder when milking is commenced, instead of being secreted chiefly during the milking period as was previously supposed by many. This explains why heavy-milking cows yield more milk when milked three or four times daily than when milked twice daily.

A distant contribution to the knowledge of reproduction was made recently through the location and study of the fertilized ovum as found in the Fallopian tube of the cow. This should throw some light on the best time to breed to

obtain conception and on the reason for frequent failure of conception.

Improving quality: The department recently developed programs for improving the quality of milk produced in this country. One of these is an area plan whereby the quality of the milk will first be improved in a small area, after which the improved area will be used as a demonstration area from which quality improvement may radiate over the remainder of the State. The department assists in inaugurating and developing the project in the first area within the State. After the project is well established and the quality of the milk has been improved, the project is turned over to the State for further promotion. Improving the quality of milk not only maintains the dairyman's present market but it extends his market. In addition to this, it prevents losses due to off-flavored and sour milk and from poor-quality dairy products. The dairy farmers of this country could increase their annual receipts millions of dollars if only milk of high quality were produced.

Recent investigations have shown milk dealers how to hold down costs of processing and distributing milk and thus reduced the spread between the farmer and the consumer. This enables the average market-milk producer in the United States to receive nearly 50 cents of the consumer's retail dollar, which is a high average for an agricultural commodity, especially in view of the services rendered, the quality supplied, and the perishable nature of the product.

Eighteen Ohio and six Wisconsin cheese factories recently cooperated with the department in the use of the culture method of making Swiss cheese. The quality of Swiss cheese made has been greatly improved in a number of these cooperating factories, and more quality cheese has been made than before the adoption of department methods.

Domestic casein improved: At a casein-tariff hearing held a few years ago several domestic consumers of casein testified that the quality of domestic casein was inferior to that of the imported Argentine. On June 9, 1932, at a similar hearing the consensus of testimony was that domestic casein was much improved in quality and equal if not superior to the imported. Much of this improved quality has resulted from the work of department specialists. Some 150 casein factories have been visited during the last two years and improved and new methods of making casein demonstrated and introduced into a number of these factories in the principal casein-producing sections.

ENGINEERING AND IRRIGATION

The department has developed a vertical drier for seed cotton, which is simple to build and to operate, and which by improving the ginning quality both of green and rain-soaked cotton increases the capacity of the gins and raises the market value of the lint much more than the cost of drying.

For the benefit of the landowners in irrigation and drainage districts in financial difficulties, and of the purchasers of securities of such districts, the department has formulated principles of refinancing such enterprises with minimum losses to landowners and to investors based upon the amount that the lands can produce for repayment of investment.

Mechanical means have proved the most effective in combating the European corn borer. The department has devised simple and inexpensive attachments for plows by which practically complete coverage of stalks and trash is obtained, also low-cutting devices for harvesting the whole stalk for ensiling or destruction, and rakes particularly adapted for cleaning the field of débris.

To lower the cost of producing sugar beets through substitution of mechanical methods for imported labor the Bureau of Agricultural Engineering has, by altering and rearranging the tools on an ordinary beet cultivator, devised a simple and effective cross-blocking implement that greatly reduces the amount of hand labor required for growing the crop.

For efficient and safe use of commercial fertilizers the Bureau of Agricultural Engineering has devised improvements in mechanical distributors which will measure the applications accurately and place them in correct relation to the seed, thus avoiding injury to the seed and obtaining maximum yields. The improvements are being incorporated in a new commercial distributor.

A fertilizer attachment for beet, cotton, and potato planters has been devised by the bureau's engineers for placing the fertilizer in various locations with respect to the seed. With this attachment the fertilizer is so placed as to give the maximum benefit to the crop as weather, soil, and crop conditions may dictate.

The methods of uniformly distributing poison grasshopper bait by mechanical means have been worked out. One is a reconstructed end-gate seeder and the other an attachment for a lime spreader.

A cottonseed planter with a variable-depth attachment has been invented by the engineers. It tends to insure a fair stand of cotton by placing at least part of the seed at the optimum depth which is determined by weather and other conditions.

Cheap nitrogen from air produced by a synthetic ammonia process in many American plants is a reality in large part because of research in the department. This successful development has resulted in the collapse of the foreign monopoly in nitrogen fertilizers; and the United States is well on the road to independence in its requirements for fertilizer raw materials. Indeed, the department's fertilizer studies have been extraordinarily conductive in the last two years, and as a result we have better and cheaper fertilizers than ever before. They have developed improved methods for phosphate production from United States deposits and have resulted in greatly increased methods for producing phosphoric acid by the use of the electric furnace and the fuel-fired blast furnace, the product being suitable not only for fertilizer production but also for food and technical products. They have shown the advantage of fertilizers containing higher percentages of plant food than heretofore ordinarily used and new products of this character are now available to farmers. They have shown how profitable crops can be grown on certain nonacid soils by the application of manganese sulphate and other heavy materials. Areas of apparently fertile land in the Florida glades failed to respond to ordinary commercial fertilizers. Our chemists found that these soils were deficient in manganese. When this was supplied in the proper amounts, profitable crops of tomatoes, potatoes, beans, and other vegetables resulted.

A few triumphs of the past two years:

The basic facts necessary for the economical conversion of ammonia into urea have been determined and made available to the industry for use in establishing urea manufacture in the United States. American producers are thus put on a fair footing to compete with foreign producers.

Investigation of the corrosion resistance of the various metals suggested for use with phosphoric acid was recently completed and the results made available to the fertilizer and chemical industries. This will help in improving the production of phosphate fertilizers costing the farmers some \$80,000,000 annually.

A detailed study of the composition of all the commercial types of domestic phosphate rock was recently completed. Special attention was given to the occurrence of such elements as manganese, chromium, vanadium, iodine, copper, zinc, and arsenic, which may affect the growth of plants. These investigations have shown the influence of fluorine on phosphate availability in fertilizer and suggest new methods of fertilizer manufacture.

Work on the treatment of superphosphate with ammonia and the availability to plants of the water-insoluble phosphate thus formed has resulted in a change in the official laboratory method for the determination of available phosphoric acid in such a way as to permit a 100 per cent increase in the direct use of ammonia. This possible increase

would normally amount to 80,000 tons of ammonia, valued at about \$8,000,000.

Fundamental studies of conditions affecting potash volatilization from Wyoming leucite (wyomingite) have definitely demonstrated that complete recovery can be accomplished with the aid of promoters, preferably calcium chloride, at fusion temperatures easily attained in the blast furnace. Blast-furnace smelting of wyomingite has been conducted on the small pilot plant scale with the commercially complete volatilization of the potash, indicating a practicable process to be applied to the manufacture of agricultural potash from the great leucite deposits of Wyoming.

Investigations of Utah alumite, a potash ore of importance, have advanced the technology of its utilization in the manufacture of potassium sulphate, an important fertilizer salt, essential for certain crops, and of alumina, an essential by-product obtainable from that ore. These investigations have effected the recovery of the valuable sulphate constituent of that ore and the purification of the by-product alumina.

The extraction of potash and by-products from Wyoming leucite, with nitric acid as the extracting agent, has been demonstrated on a laboratory scale, yielding potassium nitrate, a highly concentrated, double fertilizer salt and high-grade alumina as product. As a process it is new and offers excellent promise of becoming adaptable to the commercial utilization of those vast deposits.

A new process has been developed and successfully tested whereby, with the use of ammonia and carbon dioxide, potash and ammonium sulphate can be easily manufactured from polyhalite, the potash mineral recently found in large subterranean deposits in western Texas.

Economic surveys have shown that coal gas and blast-furnace gas, by-products of the blast-furnace smelting of Wyoming potash ores, can be applied in various collateral operations in the development of a well-rounded chemical industry for that section.

HELPING THE FARMER THROUGH SOIL IMPROVEMENT

Field studies with pecan soils show that to produce this desirable nut successfully the orchards must be tilled and fertilized. Tillage and fertilizers influence pecan-tree growth, nut yield, and size and quality of the nut.

Cotton-root rot investigations in Texas reveal that the rational use of fertilizers and a practice of modified tillage, in conjunction with crop rotation, soil conservation, and other fertility-maintaining or restoring measures, will control cotton-root rot in the black-land region of Texas.

As a result of soil fertility and fertilizer investigations with sweetpotato soils in the Southeast, growers are profiting by using a higher-potash fertilizer and by applying fertilizer broadcast over the row after the plants have been set.

Fertilizer investigations on prominent soil types with cotton show the fertilizer requirement for cotton varies for different soil types. In general, nitrogen, phosphoric acid, and potash are required for best results, the proportion varying with the different soil types. Nitrogen is the important fertilizer element in cotton production.

Investigations with strawberry soils on the Atlantic coastal plains reveal that quickly available fertilizer materials applied in late summer result in healthier and more thrifty plants in early spring, which produce larger yields of good-quality berries than when fertilizers are applied in winter or early spring in several applications. This change in practice of fertilizer has netted berry growers considerable profit.

Manganese sulphate is effective in improving the vigor of citrus trees, character of foliage, color and quality of fruit, investigations in Florida show.

Large areas of truck lands, which formerly were unproductive, have been made to produce profitably by the use of manganese sulphate.

Fertilizer experiments on sugar cane soils show that increases of 12 to 16 tons per acre may be obtained with nitrogen fertilizers alone.

Fertilizer experiments on sugar beet also show that with 20 to 40 pounds of phosphoric acid as superphosphate an

increase of 3 to 7 tons of sugar beet per acre can be obtained.

Commercial fertilizer is used extensively in the United States on soil types devoted to general and specialized crop production. From ten to twenty million dollars is lost annually owing to improper distribution and placement of commercial plant food. Recent experimental studies indicate the importance of applying the fertilizer properly. Direct contact of fertilizer with the seed or seed piece should be avoided. Manufacturers of fertilizer distributors are utilizing these results to develop their machinery.

A method for utilizing peat for the production of fertilizer material of accredited quality has been developed. The peat is treated by a comparatively simple chemical process which may be a part of a process employed in the preparation of other fertilizer materials, such as the concentrated fertilizer salts of commerce. This has been patented as a public-service patent.

CHEMICAL AND RELATED DISCOVERIES

Rotenone, the chief insecticidal ingredient of the East Indian plant derris and the South American plant cube, is the most promising weapon recently developed by the chemists of the United States Department of Agriculture for warfare against insects. Rotenone has been tested against a variety of insects and has been found to be among the most potent poisons known.

It is both a contact and a stomach insecticide, and has the added advantage of being nonpoisonous to man and animals. When sprayed upon some aphids it is at least ten times more toxic than nicotine. This means that 1 pound of rotenone is equivalent to not less than 25 pounds of the 40 per cent nicotine solution now on the market. Tests have also shown rotenone to be thirty times more toxic than lead arsenate to certain caterpillars. Because of the undesirable residue which is left on fruit sprayed with lead arsenate, which is the only effective control for the ravages of the codling moth in apple orchards, and because of the cost of its removal, chemists have long been seeking a substitute for it. Rotenone rivals pyrethrum in toxicity to many insects, and its use as a substitute will make the United States independent of foreign source of supply.

Utilizing wastes: Sweetpotatoes constitute the second largest vegetable crop in the United States, but a large proportion of the crop grown in the commercial producing sections of the South is thrown out as culs due to rigorous grading. The present means of utilization, which consist chiefly of canning and of feeding to stock, are entirely inadequate. The department has succeeded in working out a procedure whereby a high-grade starch can be produced from any of the commercially grown varieties of sweetpotatoes that is suitable for sizing of cotton textiles, and can, therefore, be substituted for fine white imported potato starch, of which in 1929 over 28,000,000 pounds were imported into the United States from Holland and Germany in spite of the duty of 1 1/4 cents per pound (recently increased to 2 1/2 cents per pound). If the market now enjoyed by imported starch could be displaced by sweetpotato starch of equal quality, utilization of culs for starch production would result in an estimated extra return to the growers of about \$3,000,000 a year. This project has now reached the stage where it is ready for commercial development. In fact, one factory designed for the production of starch from sweetpotatoes has already been placed in operation.

The loss in stored eggs is estimated to be over \$15,000,000 annually. The Bureau of Chemistry and Soils has developed a method by subjecting the eggs to a vacuum and then treating them with a colorless, tasteless, and odorless mineral oil, which gives promise of effecting a great saving in the handling of eggs.

Preventing spoilage: The value of the foods which are subject to spoilage by rancidity is considerably over \$1,000,000,000. Feeds and industrial products likewise subject to rancidity amount to several hundred millions more. The department recently discovered that certain wave lengths of light play an important rôle in hastening the spoilage of

foods by rancidity. The foods most easily affected are oils and fats, nuts, biscuits and crackers, pretzels, potato chips, self-rising flour, phosphated flour, corn meal, whole-wheat flour, mayonnaise, and so forth. Besides the foods just enumerated, certain feeds and industrial fats are subject to spoilage by rancidity. Experiments by the department with biscuits and crackers, wheat germ, potato chips and pretzels, and certain oil-bearing feeds have shown that when these products are wrapped with black paper, which excludes all light, or with a certain shade of green, these products remain fresh and free from rancidity for weeks and even months longer than when they are kept in the original commercial package. This discovery is of the utmost practical importance to the various industries utilizing fats in the manufacture of foods, feeds, and industrial products.

Huge savings in checking dust explosions: Losses from dust explosions in grain-handling operations have been reduced, and also a saving of human life has resulted from research in the department. The average loss for each grain-dust explosion has decreased from \$520,000 in 1921 to approximately \$28,000 in 1931, a net reduction of almost \$500,000 in each individual case. The yearly losses have dropped from \$4,160,000 in 1921 to \$1,100,720 in 1931. This result may be largely assigned to the application of facts determined by research.

Grain-threshing operations in certain sections of the country have been so improved and the hazard of dust explosions so much reduced, due to the research work of the Bureau of Chemistry and Soils, as to make possible a direct saving in the form of reduced insurance. This saving, practically \$9.50 on a hundred dollars of insurance, or a potential saving of \$570,000 annually in the Pacific Northwest alone, is credited to the work of the department on machines valued at \$7,500,000.

The potential saving on cotton-gin insurance, on gins properly equipped with grounding systems for fire prevention developed and advocated by the department, has been estimated at \$300,000 annually.

The rare and expensive biochemical product, asparagin, formerly obtainable only by importation from Europe, can now be produced in the United States on a commercial basis as a result of research in the department. Dr. M. Dorset, chief of the biochemical division of the Bureau of Animal Industry, reported the successful production of asparagin in the division's laboratory and the receipt of a shipment of the chemical as produced by the first firm to undertake its manufacture commercially.

Bagasse is the pulp of the sugar-cane left after the extraction of the cane juice. The sugar mills formerly used it as fuel for the mills. Not long ago the idea was conceived of manufacturing this bagasse into insulating board. To-day an enormous business stands as a monument to that idea, to the ingenuity of private business, and to the cooperation of the United States Department of Agriculture and the capacity of its scientists. The chemists of the department found that by the use of low-priced nitric acid a high-grade cellulose, the base material for rayon, may also be produced from bagasse. The process is important to rayon producers as it indicates a large new source of raw material available each year.

FORESTRY AND THE FARMER

In 1931, 400,749,000 acres of land were protected from forest fires; 1,608,000 more acres of State and privately owned land were protected from fire under the Clarke-McNary Act in 1931 than in 1930. There were 9,000 less fires on the protected area in 1931 than in 1930.

Benefits to stockmen: A 50 per cent reduction was made in the fees for grading domestic livestock on the national forests during 1932. The President's authorization for this decrease was made in recognition of the emergency situation facing stockmen as a result of last year's drought, the unusually heavy snows, and the prevailing hard winter. In reducing the fees an average of 50 per cent for the year 1932 more than 26,000 ranchers and stockmen will benefit.

In 1931, 25,510,000 trees were distributed to farmers by the States cooperating under the Clarke-McNary Act.

During the biennial period ending June 30, 1932, the national forests east of the Great Plains were increased by a total of 884,702 acres at an average price of \$3.77 per acre. The total acreage which has been purchased upon recommendation of the department and approval by the National Forest Reservation Commission now aggregates a net area of 5,011,777 acres, for which an average price of \$4.48 per acre has been paid.

Help for the unemployed: 26,814 acres of open national-forest land were planted with small trees during 1931, and about another 10,000 acres were planted in the spring of 1932. This work not only put idle acres back into production but also gave opportunities for work in the early spring and late fall when such opportunities were scarce. The work gave employment for a total of at least 35,000 man-days, exclusive of the small amount of labor required in nurseries throughout the growing season.

With an emergency appropriation of \$2,000,000 for national-forest roads and trails, made available on December 29, 1930, the Forest Service constructed 1,824 miles of simple, inexpensive, and low-standard roads and motor ways; improved the standard on 862 miles; and maintained 5,767 miles. Of trails 1,210 miles were constructed, 280 miles bettered, and 17,477 miles maintained, providing employment to residents of national-forest communities in 35 States. A maximum number of individuals was given employment through the rotation of crews; the neediest and most deserving cases were reached by cooperating with the Red Cross and other social agencies.

Subsistence camps for the unemployed were maintained on national forests in the West during the past year. Financed partially from State funds and with the cooperation of many other organizations and individuals, the camps were established, equipped, and managed by forest officers. Men qualified to construct firebreaks and to do other forest-protection and improvement work were selected from an apparently unlimited number of volunteers anxious to leave charity soup lines to work for a period each day in return for shelter and meals. Starting in California, this system of relief has spread to other sections of the West, the most active camps at the present time being located in Colorado.

CONTROL OF INJURIOUS ANIMALS

During the past two years a total of approximately 37,560,000 acres in the United States have been treated for the control of injurious rodents in cooperation between the Bureau of Biological Survey and more than 220,000 stockmen and farmers. The estimated savings to the farmers and stockmen as a result of these operations is placed at approximately \$9,500,000.

The Biological Survey assisted in protection of the public health through the control of rodents that are carriers of such diseases as tularemia, bubonic plague, spotted and typhus fevers. The brown rat not only affects the public health but is probably our most destructive rodent.

In the eastern United States during the past two years rat-control work has been done in 21 States in which 333 county-wide campaigns have been instituted in cooperation with 134,000 citizens, mainly farmers. These cooperators estimate the damage by the rat to these areas at over \$5,000,000 annually. Since the bureau's specific development and improvement of raticides, the foremost of which is red squill, it has become the leading agency in effecting rat-control measures. Rat control in cities, as well as on farms, has been given attention through publicity and demonstrations.

Control of the larger predators such as the coyote, the bobcat, the mountain lion, and the wolf has made the growing of livestock and poultry less hazardous in the far western country particularly. Numerous areas abandoned as poultry-producing sections because of heavy predator infestation have again taken up the work of poultry production because of the increased control effected in the interval mentioned.

For several years the Biological Survey has been acquiring lands for wild-life refuges and now has approximately

350,000 acres under control. This enterprise has contributed toward solving some problems of the farmers by withdrawing submarginal lands from agricultural competition. The more abundant bird life is also beneficial in the control of injurious farm pests.

RESEARCH IN THE STATE EXPERIMENT STATIONS

The agricultural appropriation act for the fiscal year 1932 includes \$4,357,000 for payments to the agricultural experiment stations in the States, Hawaii, and Alaska under the Federal acts providing for the establishment and endowment of agricultural experiment stations. Here are a few examples of recent results from research supported partly by these Federal funds:

Examples of aid to the livestock industry: Scientists of the Texas State Experiment Station discovered this season that "sore mouth" of sheep and goats is an infectious disease and have developed and demonstrated a vaccine for its control. By resolution sheep and goat raisers recently declared that this one discovery is worth more to ranchmen in southwest Texas than the several hundred thousand dollars expended for the development and maintenance of their ranch experiment station since it was established in 1915.

Through their research the stations have found that fowl pox, a destructive disease of poultry, may be transmitted to baby chicks by mosquitoes and may be prevented by screening the runs and houses. Effective vaccines for preventing the disease have been developed, demonstrated, and put into commercial use.

Effective means of preventing rickets and anæmia in swine have been discovered, demonstrated, and are now in extensive use.

Recent advances in the control of plant diseases: A number of new developments from research at the stations are assisting producers in their battles against plant diseases which annually are a heavy toll through actual losses and increased cost. Wilt-resistant greenhouse tomatoes have been developed and introduced by the Illinois station. The Indiana station has found varieties of wheat resistant to leaf rust, and the Nebraska station has developed strains of red winter wheat resistant to stinking smut and black stem rust. The New York station has produced raspberry hybrids which show outstanding resistance to mosaic. The discovery of a simple method of identifying carriers of cotton-root rot, announced by the Texas station, will greatly aid in the control of this destructive disease. The Alabama station has found nematode-resistant pole snap beans which give high yields and compare favorably in quality with commercial standard sorts, thus offering possibility of avoiding losses from nematode injury which is widespread and serious in the South.

Reducing the cost of production: American farmers pay more than \$2,000,000 annually for sugar-beet seed, mostly to foreign seed producers and distributors. The New Mexico station, cooperating with the United States Department of Agriculture in a study of the possibility of developing domestic production of seed, has found that under the mild climatic conditions prevailing in the Rio Grande Valley seedlings from seed planted in the fall may be overwintered in the field and brought to satisfactory seed production the succeeding year, thus greatly speeding up and reducing the cost of seed production.

Research by the Connecticut station has shown that the cost of fuel for curing tobacco may be reduced fully 40 per cent by substituting coke for charcoal, with a resulting saving to the tobacco growers of the Connecticut Valley of about \$200,000 annually.

In reducing production costs and improving market quality the main aids from station research continue to be development of improved crops and varieties to replace less suitable older ones. Work of this nature can not be "chopped off" by calendar or fiscal years. A great number of improved varieties of field crops, fruits, and vegetables have been developed which are rapidly replacing older varieties extensively grown. Such new varieties, together with continued improvement in general farm practices, enable the farmer to produce better crops on fewer acres of their best lands.

Through farm management and other economic studies the stations are assisting farmers daily in the difficult task of adjustments to find uses for the less productive areas.

AIDING THE HOME MAKER

During the winter of 1930-31 many agricultural communities faced the problem of feeding their families from a larder depleted by drought. To help them meet this situation the Bureau of Home Economics prepared a bulletin on food selection for the use of extension workers located in these districts and later issued the same material in popular form for home makers.

Low-cost food budgets: The increase of unemployment in cities indicated the need of similar material for urban groups; so leaflets were prepared listing the food materials required for adequate feeding of families of different sizes. To facilitate the use of the food suggested, a weekly news service—The Market Basket—has been sent to some 6,000 papers since January, 1931. In times of falling incomes the only way to maintain a standard of living is by more careful spending and by "making at home" where time is available. To help in this, typical family budgets meeting varying conditions have been collected and sent on request. To supplement these budgets, material on wise buying of various commodities has been prepared.

Every effort has been made by the department to develop a farm-production program which would supply adequate food for the family. This meant not only a production program based on family needs but preservation of the surplus for "off seasons." The Bureau of Home Economics has prepared directions to help the housewife preserve the food produced on the farm for use throughout the year.

Cooperative studies on meat production have shown not only how to produce the quality of meat most desired but how to use the less desirable cuts most satisfactorily, thus spreading out the cost of production and increasing the return to the producer.

To increase the consumption of cotton and wool, special studies have been made by the Bureau of Home Economics to develop new and more satisfactory materials specially suited to household needs. A cheap cotton fabric has been produced to take the place of burlap as a backing for hooked rugs. Suggestions for draperies made from cheaper cotton fabrics have bettered the appearance of the home and increased the yardage sale of these materials. Designs for children's clothes have shown more satisfactory uses of cotton and woolen materials and introduced to the homemaker certain new fabrics.

GRAIN FUTURES

Under the provisions of the grain futures act close supervision has been maintained over speculative transactions on the commodity exchanges. While the operations of large-scale speculators have been on the short side of the wheat market most of the time for more than two years, close supervision of their short selling, together with the support given to the market by agencies of the Federal Farm Board, has resulted in wheat prices being maintained above a world parity. The grain futures act does not contain authority to deal fully and effectively with the matter of speculative short selling. Investigation of numerous complaints by customers regarding the improper execution of orders has led to the uncovering of several cases of irregularities resulting in loss to the customer. Several suspensions of board of trade membership privileges have already been made as a result of these irregularities and other cases are pending.

RECENT SUCCESSES IN FOOD AND DRUG ENFORCEMENT

The department, through the enforcement of the food and drug act, the import milk act, and the insecticide act, brings benefits not only to all the people as consumers but also brings additional benefit to farmers as producers. During the last two years special attention has been given to those features of the laws which are of economic benefit to the agricultural industries.

Spray-residue problem: The amount of spray residue remaining on fruits has been reduced to the point that removes the danger of having domestic and foreign markets closed to the products of the orchards of the United States. The

department has developed methods for washing apples and pears and the industry has applied the methods so that the fruit will now meet the world tolerance for spray residue and thus remove restrictions on its sale either in the domestic markets or in foreign countries. Without this action several foreign countries would have barred the sale of apples shipped from the United States.

The improvement in the quality of canned foods brought about by the enforcement of the pure food law has increased greatly the consumption of canned foods and thus made a wider market for the fruits and vegetables produced on the farm. The Mapes amendment to the pure food law, passed in 1930 with the indorsement of the department, served to improve still further the quality of canned fruits and vegetables. During the past year the department has formulated a number of standards which are now being applied by the canning industry.

American farmers and ranchers annually spend millions of dollars on veterinary preparations of one kind or other. Unless such preparations will do what their manufacturers say they will, this expenditure is a great financial loss. Even more serious is the false sense of security thus attained. Although the need for legal action to prevent fraud of this sort will doubtless continue indefinitely, rapid strides in ridding our markets of falsely labeled veterinary preparations have recently been made through cooperation with the industry.

Enforcement of the import milk act has made it necessary for all milk and cream imported into the United States to meet rigid sanitary requirements, thus enabling the domestic producer to compete on even terms.

COOPERATIVE EXTENSION

The rapidly changing agricultural situation caused by world-wide depression, the existence of burdensome crop surpluses, and the effects on production of the widespread drought of 1930, and the more limited drought of 1931, necessitated vigorous action by extension agents. They brought to the service of farmers every source of information helpful in a solution of their problems, which were more numerous, more complex, and more widespread than ever before.

The year 1931 opened on a territory refreshed with some rains but still bearing the marks of the country's most severe drought. In many areas feed supplies and food were depleted or totally lacking. In the 18 States embracing the area most severely affected extension workers strove to assist farmers in establishing quickly usable feed crops, in planting gardens with a view to obtaining food for their families at the earliest possible time. Extension workers outside the area cooperated in locating good seed stock of varieties that would grow and mature in the drought area. They gave many hours to necessary relief work.

In general the effort to augment farm incomes and maintain farm living standards, home-demonstration agents aided farm women and girls in preparing and selling surplus garden, poultry, and dairy products, and in the development of home industries. They helped in the economical buying of supplies, the preservation of foods, the making and remodeling of clothing, the refinishing of furniture, and in home beautification.

Vigorous efforts were made to acquaint farmers with the objects and business possibilities of cooperative associations and with the requirements of membership. Extension agents presented technical and economic facts bearing upon the production and marketing of farm commodities.

PERISHABLE AGRICULTURAL COMMODITIES ACT

Supported by the fresh fruit and vegetable industry, the perishable agricultural commodities act approved June 10, 1930, regulates through a licensing system commission merchants, dealers, and brokers who handle fresh fruits and vegetables in carload quantities in interstate and foreign commerce, with a view to suppressing certain unfair and fraudulent practices from which producers and distributors formerly suffered without adequate remedies.

While failure to deliver or to accept goods in accordance with the terms of a contract have always entitled the injured party to a judgment in the courts, this remedy has not been

adequate in most of the disputes arising between parties separated by long distances. Failure properly to account or settle for goods handled on commission, or purchased, or the making of fraudulent or false or misleading statements concerning the quality, quantity, disposition, or condition of the market for any of these products when received in interstate commerce are also offenses for which the Secretary of Agriculture may issue reparation orders or may suspend or revoke the licenses of offenders.

Nearly 4,000 complaints have been received since the approval of the act. Nearly 3,000 have been successfully closed without proceedings, and approximately 1,000 cases are now in process of handling.

In the relatively short time the act has been in operation, it has demonstrated its usefulness as an authoritative medium for prompt settlement of disputes. It is regarded generally as a wholesome influence in the marketing of these perishable commodities under highly competitive conditions.

FEDERAL-AID ROADS AND UNEMPLOYMENT

In Federal-aid and forest-road construction the period since December, 1930, has been marked by a greater activity and a larger result than any other period since the inauguration of these important works under the administration of the Department of Agriculture in 1916.

Aside from the benefit that has resulted in every State from the improvement of the main interests and inter-county roads with the financial aid of the Government, these important public works have given employment directly and indirectly to large numbers of workers.

It was for the purpose of giving work and useful employment to thousands of men otherwise idle that Congress, in December, 1930, as an emergency measure, appropriated \$80,000,000 to be advanced to the States and used by them in addition to the regular Federal-aid road appropriation for an augmented program of construction to be carried out in the first eight months of 1931.

Six months before, the regular appropriations authorized for the ensuing three years had been increased from \$75,000,000 to \$125,000,000 annually.

The combined results of these two constructive measures have been manifested in a great increase in the Federal-aid road-building program and in the mileage of improved roads completed. In the fiscal year 1931, ended a year ago, improvements were completed on more than 11,000 miles of road—a performance that had been slightly exceeded in only one previous year; and in the fiscal year 1932, just ending, all previous records have been broken by the completion of projects totaling more than 15,000 miles in length.

Two hundred and sixty million dollars paid to States: In these two fiscal years the Federal Government has paid into the several State treasuries a total of more than \$260,000,000 as its share of the cost of completed road-construction work, to which has been added nearly \$80,000,000 advanced during the emergency which will be deducted in annual installments from future allotments. Throughout these two active years the cooperative road-building program of the Federal and State Governments has involved a total cost ranging from a minimum of nearly \$200,000,000 to a maximum of more than \$388,000,000, including at all times a Federal share amounting to nearly 45 per cent.

Throughout the calendar year 1931 the augmented road program in which the Federal Government participated gave direct employment to an average of nearly 100,000 men. The number employed varied seasonally from a minimum of less than 20,000 in January to a maximum of nearly 165,000 in July. These figures include only the men employed on the roads, and do not cover the larger army of workers required to supply and transport the materials and equipment employed in the construction.

The tangible and lasting benefit of the effort put forth so steadily since 1916, and lately with increased vigor, is shared by all—farmer and city dweller alike—who for business or pleasure make use of the Nation's most important highways. It is these highways to the extent of nearly 200,000 miles which constitute the Federal-aid highway system upon which the Federal-aid road appropriations are expended.

AGRICULTURAL LOANS THROUGH THE SECRETARY OF AGRICULTURE

Loans for crop production were made in the spring of 1931 to 385,000 farmers in a total amount slightly in excess of \$47,000,000. Severe drought in the Northwestern States in 1931 necessitated the making of loans during the succeeding fall and winter to enable farmers to maintain their breeding herds. These loans were made to 57,000 farmers in a total amount slightly in excess of \$8,860,000. In the spring of 1932, under a provision of the Reconstruction Finance Corporation act, the Secretary of Agriculture made loans for crop-production purposes to 510,000 farmers in a total amount of slightly less than \$65,000,000. These loans have enabled many farmers to continue their operations following periods of extreme drought and crop failure at a time when local credit was not available.

As a result of the decline of bank deposits and the impairment of credit facilities in agricultural communities, a large number of agricultural credit corporations and livestock loan companies have been established in recent years. These organizations, if properly capitalized and capably managed, are able to rediscount agricultural paper with the Federal intermediate credit banks in an amount equal to several times their capital. More than 400 of these organizations are now financing farmers in various parts of the country.

To assist in the capitalization of local organizations of this character, Congress last year provided a fund to be administered by the Secretary of Agriculture in making advances or loans to individuals in the drought-stricken or storm-stricken areas of the United States, for the purpose of assisting in organizing or increasing the capital stock of agricultural credit corporations and livestock loan companies. From this fund loans amounting to \$1,421,036 were made to 936 individual stockholders of 50 corporations located in 21 States. So valuable was this form of Government aid that Congress provided for its perpetuation through Public Resolution No. 11, Seventy-second Congress, which was approved March 3, 1932.

NEW CAPITAL FOR THE FEDERAL LAND BANKS

While the funds which the Federal land banks have loaned to farmers on the security of first mortgages on farm lands have been obtained principally through the sale of bonds in the general market, they have received substantial financial assistance from the Federal Government. When they were organized in 1917, the Federal Government subscribed the principal portion of their initial capital stock in an amount aggregating \$8,892,130. Since this date all but \$175,939.25 has been retired in the manner required by the Federal farm loan act.

One hundred and twenty-five million dollars new funds: In an amendment to the Federal farm loan act dated January 23, 1932, the Congress again authorized the subscription of capital stock in the Federal land banks and an appropriation of \$125,000,000 was made for this purpose. The proceeds from the subscriptions made from this appropriation have greatly strengthened the position of the banks and will be of material assistance to them in continuing their operations. The amendment also authorized the Federal land banks to extend obligations of borrowers that may be or have become unpaid under the terms of their mortgages when, in the judgment of the directors, conditions justified such extensions, and the amendment specified that \$25,000,000 of the amount appropriated was to be used only for the purpose of supplying any bank with funds to use in its operations in place of amounts of which such bank may be deprived by reason of the extensions authorized and granted. Through this latter provision \$25,000,000 becomes immediately available to aid worthy farmers who have been unable to meet their obligations to the banks.

THE NORBECK-STEAGALL BILL

During the period of financial stringency in the fall of 1931 and spring of 1932 the Federal intermediate credit banks found great difficulty in marketing their debentures. As the debentures are their chief source of funds, the banks were faced with the prospect of having their lending power substantially limited. Indicative of this development, the rates at which the Federal intermediate credit bank deben-

tures could be sold rose so much that the lending rates of these banks increased from an average of 3.81 per cent in September, 1931, to 5.44 per cent in March, 1932. On January 15, 1932, an issue of \$13,965,000 was offered at 5 per cent. Only \$4,115,000 could be sold on the market, and the Federal reserve banks, to alleviate the situation, took the remaining \$9,850,000.

The principal market for Federal intermediate credit bank debentures has been large banks and other financial institutions. During this period these institutions were suffering from such large demands for funds that they were loath to acquire any form of investment which could not be readily sold. Federal intermediate credit bank debentures fell in this category; hence the market for them was substantially narrowed.

The Norbeck-Steagall bill was passed with the intention of increasing the salability of Federal intermediate credit bank debentures; thus improving their market among banks and other financial institutions. To accomplish this purpose, the bill provided that the debentures could be used as collateral for 15-day advances of Federal reserve banks to their members.

This permitted member banks to use the debentures as a means of obtaining immediate funds even if the market of the debentures was seriously impaired. The Norbeck-Steagall bill was approved May 19, 1932, and almost immediately there was an improvement in debenture rates. As a consequence, the lending rates of Federal intermediate credit banks have declined from their high point of 5.44 per cent in March, 1932, to the following rates on June 15, 1932: 3 1/2 per cent in seven banks, 3 3/4 per cent in one bank, 4 per cent in three banks, and 4 1/4 per cent in one bank.

Under the regulations of the Federal Farm Loan Board no paper on which the farmer has been charged a rate of interest in excess of 3 per cent above the discount rate of the Federal intermediate credit banks may be discounted by these banks. A great many of the local agricultural credit corporations and livestock loan companies which offer this paper for discount at Federal intermediate credit banks charge the full spread allowed them. This makes it of great importance to the farmer that the lending rates of the Federal intermediate credit banks be maintained at low levels. Farmers consequently will be greatly benefited by this provision of the Norbeck-Steagall bill which has assisted in lowering the rates at which they may borrow from the Federal intermediate credit system.

The credit granted by Federal land banks and more especially by the Federal intermediate credit banks during the past year or two has been of unusual benefit because of the abnormally small supply of credit available to farmers from other lending institutions growing out of the closing of many country banks, the restricted loaning policies of others, and other factors limiting the volume of credit.

THE RECONSTRUCTION FINANCE CORPORATION AND SOME RESULTING BENEFITS TO AGRICULTURE

The bill creating the Reconstruction Finance Corporation was approved January 22, 1932, and the corporation began business almost immediately thereafter. The corporation was capitalized at \$500,000,000, and was given power to expand its resources through the sale of debentures or other obligations to a total of \$2,000,000,000. This immense pool of credit, in part supplied and in remaining part guaranteed by the Government, was established to liquidate frozen assets and increase the availability of credit throughout the Nation.

Provision was made for farmers, railroads, and depositors in banks that have failed. A fund of \$50,000,000, with possible increase to \$200,000,000, was set aside for direct loans to farmers. This fund is administered by the Secretary of Agriculture. Furthermore, a sum not exceeding \$200,000,000 may be used for loans to banks that are closed or in process of liquidation. This is intended to avoid preventable loss to depositors and liquidate the purchasing power that is tied up in suspended banks. Provision was also made for assistance to railroads, whose obligations are held by thousands of private and corporate investors.

From February 2 to March 31, inclusive, \$192,346,308 had been advanced to 935 institutions. Eight hundred and fifty-eight were banks and trust companies, including closed banks; 30 were building and loan associations; 18 were insurance companies, 2 were joint-stock land banks; 3 were livestock loan companies and agricultural credit corporations; 8 were mortgage loan companies; and 16 were railroads, including receivers. Of these institutions, 119 were located in Northeastern States, 343 in North Central States, 249 in Southern States, and 153 in the Mountain and Pacific States.

Bank suspension had reached enormous proportions at the time the corporation was established. The failures for the four months from October, 1931, to January, 1932, inclusive, were, respectively, 522, 175, 358, and 342. In February, after the corporation had opened for business, the number was reduced to 124. It was reduced in the following months to 46 in March, 71 in April, and 77 in May.

Agriculture has benefited immeasurably from the corporation's activities. Every bank or other financial institution that has been protected from suspension is a credit resource saved. The purchasing power represented by the deposits of banks that would have failed without the corporation's help has supported the markets for agricultural goods as well as for the products, services, and so forth, of urban industries.

Up to June 4, 1932, the corporation had loaned approximately \$500,000,000 to 4,000 banks, agricultural credit corporations, and life insurance companies, and about \$170,000,000 to railroads. Of nearly 3,000 borrowing banks, more than 70 per cent were located in towns of 5,000 population or less, and 84 per cent in towns of 25,000 population or less. Only 4.5 per cent of the money was loaned to banks in cities of more than 1,000,000 population. More than 10,000,000 bank depositors benefited. A large majority of the loans were made to small banks serving agricultural sections. One hundred and twenty-five closed banks were reopened or their depositors paid.

Bank failures which amounted to nearly 100 a week when the Reconstruction Finance Corporation began, February 2, are now down to normal casualties. Two hundred and fifty building and loan associations have borrowed from the corporation to make routine payments to their depositors and participants and to avoid foreclosures of mortgages.

In agriculture the corporation has underwritten or subscribed for issues placing \$68,000,000 of the Federal intermediate credit bank debentures, the whole of which sums were loaned directly to farmers for production and marketing purposes.

Loans are made to a number of agricultural, market, and livestock corporations which have continued loans upon livestock and loans to farmers.

Seventy-five million dollars were set aside to be loaned directly to farmers by the Department of Agriculture for seed purposes. Four hundred and fifty thousand farmers obtained loans and 1,000,000 individual farmers were directly or indirectly helped.

The corporation agreed to make loans to Federal land banks amounting to \$30,000,000 to ease the farm-credit situation. Authorized loans to railroads aggregating \$170,000,000 have increased employment by continuing necessary construction work, preventing receiverships, and safeguarding the great investments of trustee institutions, such as insurance companies and savings banks. More than \$30,000,000 of the money loaned has been repaid.

BENEFITS FROM THE GLASS-STEAGALL BILL

The Glass-Steagall bill, approved February 27, 1932, was passed largely as a result of one of the most devastating drains that the banking institutions of this country ever have sustained. At the end of August, 1931, the monetary gold stock of the United States was about \$4,995,000,000. Two months later it had been reduced by approximately \$700,000,000, and at the end of May, 1932, the reduction was approximately \$845,000,000. In the same period, which was characterized by a tremendous number of bank failures, hoarding and the increased need for a circulating medium

arising out of bank failures caused the money in circulation—that is, money outside of the Treasury and the Federal reserve banks—to increase approximately \$500,000,000. The deposits of reporting member banks fell from about \$31,000,000,000 to slightly more than \$25,000,000,000. In country banks the proportionate decline of deposits was even greater.

With gold rapidly leaving our shores, bank deposits falling precipitously, and money in circulation increasing at a rapid pace, it was necessary for the Federal reserve system to step into the breach with aid to sorely stricken member banks. From August to October, 1931, the Federal reserve banks increased their average volume of credit by nearly \$1,000,000,000, chiefly by purchasing bills and discounting for member banks. About two-thirds of this expansion was represented by the increase in Federal reserve notes, most of which had to be collateralized by gold. This used up so great a part of the reserve banks' gold resources that their power of future expansion was severely limited. The Glass-Steagall bill was passed to remedy this situation. Its most important provision was to permit the Federal reserve banks to use direct obligations of the United States Government as collateral for Federal reserve notes, thus releasing gold for other purposes. Other provisions gave the Federal reserve banks power to make advances to member banks on paper which was ineligible for discount.

Clothed with this power, the Federal reserve banks began purchasing United States securities in large amounts, so that from October, 1931, to May, 1932, their holdings of United States securities increased by nearly \$700,000,000. To June 24 the increase was more than \$1,000,000,000. The effect of these purchases was to place additional funds at the disposal of banking institutions throughout the country, by that means enabling these institutions to meet the tide of withdrawals, reduce their borrowing at the Federal reserve banks, and improve their reserve positions.

So far this policy, rendered possible by the Glass-Steagall bill, has not caused any substantial increase in the volume of credit made available to farmers and business men. It has relieved much of the pressure on the banks, however, and placed many of them in a position to increase the volume of their loans whenever business prospects warrant such action. Together the Reconstruction Finance Corporation and the Glass-Steagall bill probably prevented a wholesale collapse of the financial institutions of this country.

WHAT THE FARM BOARD IS DOING FOR AGRICULTURE

The inequality between business and agriculture, growing up over a long period of years and accentuated by readjustments at home and abroad following the war, brought about the passage of the agricultural marketing act and the creation of the Federal Farm Board. The avowed purpose was to restore to agriculture equality of economic opportunity.

The Farm Board had scarcely been organized when the market for farm products was totally undermined by an unprecedented economic crisis.

Neither the organization of farmers nor production readjustments could prevent a drastic decline in farm prices. But farmers organized in sound cooperative marketing associations occupy a much stronger position than do unorganized farmers. The board therefore used its resources to develop and keep intact farmer-owned and farmer-controlled marketing organizations. As a result, no major failure of a farmers' cooperative association has occurred during the past three years. Moreover, disorderly liquidation of farm commodities which would have accelerated bank failures and financial panic in rural areas has been prevented to a large degree. While most lending institutions were sharply reducing credit, the Farm Board increased its advances.

By the end of May, 1932, the board had made net loan commitments from the revolving fund of \$1,016,006,161.55. Loans outstanding on that date totaled \$469,225,738.58. On the average, banks and other private investors have supplied \$2 of credit to cooperatives as primary loans for every dollar of credit that the Farm Board has supplied as secondary loans. The cost of administering Farm Board loans has averaged less than three-tenths of 1 per cent.

From June 15, 1929, to May 31, 1932, inclusive, approximately 3,700 cooperative-marketing associations, with more than one and one-quarter million farmer members, have benefited from Farm Board loans amounting to \$351,749,392.74, which were made either directly to the association or to the central cooperative-marketing agency with which the association is affiliated. Of the money borrowed the cooperatives had repaid \$185,576,904.25, leaving balances outstanding of \$166,172,488.49. Direct loans were made by the Farm Board to 152 national, regional, and local cooperatives.

For stabilization purposes the Farm Board had made loans totaling \$633,546,034.50, of which \$330,492,784.41 had been repaid, leaving balances outstanding of \$303,053,250.09. Of the balances outstanding the Cotton Stabilization Corporation had \$98,477,531.33 and the Grain Stabilization Corporation had \$204,575,718.76.

ASSISTANCE IN DEVELOPMENT OF COOPERATIVE ASSOCIATIONS

The board's assistance in the development of cooperative marketing has included (1) aid in the organization of cooperatives; (2) improvement in marketing methods and business practices; (3) coordination of marketing through assistance in the federation of local and regional units to form national cooperative agencies; (4) loans from the revolving fund.

About one-third of the farmers in this country are now active members of cooperative organizations. The board has record of about 12,000 cooperative associations, with a total volume of business of \$2,400,000,000 in 1930-31. This season the business of cooperative organizations will maintain or increase the relationship to farm income which obtained during the previous year.

Cooperative marketing of all products increased on the average 41 per cent between 1927-28 and 1930-31. Cotton increased 137 per cent, dairy products 28 per cent, poultry products 195 per cent, fruits and vegetables 28 per cent, grain 43 per cent, livestock 20 per cent, wool and mohair 614 per cent. The cooperative marketing of tobacco declined 35 per cent.

The board assisted in establishing national or regional cooperative organizations to handle practically all of the major agricultural products, including cotton, grain, livestock, wool and mohair, dairy products, fruits, vegetables, nuts, poultry, and poultry products. Some of these organizations, such as the American Cotton Cooperative Association and the Farmers National Grain Corporation, provide a complete marketing service for their members, which reaches every important market in the United States and abroad. Through a subsidiary finance corporation the National Livestock Marketing Association now extends production credit to ranchmen and farmers.

BENEFITS OF STABILIZATION OPERATIONS

The agricultural marketing act authorized the use of stabilization corporations to purchase, store, and handle agricultural commodities for the purpose of controlling surpluses. World supplies of wheat and cotton were already burdensome when the board was created; prices of these products were among the first to give way. Early in the course of the depression Congress, cooperatives, and other groups called upon the board to use its powers to protect farmers from disorganized markets for their products. The board acted, first by assisting cooperatives to make loans to producers to help them to avoid dumping commodities on already weakened markets; and later by recognizing the cotton and wheat stabilization corporations and lending them funds to purchase and hold stocks of the commodities off the markets. This procedure moderated the decline in prices and shielded farmers from the worst effects of price demoralization.

The stabilization activities protected the farmers, both directly and indirectly, by moderating the price decline and deferring the full shock of the depression from one to two years. Farmers' incomes were increased \$150,000,000 from wheat, probably better than \$200,000,000 from cotton, and about \$35,000,000 from wool and mohair, above what they

would otherwise have received—indirect benefits amounting probably through cooperative marketing associations, local banks, and other financial institutions.

LEGISLATION ENACTED BY CONGRESS SINCE DECEMBER, 1930, OF INTEREST TO AGRICULTURE

An emergency construction act (Public, No. 550, approved December 20, 1930) appropriated \$80,000,000 as advances to States for the construction of Federal-aid highways and various sums for the construction of fire-protection roads, highways within the national forests and within Indian reservations, and roads and trails in the national forests. The act also appropriated funds for control work on the Mississippi River and its tributaries.

Under an act (Public, No. 551, approved December 22, 1932), Congress appropriated an additional \$150,000,000 to carry out the provisions of the agricultural marketing act of June 15, 1929. This money became part of the Federal Farm Board's revolving fund. Another appropriation of \$100,000,000 for carrying into effect the provisions of the agricultural marketing act was made under the independent offices appropriation act for the fiscal year 1932 (Public, No. 720, approved February 23, 1931).

Advance planning and regulated construction of public works in such a manner as to assist in the stabilization of industry and employment, was provided for in an act—Public, No. 616, approved February 10, 1931. This measure established the Federal Employment Stabilization Board consisting of the Secretaries of the Treasury, Commerce, Agriculture, and Labor. It authorized the President to transmit to Congress, whenever circumstances warrant, supplemental estimates for emergency appropriations to be expended in authorized construction.

Legislation previously passed for the relief of drought-stricken areas was amended by an act—Public, No. 112, approved December 20, 1930—providing that the funds appropriated might be used for the purchase of feed for "other livestock" as well as for workstock. This same measure appropriated \$20,000,000 for advances by the Secretary of Agriculture for two purposes: First, for loans to individuals to assist in forming local agricultural credit corporations, livestock loan companies, and similar financial institutions, and for the purpose also of increasing the capital stock of existing corporations of that character, and second, to make advances to farmers for crop production and for agricultural rehabilitation.

The agricultural appropriation act for the fiscal year ending June 30, 1932 (Public, No. 117, approved February 23, 1931) carried a total of \$215,578,862. This amount included \$137,500,000 for Federal aid and forest road construction.

Benefits of the Federal highway act were extended to Hawaii under an act (Public, No. 722, approved February 23, 1931) amending the Federal highway act.

An act (Public, No. 776, approved March 2, 1931) authorized the Secretary of Agriculture, in cooperation with States, individuals, and public and private agencies, to conduct a 10-year cooperative program for the control of predatory and other wild animals. For this purpose it authorized an appropriation of \$100,000,000 for the fiscal year 1932 and a similar amount annually for each of the fiscal years from 1933 to 1941, inclusive.

Benefits of the Smith-Hughes Vocational Education Act of 1917 were extended (by Public, No. 71, approved March 3, 1931) to Puerto Rico for the fiscal year 1932 and annually thereafter. Another act (Public 846, approved March 4, 1931) extended the benefits of the experiment stations act and the extension acts to Puerto Rico. These measures are the Hatch, the Adams, and the Purnell Acts.

Congress provided (Public, No. 798, approved March 3, 1931) that on contracts for the construction or repair of Federal public buildings the rate of wages for all laborers and mechanics employed by the contractor or by any subcontractor shall not be less than the prevailing rate of wages for work of a similar nature in the city, town, or village in which the construction is located.

For the relief of farmers in drought, storm, and hail stricken areas Congress authorized an appropriation (Public,

No. 112, approved December 20, 1930) of \$45,000,000. This money was made available for the purchase of seed, fertilizer, feed for work stock, fuel and oil for tractors, and for other purposes incident to crop production.

The Reconstruction Finance Corporation act (Public, No. 2, approved January 22, 1932) set aside \$50,000,000, plus 10 per cent of whatever additional debentures might be issued by the corporation, for loans to farmers for the purchase of seed, feed, fertilizers, and so forth. This provision, should the maximum authorized amount of debentures be issued, would make \$200,000,000 available for such loans to farmers. The Secretary of Agriculture was authorized to administer the fund. He issued regulations enabling individuals to obtain loans from it up to \$400. Other help to agriculture through the Reconstruction Finance Corporation act was made possible by its general financial provisions.

The corporation was authorized to make advances on approved security to commercial banks, agricultural credit corporations, livestock loan companies, Federal intermediate credit banks, joint-stock land banks, Federal land banks, mortgage loan companies, and life insurance companies. Since all these institutions serve agriculture in varying degrees, the support they get from the corporation tends to rehabilitate agricultural credit facilities.

Congress authorized an additional appropriation of \$10,000,000 for loans to individuals for the purchase of stock in agricultural credit corporations, livestock loan companies, and so forth. This authorization (Public, No. 11, approved March 3, 1932) was designed to continue the plan tried out under the provisions of the act (Public, No. 112, approved February 14, 1931) which covered emergency loans to agriculture, and, as noted above, included a special arrangement for loans to individuals for the purchase of stock in financial institutions. At this writing, however, Congress has not yet appropriated the \$10,000,000 authorized in Public Resolution No. 11.

Additional capital for the Federal land banks was provided by legislation (Public, No. 30, approved January 3, 1932) amending the Federal farm loan act. By this measure the Secretary of the Treasury was authorized to subscribe for capital stock in the Federal land banks. For this purpose the measure authorized an appropriation of \$125,000,000. It also provided for extensions of overdue mortgages held by the Federal land banks.

The distribution of Government-owned wheat to the American Red Cross and other organizations for the relief of distress was authorized (Public, No. 12, approved March 7, 1932). This measure directed the Federal Farm Board to deliver wheat to the National Red Cross and to any other organization designated by the Red Cross for use in providing food for the needy and depressed people and for providing feed for livestock in areas that suffered crop failure in 1931.

Agriculture benefited through legislation (Public, No. 44, approved February 27, 1932), improving the facilities of the Federal reserve system for the service of commerce, industry, and agriculture. This act authorized the Federal reserve banks to make advances to groups of five or more member banks on their time or demand promissory notes in cases in which the borrowing institutions lacked the rediscountable paper which would otherwise have been necessary. Other clauses in the bill widened the rediscount privileges of member banks in the Federal reserve system. Specifically the reserve banks were authorized to accept the direct obligations of the United States Government as collateral security for advances to their member institutions.

Provisions for strengthening the Federal intermediate credit banks were adopted (Public, No. 138, approved May 19, 1932). The act authorized Federal reserve banks to discount notes payable to and bearing the indorsement of any Federal intermediate credit banks covering loans made by that bank. Another clause in the act contained provisions for action in case the paid-in capital of any Federal intermediate credit bank should be impaired. It authorized the Federal Farm Loan Board to determine and assess the amount

of the impairment against the other Federal intermediate credit bank on an equitable apportionment.

A RETROSPECTIVE SURVEY

Mr. HALL. Mr. Speaker, I desire briefly to discuss some of the outstanding measures enacted during the first session of the Seventy-second Congress, particularly emergency relief legislation.

First, I want to say a few words about the adverse criticism and abuse which has been and still is being heaped upon Congress. For a month or longer congressional critics have been urging in the press that Congress adjourn so as to permit the economic recovery of the Nation, implying, if you please, that Congress has done nothing to relieve the economic situation, and that Congress is blocking the return of better times. To that I merely wish to say that none of these invective utterances were heard prior to the enactment of the Reconstruction Finance Corporation act and the Glass-Steagall credit expansion bill, designed primarily to aid the banks, railroads, and other institutions identified with big business. While I am glad to have had the privilege of supporting those measures, I can not acquiesce in adjournment until legislation to help the rank and file is approved, especially since one of the first measures approved postponed payment to the United States of \$252,000,000 of European war debts.

Because I believed it was a step toward scaling down or eventually canceling \$11,000,000,000 of European war debts due this country, thereby saddling the burden upon American taxpayers, I could not conscientiously support the President's moratorium. Reopening upon his recommendation the war-debt question was thwarted only by incorporating in the moratorium resolution a blunt amendment declaring against further reduction of these debts. Notwithstanding, these debtor nations are now clamoring for revision of their obligations, funded on an average of about 50 cents on the dollar and to be paid over a period of 62 years. I am glad that a majority of Congress is opposed to such a proposition, and besides I want to say that I shall never vote to reduce these just obligations one red cent.

May I say to those charging that the current session has done nothing to relieve the economic situation that emergency relief has not only been the keynote of the session, but the keystone of the Democratic legislative program. Except annual appropriation measures and private bills, practically every measure was designed to dissipate the prevailing economic panic. Motivated by that one purpose, we have worked like Trojans, with partisan politics largely subdued. However, I contend that the President has not played entirely fair. Though we Democrats have collaborated with our Republican colleagues in enacting his legislative program virtually in toto, he has persistently denied us credit for a single legislative act. He even vetoed the 1932 tariff bill, drafted by the Democrats, because it stripped him of the arbitrary power to regulate tariff rates.

Notwithstanding the enactment of numerous relief measures, there has been scant, if any, improvement in the economic situation. Not a solitary bill heretofore signed by the President affords genuine relief to the farmers or unemployed industrial workers. If, indeed, such a measure is enacted, it will be the Garner-Wagner unemployment relief bill, threatened by a veto because it provides jobs for the idle.

A man commencing a chimney at the top would at least be dubbed foolish. In my judgment, the main trouble with the administration's emergency relief program is that it starts at the top instead of the bottom. I contend, and many of my colleagues concur, that the economic recovery of the Nation must begin with our basic industry, agriculture, and work upward. As it was in the case of the Federal Farm Board, however, the President insisted upon having his own way; consequently he alone is responsible for the outcome.

So much already has been said about the deplorable plight of the farmer that I would like to pass it up altogether; but a plain statement of fact is relevant to the question of farm relief.

The status of agriculture is self-explanatory. During the last decade the value of farm lands shrank from \$66,000,-

000,000 to \$44,000,000,000, and the farm income dropped from \$16,000,000,000 to \$7,000,000,000. The average price of farm products is hardly 50 per cent of the pre-war figure—utterly insufficient to pay the cost of production. On the other hand, there has been very little decline in the price of articles the farmer has to buy. And farm taxes are exorbitant.

Between 1910 and 1928 it is estimated that the farm-mortgage indebtedness soared from about \$3,000,000,000 to more than \$9,000,000,000. With the great disparity between monetary and agricultural commodity values, it goes without saying that the farmers can not pay off their mortgage indebtedness. As a consequence, thousands of farm mortgages annually are being foreclosed. During the last five years nearly 700,000 farms are estimated to have been lost through foreclosure. That is alarming. It is high time our financial and industrial leaders were realizing that their own salvation depends largely upon their refraining from deflating and impoverishing the Nation's basic industry. The Goldsborough bill, passed by the House, was designed to restore normal commodity price levels and stabilize the purchasing power of the dollar. However, Senate approval is doubtful, and, besides, the President is represented as being ready to veto it when and if it reaches the White House.

Despite the claim of the administration to the contrary, agriculture under the present tariff law is not on a parity with industry and labor. The tariff on agricultural commodities is ineffective; consequently the farmer sells in an unprotected market and buys in a protected market. In other words, the Government is protecting one half of the people at the expense of the other half. But the Government went too far when it set up the Hawley-Smoot embargo, which not only shut out practically all imports but goaded other countries into adopting retaliatory duties that have shut out practically all American exports; and consequently world commerce is paralyzed.

During the present session we Democrats drafted and Congress passed a tariff bill paving the way for rectification of the present tariff muddle, but the President elected to veto it.

Furthermore, the House passed the Hare bill granting independence to the Philippine Islands, which would have stopped the entrance into this country, duty free, of huge quantities of Philippine products, such as coconut oil, hemp, tobacco, and sugar, in direct competition with domestic agricultural commodities. Besides, we long ago promised the Filipinos their independence, and we ought to live up to our agreement. This measure doubtless escaped a veto because it was shelved by the Senate.

That the Government made a serious mistake when it undertook to stabilize the price of farm products is obvious. True, it has pegged prices, but at the lowest figure in the history of American agriculture. And the farmer finds himself in this dilemma: While the Department of Agriculture is urging him to make two stalks of cotton grow where but one grew before, the Farm Board is urging him to plow under every third row.

What is the proper solution to the farm problem?

In my judgment, it consists largely in according to agriculture the same degree of protection as that accorded to industry and labor; in fact, placing agriculture on an equality with industry and labor. The farmer will, if given an even break, take care of himself. He never has asked for a "hand-out," nor is he seeking one now.

I believe the farm-relief measures passed at the present session would, if wisely administered, tend to alleviate the hardships of the farmers. The Reconstruction Finance Corporation act allocated \$200,000,000 to the Secretary of Agriculture for loans to individual farmers unable to borrow elsewhere, thus enabling them to produce a crop this year. Because of arbitrary rules and regulations promulgated by the Secretary, who is not in sympathy with this provision of the act, it became necessary for the House to adopt a resolution directing him to negotiate these loans in accordance with the intent of Congress. Why we do not have a genuine "dirt" farmer at the head of the Department of Agriculture is a mystery to me.

Mr. Speaker, I heartily indorse the act directing the Secretary of Agriculture to aid in the organization of agricultural credit corporations. This eventually will enable the farmers to finance their operations as well as control the marketing of their crops. The Secretary is empowered to loan from a \$10,000,000 revolving fund up to 75 per cent of the par value of the capital stock of a corporation; that is, a farmer desiring to join a credit corporation could borrow \$750 on ten \$100 shares of stock. The Secretary subsequently will announce the regulations governing these loans.

By another act, the Secretary of the Treasury was authorized to subscribe to \$125,000,000 of farm-loan bonds as a means of strengthening the Federal land bank system, and also to enable the banks to grant extensions to farmers unable to meet their farm-mortgage payments. But, in my opinion, all of those relief measures will go for naught unless normal commodity price levels are restored. This should be made the unfinished business of the next session.

The Reconstruction Finance Corporation also is benefiting the banks and railroads in my district, as well as throughout the country. This is evidenced by the decline in bank closures since the law became effective. Had not those bank failures been checked, confidence in our financial system soon would have been utterly destroyed. It is significant that a great number of the banks saved by the Reconstruction Finance Corporation are rural banks, serving agricultural districts.

Moreover, the Glass-Steagall credit expansion bill has by liberalizing their discount facilities enabled the Federal reserve banks the better to take care of the needs of member banks. Administered according to the intent of Congress, this act also would permit through expansion of the volume of currency in circulation the restoration of normal commodity price levels.

Mr. Speaker, the most disagreeable job of the session was the enactment of the billion dollar tax bill. The administration had piled up a huge Treasury deficit, and it behooved the Democrats to help pull Uncle Sam out of the hole. The deficit for 1931 aggregated \$900,000,000, while that for 1932 totaled \$2,885,000,000, both of which were met by bond issues. It is hoped that additional revenue to be raised under the emergency tax bill will offset the estimated deficit for the current fiscal year. Had not Secretary Mellon in 1924 insisted upon drastically reducing the income taxes of his wealthy friends, the chances are that the Budget would now be balanced.

However, we Members of the House nipped in the bud an attempt to force approval of a general manufacturers' sales tax which would have placed the big end of the burden upon the common people. Although the imposition of many excise taxes was necessary in order to balance the Budget, the rates on gift and income taxes, and surtaxes, were raised to the extent that the wealthy will contribute their pro rata share of the Federal revenue.

Faced with the aforementioned deficit, Congress recognized at the outset the necessity of reducing the overhead expenditures of the Federal Government. Instead of economizing on governmental expenditures at the outset, the administration for two years had been sitting idly by, waiting for prosperity to round a certain corner. Due largely to Democratic leadership in both House and Senate, upwards of \$600,000,000 was pared from appropriation bills, and besides it is estimated that additional savings approximating \$150,000,000 will be made under the provisions of a special economy bill, originated by Democratic leaders—approximately half a billion dollars, all told, under the Budget estimate submitted by the President in his annual message to Congress. The economy bill authorizes a substantial reduction in salaries of Members of Congress, their secretaries and clerks. Saving upwards of \$750,000,000 in one year is, in my estimation, a good start toward great economy in government.

Recurring to the question of relief for the masses, Congress authorized distribution by the Red Cross, out of Government-owned stocks, of 85,000,000 bushels of wheat and 500,000 bales of cotton for feeding and clothing the needy. Besides relieving the distressed, this will help get the Gov-

ernment out of business as well as remove from the market large quantities of wheat and cotton that are now adversely affecting the prices of these commodities.

The Garner-Wagner emergency relief bill, originated by Democrats, passed by both Houses and approved in conference, authorizes \$100,000,000 as a "mercy fund" to be administered by the President in relieving distress in all parts of the country; \$200,000,000 to be loaned to the States on a population basis for relief purposes; \$300,000,000 for financing a public-works program; and \$1,500,000,000 to be loaned by the Reconstruction Finance Corporation for the prosecution of self-liquidating construction projects that will provide work for the unemployed. By and large, it should tend to stimulate business throughout the Nation. When President Hoover dubbed this measure "pork barrel" legislation, Speaker GARNER retorted:

To serve the special interests is statesmanship; to serve the people is pork.

Mr. Speaker, I supported the Almon emergency highway construction bill to relieve unemployment, and which would have allocated to the various States \$120,000,000 for road building during the current fiscal year. Matched by the States on a 50-50 basis, this measure would have relieved unemployment to the extent of \$240,000,000. It would have made available to my own State approximately \$5,000,000. That would have helped out in a big way, for, according to the Bureau of Public Roads, 85 per cent of every dollar spent in highway construction goes for labor.

I also voted for the Patman bill authorizing immediate payment of the World War veterans' adjusted-service certificates, approximately \$2,400,000,000. As paying this debt now would not place any additional tax burden upon the people, it seems to me that we might as well pay it now and have it over with. Briefly, this bill authorizes use of the adjusted-service certificates as the base for the issuance of Federal reserve notes for paying the former service men. In my judgment, distribution of \$2,400,000,000 throughout every State in the Union would not only relieve the veterans and their families but sufficiently expand the volume of currency in circulation to start a general business revival. Opponents of this measure argue that it is not due until 1945. On the other hand, it must be borne in mind that Congress waited seven years before granting these certificates to the veterans. What is more, every civilian employee of the Government drawing less than \$2,500 a year during the period of the war was granted a bonus of \$20 a month. Our soldiers were paid \$1 and \$1.25 a day. Commercial workers received from \$5 to \$15 a day. Meantime, the Treasury must set aside each year until 1945 \$112,000,000 for paying the certificates when due. Hence it could not cost any more in the long run to pay them now.

I am happy to congratulate the delegates to the Democratic National Convention on their selection of Governor Roosevelt, of New York, and Speaker GARNER, respectively, as candidates for President and Vice President. By remaining in Washington during the convention, Mr. GARNER demonstrated that he is more interested in the Nation's welfare than his own political advancement. With this pair of aces running on a straight-from-the-shoulder platform, the Democratic Party will sweep the country next November.

RESTORE THE FARMERS' BUYING POWER

Mr. SELVIG. Mr. Speaker, at no time as now since I have been a Member of Congress has there been such concern expressed by people in all walks of life regarding what the future holds in store for our beloved country. There is little to be gained merely by reviewing in great detail what transpired in the past to bring about the conditions which now prevail. I shall not attempt that.

Some would place the blame for the present world depression upon Congress. Others blame the international bankers who peddled foreign bonds, many of them now valueless, which drained our country of billions of dollars. Others blame the world-wide system of embargo tariffs, stifling trade among the nations of the world. Others have emphasized monetary problems. All of these have con-

tributed beyond doubt, but we must agree that underneath there lies a more fundamental cause of the discord and distress which prevails in the world.

All recall we had a World War some 15 years ago, and that between 1914 and 1919 billions upon billions worth of property, representing accumulated savings and wealth of millions of people, were shot away and wantonly destroyed. It was like a great conflagration that consumed everything. The losses entailed millions of lives, billions of wealth, structures, and ships without end.

As a Nation we were set back by that war the stupendous sum of \$26,000,000,000, including loans, very few of which have come back to us. We are still fondly expecting and hoping to get some of these billions back, but conditions do not appear to be very promising.

Let me say here in passing that the only path that will lead to salvaging our foreign loans must come through disarmament. The President's epochal appeal for reducing armaments points the way. A reduction of one-third, at least, below the present world expenditures for military and naval budgets of four billions a year is one of the most important of all world problems to-day.

Then after the war we entered into temporary occupation of "rainbow" land. The American people began to buy expensively printed slips of paper with the idea of becoming suddenly rich. Stock speculation and the purchase of foreign securities literally siphoned off American wealth from its producers and from savings into other channels. These words tell the story: World War, inflation, speculation, gambling in securities.

Everything was offered for sale on time and the American people bought with an ardor that defies description. Everything was sold on the installment plan. Huge credits were extended based on conditions as they then existed. There is no need to go on with this story. Recent events are too well known to need repetition here.

Much as present conditions are to be deplored, we must not fall into the error of thinking that the United States has been displaced from its preeminent position in the world's economic affairs. With but 6 per cent of the world's population living in the United States, we consume 15 per cent of the wheat consumed in the entire world. We consume 23 per cent of all the sugar consumed in the world. We drink 51 per cent of the coffee drunk in the world, use 20 per cent of the cotton, 72 per cent of the silk, 17 per cent of the wool, 66 per cent of the rubber, 43 per cent of the pig iron, 36 per cent of the lead, 35 per cent of the zinc, 46 per cent of the tin, 39 per cent of the coal, 61 per cent of the petroleum, 35 per cent of the water power, 40 per cent of the electrical energy.

We, the 6 per cent of the world's population, own three-fourths of the autos in the world. We use 60 per cent of all the telephones. We send 25 per cent of the telegrams. We mail 35 per cent of the pieces of mail delivered all over the world. We handle 38 per cent of the freight tonnage.

There was never a time when our people more urgently needed to remember our preeminent position in the world's economic structure. The figures I have just given you bear eloquent testimony to our fundamental economic status. We shall recover. I have faith in our country's future.

But something has gone wrong in our economic life. I have previously stated that the war and the postwar frenzy of mad speculation must bear a part of the onus of blame for what has happened. Nationalistic points of view prevailed in international affairs. An orgy of selfish exploitation and profit seeking was permitted in domestic affairs. To-day we are reaping the harvest of this insane policy.

I come from an agricultural State. For three terms I have been intrusted with the responsibilities of Congressman from a strictly agricultural district in that State. We felt the cruel blow which struck agriculture through the deflation policy inaugurated by the Federal reserve bank in 1920, and have suffered through the events and circumstances which followed since that date.

The devastating conditions which now prevail everywhere in this country, in industry, in transportation, in mining, in

finance everywhere were inevitable when the purchasing power of our farmers was curtailed. Time does not permit full amplification of this fact. The interdependence of the city people and of the farmers has been stressed so often that it would seem unnecessary to say more about it here.

It is necessary to maintain equality of income between agriculture and industry. George Washington recognized that in one of his first messages to Congress. Abraham Lincoln cited it repeatedly. It has become a commonplace in speech. This equality of income is necessary for the prosperity of both.

There can be no permanent prosperity as long as money does not flow both ways, but concentrates on one side. The effect is like the blood stream flowing out of the heart, and only part of it returning. This soon causes trouble.

The recent conditions in the United States are largely due to the concentration of wealth in industry and the impoverishment of agriculture that have been going on since 1920.

The Members of Congress from agricultural States—and let it be said, some with vision and foresight from industrial districts—have stated and reiterated the plain philosophy of the interdependence of industry and agriculture. We appeal again for equality of income as between those two great groups. It must be done. There can be no permanent prosperity until it is accomplished.

When the prices of farm products are high and the wages of labor are high the country is prosperous. When the contrary conditions exist we have poverty and distress. That has always been true, and probably always will be true. It follows that the big problem before the Nation, and before Congress, so far as it can aid, is to reestablish higher price levels for the products of the farm, the mine, and the factory. In comparison with this all our other problems fade into insignificance. We must get back to higher price levels.

It is pertinent right here to examine data in regard to costs of production of farm products in order to understand what needs to be done. The United States Department of Agriculture has furnished me with information covering these costs.

The estimated average cost of producing wheat during the 5-year period 1925-1929 was \$1.24 per bushel. The cost figure includes interest on investment or a rental charge on a cash-rent basis and going wages for the farmer and working members of his family. If the cost just equals the price paid to the farmer, he is being reimbursed for his cash expenses and for return on his investment and wages for his work. The cost at present may be somewhat lower than in the above 5-year period. For instance, for 1930 the estimated cost of raising wheat is \$1.09 per bushel. But the reduction is mainly in allowance for labor and seed. The cash-outlay items are almost as high as they were during the above 5-year fiscal period.

For corn during the 1925-1929 period the cost estimate is 71 cents per bushel. Oats cost 52 cents a bushel to produce during the 5-year period. Barley during the 5-year period cost 80 cents a bushel to produce. Flaxseed had a production cost per bushel of \$2.16. It cost the cotton grower \$81 to produce a bale of 500 pounds during 1925-1929, or an average of 16.2 cents a pound.

Cottonseed was produced at a cost of \$26 per ton during the 5-year period mentioned. Potatoes had a cost production of 61 cents per bushel during the 5-year period 1925-1929.

Beef cattle were produced at an average cost of \$8 per hundred pounds during the 5-year period, paying wages and fixed charges. The cost of producing hogs during 1925-1929 was \$5.60 and of sheep was \$7 per hundred pounds.

Eggs during 1925-1927 showed a production cost of 27 cents per dozen. The cost of producing butterfat varied greatly in different localities, but these are typical: In Polk County, Minn., the cost for 1926, 1927, and 1928 averaged 44 cents and in Pine County, Minn., for 1925, 1926, and 1927 the average cost was 41 cents per pound.

The problem of "farm relief" is to bring the price level above the cost of production. Nothing else will help materially. Whenever the farmers are able to pay their way

there is employment for labor, plenty of business for the merchant, plenty of traffic for the railroads, and a general forward movement in every line of endeavor. Let every citizen who has the welfare of the Nation at heart keep that in mind.

It is generally agreed that some powerful force reacting with cruel certainty on the price of nearly all commodities on a world-wide basis brought them down to the present levels. I have not the time to go into causes in detail, but we know the tragic conditions which this price deflation brought to the producers of raw materials everywhere. Our problem is to remedy this condition.

The foremost remedy which has the sanction of serious-minded students and leaders everywhere is a moderate and controlled inflation of the currency. Gold has become too high priced the world over as measured in all other commodities. There should be an attempt also to secure the recognition of silver as a basis of money, especially in India, China, and other parts of the world, with their teeming millions of people, where silver has always until recent years been the basis of currency. This would decrease the demand for gold and make it cheaper, as measured in other commodities, and cause farm products to increase in price.

To secure a higher price level for basic commodities, including farm products, is of paramount importance. It is absolutely necessary in order that people may pay debts based on the same value as they were contracted.

A great deal has been said during recent months about an "honest dollar." We ordinarily think of the dollar as being an accurate measure of value, as the yard is an accurate measure of length and the pound an accurate measure of weight. This has been seriously questioned by the proponents of the "honest dollar." It is because the dollar is such an uncertain measure of value that the whole economic machine gets into trouble now and then.

The value of every product depends on supply and demand. That is just as true of money as it is of wheat and hogs. When the price of hogs goes down while other prices are stationary, the reason is that there are too many hogs in proportion to the demand for pork. But when the average level of all prices drops one-third, that is not due to the supply and demand of goods. The cause in such a case is a change in the supply of money and credit. The price of money can not change, for it is fixed by a law at 22.23 grains of gold to the dollar. So when the supply of money and credit changes the effect can only be shown by a change in the price of goods. Commodity prices not only must change to compensate for changes in their own supply and demand but also to compensate for the changes in the supply of money and credits and the demand for them.

Leading economists differ widely in discussing this problem. I have given it serious study and am convinced that Dr. G. F. Warren, of Cornell University, has reached the nub of the problem when he states that the supply of gold has not equaled the demands of trade, that gold is too "dear."

By whatever means it can be accomplished, a moderate and controlled inflation of the credit and the currency is needed.

We have a method of measuring changes in the purchasing power of the dollar by what is known as the wholesale commodity price level. This is determined each month by the United States Bureau of Labor Statistics by taking the average of the wholesale prices of some 500 commodities, each figured according to its own importance. This wholesale commodity price level is expressed by a percentage figure called an index number.

"Restore the wholesale commodity price level to a point somewhere near that at the beginning of the present inflation; then keep it there by fitting the volume of money and credits to the volume of business, instead of having to close down factories and farms and throw men out of work every now and then in order to fit the volume of business to an arbitrary volume of money," say the proponents of the "honest" dollar.

In addition, agriculture must be financed during the next few years on a more favorable basis than ever before in order to regain its losses. How to do this has engaged the atten-

tion of Congress, but nothing far-reaching enough has yet been done. Debts contracted when farm products were twice as high can not be repaid at the present level of prices. The years and years when the farmer was compelled to sell his produce below the cost of production has impaired his capital. These losses must be regained in order that our farmers may become firmly established by ownership in full of the land by its occupants.

Taxation must be reduced by rigid economy in all parts of our governmental structure, from the township up to the Central Government in Washington. During the flush years of prosperity, and they really did exist here in the East, our different governmental units—local, State and Federal—took on a good deal of weight in the way of new activities, new extensions of old activities, and larger pay rolls. We are now in the position of a fat person trying to reduce, and it is not easy. But it must be done.

When Washington became President there were three distinct tax systems in the United Colonies. In New England, where everyone worked and saved and owned property, there was a direct levy on real estate and personal property. In the South tax money was raised by levies on imports and exports. In the New York and Philadelphia area they had the Dutch system of excise taxes on goods bought and sold. When it came to divide the taxing powers between the States and the Government, the New England system was adopted for State and local taxation and the other two sources left largely for Government taxation. There has been very little change in this arrangement since. Thus we have inherited a local tax system that bears very heavily on land.

Taxation on farm land must be reduced by an equalization process whereby the capacity to pay, rather than the visible property, shall be the basis in sharing the costs of government, either National, State, or local.

Before I close I wish to point out another factor in our present economic life which must be considered. I shall refer to it as mass production by machinery. Displacement of men by machines began on an appreciable scale in 1923. Reliable figures estimate the number of unemployed in 1923 to be 1,300,000, 1,775,000 in 1925, 2,000,000 in 1927, 3,000,000 to 5,000,000 in 1929. Presumably the 3,000,000 measures the unemployment in the early part of 1929, before the plunge into cyclical difficulties.

We developed the machine to the point where in 7 months we can just produce everything we can consume in 12 months. Mass production came and with it the replacement of man power by machine power.

The machine age brings the new problem of fitting people into employment. Here is a problem we must frankly meet and solve. It stands as a challenge to America and modern civilization. It must be recognized as an imperative duty of the Government to see that all citizens are given a place in our economic system whereby they may, by reasonable contribution in work, secure a decent and comfortable living and security for old age.

The benefits of invention and of machinery must not be used for the enrichment of the few and the enslavement of the many, but these benefits must be made to reach all people, from the greatest to the humblest in the land, and equally distributed.

I realize it is relatively easy to state what American industry should do. It is more difficult to indicate how the necessary steps might be accomplished. A serious study is being made, and there are favorable indications that the leaders in government and industry will solve the problem.

America can do what it must to protect itself and its people against the weaknesses of its own man-made economic system. An economic system 150 years old has come to an end. It is for this reason chiefly that this depression is so heartlessly cruel and serious beyond its immediate effects.

I believe a wise solution will be found. In this our farmers will gain in common with all the other elements of our population. Merely to produce goods and food with no one able to buy simply spells continued disaster.

Production can and will develop in the future as in the past. From now on, however, production must depend on the growth of consumer demands, and these are stimulated

by new inventions, financed by new methods, and, finally and most vital of all, increased by a more effective and equalized distribution of purchasing power. National economic planning, in which an able government cooperates with understanding business managers, looms before us. America can and must save itself. Are we equal to this stupendous task?

To my mind, the first approach must come by Congress in recognizing the necessity of restoring the purchasing power of agriculture. I repeat what has been said so often before: Until farm prices rise prosperity can not and will not return.

THE SOLDIERS' BONUS

MR. YATES. Mr. Speaker, this House of Representatives, on the 24th day of June, granted my request, when I asked unanimous consent to extend my own remarks in the RECORD, the daily CONGRESSIONAL RECORD. Accordingly, in consequence of that gracious consent, I hereby insert in the RECORD a very short statement, a very few lines.

I have received five letters from friend and foe, reproaching me, for voting wrong on the soldiers' bonus bill, meaning the so-called Patman bill, to pay to all veterans of the World War immediately the balance of their bonus certificates; in other words, to pay in cash their unpaid adjusted compensation, and to do it immediately.

At the last general election, November, 1928, I was running for Congressman at large on the Republican ticket, receiving 1,000,000 votes; to be exact, 1,673,000, and was elected, my majority or plurality being, to be exact, 502,442.

Out of that 1,000,000 and more voters who voted for me in November, 1928, five are now heard from, complaining; the remaining number, 1,672,995, being silent.

Again, in the general State-wide voting for the nomination, Republican nomination, for Congressman at large, which occurred last April—April 12, 1932—three months ago, the vote for me was 436,000, while the vote for my chief contender for the nomination was 160,000, there being 16 other contenders for the nomination.

From and out of these 436,000, plus 160,000, plus many others in far-flung divisions of the field—out of all these votes only five have criticized me by letter.

I am well content with such a situation.

Whatever reasons other Members have or had, and whatever other reasons I may have had at the time, myself, there was in this case one thing, one intensely dramatic magnetic thing, that, in particular, was a compelling thing, that made it impossible for me to vote against Representative PATMAN's bill (H. R. 7726), or for that matter, against any law or statute, promulgated to be a good veterans' bill.

That powerful reason was a positive, unlimited pledge, or rather oath, delivered by myself with full approval of the dictates of my own conscience and delivered verbally, at least a hundred times, in 1917 and 1918.

I can never forget, and I never will,
The promise that I made to Bill.

These are the words, the closing words of a war-time poem which I heard recited one afternoon in this hall, in 1920, by a Member of the House from Michigan, namely, Hon. Joseph W. Fordney, of Saginaw, Mich. I felt then I could never forget.

Just so, I can never forget or evade or apologize for my pledge which I gave, from June, 1917, to November, 1918, on many occasions. Well do I recall a certain one.

The place was the county seat of one of our beautiful little Illinois counties, a prosperous, powerful, progressive, and patriotic smaller county of Illinois. The words and deeds of that occasion are burned in my memory. The feeling and animus and mental attitude of the public was tense.

When I mounted the platform to speak for the Liberty loan, the Red Cross, and the other sublime causes of the day, I saw, on that platform, the city officers, the county officials, the post-office force and other Federal employees, the clergy of the community, the principals and teachers of the schools, the veterans of the Spanish War, the veterans of the Civil War, and one veteran of the Confederacy, while the whole courthouse yard was filled by the people. Oh, yes, the people, and what a people!

The children were there, singing; there was a vocal quartette, there was a quartette of trumpeters, there was a drum corps, and a chorus, and a brass band.

And the young sweethearts were there; and the young mothers and all the babies; and boys and girls—another battalion of youth—and the mothers and fathers and the Rotary and Kiwanis and the Lions and all the secret fraternities, and the women, from a thousand homes, with all the members of their clubs and organizations.

As I stood there, I found myself saying to myself, I must make some pledge or promise.

And as I stood there wondering, every fiber of my being vibrating to all this patriotism, I saw 250 young men, and when I said, "Who are these?" the judge, who was presiding, said, "These are the 250 who go away to-day; it is going-away day," and there came to me, as if from above, the words of this pledge: "We will build a bridge of sympathy and support from Yankee land to no man's land, and when you come back you can have what's left."

All I can say now, when asked why we must forever be grateful to our veterans, is, "They are entitled to what is left—and if this be treason make the most of it."

ADJUSTED-COMPENSATION CERTIFICATES

Mr. SMITH of Idaho. Mr. Speaker, under leave granted by unanimous consent of the House I wish to insert in the RECORD the following letter, which I have addressed to Hon. H. K. Wiley, of Springfield, Idaho, explaining my reasons for voting for the payment of the adjusted-compensation certificates of the World War veterans:

HOUSE OF REPRESENTATIVES,
Washington, June 21, 1932.

Hon. H. K. WILEY,
Springfield, Idaho.

MY DEAR SENATOR WILEY: I am in receipt of your letter of the 18th, criticizing my recent vote on the bill providing for the payment of the adjusted-compensation certificates of the World War veterans, issued under the law providing for the payment to them of \$1 per day for each day of service in this country and a dollar and a quarter for each day's service abroad.

I feel that your criticism is based on a misunderstanding of my attitude in the matter and the reasons which impelled me to vote as I did. Six weeks before this measure came up for a vote, and before there was any indication of a "bonus army" en route to Washington, I publicly outlined my attitude, at which time I stated that I would not vote for the present payment of the soldiers' certificates if the money was to be raised by a further increase of taxes or by a bond issue, but that I was seriously considering and probably would support a proposal to expand the currency. My stand on this question has not altered since that time.

I voted against the rule to bring up the legislation for consideration by the House of Representatives, as the report of the Committee on Ways and Means on the bill was adverse. However, a sufficient number of Members of Congress voted for the rule to permit the bill to be brought up, and I then voted for its consideration. An amendment to the bill was proposed which provided for the payment of the bonus by funds raised through the expansion of the currency. I voted for this amendment, which insured that the payment of the bonus would not further increase the deficit in the Treasury, would not increase taxes, and would not be a further strain on the credit of the country. This amendment to the bill was adopted, and when the bill as amended was voted upon, I cast my vote in favor of it.

My support of this measure was based on my conviction that the expansion of the currency is the only remaining means by which the Federal Government may materially aid in overcoming the present depression and restoring normal trade and business relations throughout the country.

It is the opinion of many prominent economists that the primary cause of the present depression was the overinflation of credit, and speculation, and that the reason for the continuance of the depression is the shortage of currency or money to pay the debts so easily incurred prior to the fall of 1929. Credit largely took the place of currency, and so long as this condition prevailed, commodity prices remained high and prosperity continued. Money was spread too thin, and when debts began to be called, and credit sharply contracted, there was found to be an insufficient supply of money to pay the debts. This does not necessarily mean that there is actually less currency in the country than there was in 1929, it means that the money is concentrated in fewer hands and that the average person—forming the great mass of consumers as well as producers—has much less money and consequently has a greatly reduced purchasing power.

The major panics of 1837, 1873, 1893, and 1907 were due to speculation and overextension of credit, with a resultant contraction of credit and a shortage of currency. As in the present depression, the result of the shortage of money was that the price of commodities sharply declined, and the price of the dollar correspondingly increased. The farmer and business man who in-

curred a debt in 1928 or 1929 must pay that debt from the proceeds of the sale of farm commodities, or from the profits of his business. If he received greater prices for his commodities, he could more readily pay his debts. An expansion of the currency would necessarily raise the price of commodities, relieve credit, and materially speed up the economic recovery of the country. At the present time, banks are afraid to extend credit, individuals are afraid to spend their money, corporations are afraid to expand their activities—the shortage of money and credit is paralyzing the normal business and trade relations of the Nation.

Congress has tried many plans with the view to restoring normal business conditions. Up to the present time, none of these attempted solutions has proved of material benefit. It is my firm conviction that only by increasing the currency of the country can credit be loosened and purchasing power returned to the great mass of consumers. No other plan proposed to the Congress offered as great an opportunity for the immediate distribution of a new supply of currency throughout the country as did the proposal for the payment of the soldiers' bonus. This proposition would have released over \$2,000,000,000 of money among those people who most need it. It would not benefit the veteran alone. Every dollar which the veteran would spend in his community would have been of value in releasing credit and increasing the price for commodities.

I believe that the placing in circulation of the money which was to have been paid to the ex-service men would immediately have resulted in its expenditure in a way that would give employment to the millions now out of work. There is no other proposal before Congress which would be so apt to relieve the unemployment situation as the bonus bill. The great problem confronting Congress at this time is to find work for the six or eight million men who have been idle for months and a large proportion of whom have been living on charity. Will those of you who are criticizing my vote suggest a better plan which will meet this unfortunate situation?

Congress is given the power by the Constitution to regulate the currency of the country. This power includes the power to prevent the dollar from becoming too dear by increasing the number of dollars; it also includes the power to prevent the dollar from becoming too cheap by withdrawing dollars from circulation. It was in the exercise of this power that I voted for the payment of the soldiers' bonus by funds raised by the expansion of the currency, as provided by what is known as the Owen plan, which was incorporated in the bill as it passed the House.

This plan provided for the issuance of a sufficient supply of currency to pay the bonus. This currency was to be secured and backed by bonds issued in an equal amount, which bonds were to be placed in the custody of the Federal reserve banks, to be sold only in the event that the increased supply of currency should unduly inflate commodity prices to a point above that of the 1926 level. If commodity prices went above that level, the Federal reserve banks were to offer the bonds for sale and retire a sufficient amount of the new currency to lower commodity prices.

We have as much wealth and as much of the circulating medium in existence as we had three years ago, but credit has collapsed and the money is being hoarded by banks, corporations, and individuals, and has not been enticed from under cover by any opportunities for investment offered. However, the sale of bonds by the Federal Reserve Board in the case of an emergency would doubtless induce the holders of money to invest in such safe securities as Government bonds.

In short, the currency needs to be expanded to take the place of that which is now hoarded. In addition to the provision for the expansion of the currency, the Owen plan provided for the recall of the new currency should commodity prices rise too high. The final object was the stabilization of the balance between the value of money and the value of commodities at a level conducive to the return and maintenance of normal economic conditions.

Of course I resent the suggestion or insinuation that my vote for this legislation was cast with the hope of political advantage, but it is not an uncommon thing for men in legislative bodies to be charged by those who are dissatisfied with their vote with considering only the effect their vote would have on their continuance in office. I know of no man in either branch of Congress who has escaped a charge of that kind at one time or another, because a legislator can not please all of the people all of the time. Probably you, as a member of the State legislature, may have incurred the criticism of some of your constituents, who may have suspected even yourself of voting with a view to aiding in your continuance as a member of the legislature. This is one of the penalties which every member of a legislative body has imposed upon him, but I hope that my record in Congress during the last 20 years has been such that but few people will fail to give me credit for being conscientious and patriotic in the discharge of my legislative duties, and having in mind always the best interests of the country in any votes which I have cast for or against pending legislation.

I would not object to a criticism of my conclusion or of my vote on economic grounds, as I realize that there is a very great divergence of opinion as to the most beneficial and proper legislation for the relief of the country. But your criticism that my vote was based on political grounds is not warranted, as I had in mind only what I considered to be the best interests of the country when I voted as I did.

Yours very truly,

ADDISON T. SMITH.

ADJOURNMENT

Mr. VINSON of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 5 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, June 27, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

621. A letter from the Secretary of the Navy, transmitting a request that letter of December 8, 1931, be canceled, and that no further consideration be given to the bill H. R. 5354; to the Committee on Naval Affairs.

622. A letter from the Secretary of the Interior, transmitting a list of files in the Office of Indian Affairs which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. CONDON: Committee on the Judiciary. House Joint Resolution 443. A joint resolution directing the President of the United States of America to proclaim October 11, 1932, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; with amendment (Rept. No. 1714). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Resolution 273. A resolution authorizing an appropriation of \$10,000 for investigation of Post Office Department (Rept. No. 1715). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. CHRISTGAU: Committee on Claims. H. R. 8256. A bill for the relief of William Thomas; with amendment (Rept. No. 1716). Referred to the Committee of the Whole House.

Mr. PITTINGER: Committee on Claims. H. R. 11994. A bill for the relief of James Evans Monroe; without amendment (Rept. No. 1717). Referred to the Committee of the Whole House.

Mr. PATMAN: Committee on the District of Columbia. H. R. 12768. A bill to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes; with amendment (Rept. No. 1718). 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. MALONEY: A bill (H. R. 12782) to prohibit a maximum age limit on eligibility to appointment in the classified civil service; to the Committee on the Civil Service.

By Mr. JOHNSON of Texas: A bill (H. R. 12783) to amend the revenue act of 1932 by repealing section 751, imposing a tax on checks; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 12784) to provide fees to be charged by the recorder of deeds of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CURRY: A bill (H. R. 12785) to provide for enlistments in the Army, Navy, or Marine Corps of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. LAGUARDIA: A bill (H. R. 12786) to prohibit the appointment of corporations as trustees in bankruptcy; to the Committee on the Judiciary.

Also, a bill (H. R. 12787) to amend the Judicial Code prohibiting the appointment of corporations as receivers in equity; to the Committee on the Judiciary.

Also, a bill (H. R. 12788) to prohibit the appointment of corporations as receivers in bankruptcy; to the Committee on the Judiciary.

By Mr. SHALLENBERGER: A bill (H. R. 12789) to abolish the Federal Farm Board, the United States Tariff Commission, and the United States Shipping Board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. JAMES: A bill (H. R. 12790) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. CURRY: A bill (H. R. 12791) to provide for a 5-day week, for the use of man power on Government construction projects, and for other purposes; to the Committee on Labor.

By Mr. BLACK: Resolution (H. Res. 274) for a conference on hours of labor; to the Committee on Labor.

By Mr. MOUSER: Resolution (H. Res. 275) authorizing the Postmaster General to cause to be printed a series of memorial stamps in recognition of the service and martyrdom of Colonel Crawford; to the Committee on the Post Office and Post Roads.

By Mr. MCSWAIN: Joint resolution (H. J. Res. 446) to suspend for one year the authority for the acquisition of privately owned land pursuant to the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, as amended, and to revoke the unobligated balance of the appropriation allocated for such acquisition; to the Committee on Public Buildings and Grounds.

Also, a joint resolution (H. J. Res. 447) relating to evidence in condemnation proceedings in the District of Columbia; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ARNOLD: A bill (H. R. 12792) granting a pension to Nelle M. Jones; to the Committee on Pensions.

By Mr. BOWMAN: A bill (H. R. 12793) for the relief of Jessie D. Bowman; to the Committee on Claims.

By Mr. COYLE: A bill (H. R. 12794) granting an increase of pension to Elizabeth Starner; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 12795) for the relief of Cecil Evans; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 12796) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 12797) for the relief of Amos Bennett; to the Committee on Military Affairs.

By Mr. GILLEN: A bill (H. R. 12798) granting a pension to Roy White; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 12799) granting an increase of pension to Caroline Lowery; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 12800) granting a pension to Lucy Lesher; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 12801) granting an increase of pension to Carrie Sturdevant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12802) for the relief of Genevieve S. McKibbin; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 12803) granting an increase of pension to Amanda B. Thomas; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 12804) granting a pension to Louie William Skala; to the Committee on Pensions.

Also, a bill (H. R. 12805) granting a pension to Clarinda Stevenson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12806) granting a pension to Daisy Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12807) granting an increase of pension to Tamandra Beals; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12808) granting an increase of pension to Cynthia Spicknall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12809) granting an increase of pension to Melissa E. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12810) granting a pension to John J. Boesl; to the Committee on Pensions.

Also, a bill (H. R. 12811) granting an increase of pension to Fannie F. Wilson; to the Committee on Invalid Pensions.

By Mr. SWANSON: A bill (H. R. 12812) granting an increase of pension to Bridget Epperson; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12813) granting a pension to Jane Davis; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12814) granting a pension to Bernard M. Baer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12815) granting a pension to Malisa J. Boyer; 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:

8430. By Mr. CARTER of California: Petition of the California Citrus League, relating to regulation of motor transportation; to the Committee on Interstate and Foreign Commerce.

8431. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., offering suggestions for a reduction of governmental expense and a saving in taxes; to the Committee on Ways and Means.

8432. By Mr. CULKIN: Petition of Anna M. Kennedy and 32 other citizens of Cazenovia, N. Y., urging the immediate repeal of the eighteenth amendment and a levying of taxes on the resultant liquor traffic; to the Committee on the Judiciary.

8433. Also, petition of Sarah Swift Wendell and 19 other citizens of Cazenovia, N. Y., urging the ending of prohibition and a tax on legalized liquor as a means of relieving the present tax burden; to the Committee on the Judiciary.

8434. By Mr. GILCHRIST: Petition of citizens of Boone County, Iowa, and other counties, asking the President and the Congress to enact legislation that will enable small farmers to retain ownership of their farms and homes, and demanding the passage of Senate bill 1197, known as the Frazier bill; to the Committee on Agriculture.

8435. Also, petition of 80 citizens of Duncombe and Lehigh in Webster County, Iowa, asking legislation to provide lower interest rates on farm mortgages as provided in the Frazier bill; that the agricultural marketing act be amended to make available the principles of the equalization fee, the debenture plan, and the domestic allotment plan; that the Goldsborough "honest dollar" bill be passed; and that gambling in agricultural commodities be brought to a halt; to the Committee on Agriculture.

8436. By Mr. JOHNSON of Washington: Petition of the Unemployed Citizens' League, favoring the enactment of legislation for the relief of unemployment; to the Committee on Ways and Means.

8437. By Mr. RUDD: Petition of New York Library Association, office of the president, Frank L. Tolman, Albany, N. Y., favoring Federal loans for construction of library buildings projects; to the Committee on Banking and Currency.

8438. Also, petition of Edith S. Grimm, vice leader Queensboro League of Women Voters, Queensboro, Long Island, N. Y., favoring the passage of Senate bill 4860 for unemployment relief; to the Committee on Banking and Currency.

8439. Also, petition of Mrs. Frank Clark, treasurer League of Women Voters, Fourth Assembly District, Queens County, N. Y., favoring the passage of Senate bill 4860, unemployment relief bill; to the Committee on Banking and Currency.

8440. Also, petition of Carol M. Wilde, New York League of Women Voters, Queensboro, Long Island, N. Y., favoring the passage of Senate bill 4860, for unemployment relief; to the Committee on Banking and Currency.

8441. Also, petition of Mary B. Waterbury, vice chairman New York City League of Women Voters, favoring the passage of the Wagner bill, for the relief of unemployment; to the Committee on Banking and Currency.

8442. Also, petition of Mrs. E. L. Greenwald, vice chairman Fourth Assembly District, Queens County, N. Y., favoring the passage of Senate bill 4860, unemployment relief bill; to the Committee on Banking and Currency.

8443. By Mr. TEMPLE: Petition of Albert W. Lyons, 11 East Walnut Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8444. Also, petition of K. L. Gilmore, George Washington Hotel, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

SATURDAY, JUNE 25, 1932

(Legislative day of Friday, June 24, 1932)

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

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Costigan	Kean	Robinson, Ark.
Austin	Couzens	Kendrick	Robinson, Ind.
Barbour	Dickinson	Keyes	Sheppard
Black	Fletcher	King	Shortridge
Blaine	Frazier	La Follette	Smoot
Borah	George	McGill	Steiner
Bratton	Goldsborough	McKellar	Stephens
Broussard	Hale	McNary	Thomas, Idaho
Bulow	Hastings	Metcalf	Thomas, Okla.
Byrnes	Hatfield	Moses	Townsend
Capper	Hawes	Norris	Trammell
Caraway	Hayden	Nye	Vandenberg
Carey	Hebert	Oddie	Wagner
Connally	Howell	Patterson	Walsh, Mass.
Coolidge	Johnson	Pittman	Watson
Copeland	Jones	Reed	White

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

HOUR OF MEETING AND CALENDAR FOR MONDAY

Mr. McNARY. Mr. President, I desire to ask unanimous consent that when we shall have concluded our session today we adjourn until Monday at 11 o'clock a. m., at which time we shall proceed to the consideration of unobjection bills on the calendar under Rule VIII, beginning with the calendar number at which we left off on yesterday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon?

Mr. JONES. Mr. President, I would like to make just a brief statement before that request is acted on.

Mr. McNARY. Has the Senator any objection to the proposal?

Mr. JONES. No; but I desire to call the attention of the Senate to a situation which I am afraid many of us have overlooked. We have only four legislative days left before the 1st day of July. Of course the matter of final adjournment by the 1st day of July is not important, but the matter of getting our appropriation bills passed by the 1st of July is extremely important. If we should fail in getting any appropriation bill through by the 1st of July, so it could not take effect at the beginning of the next fiscal year, it would immediately disrupt the Government organization. It would necessitate the passage of a joint resolution continuing the appropriation for the current year instead of passing the bill upon which we have worked and curtailed in the interest of economy and all that sort of thing.

I think practically all of our time should be devoted to the consideration of and action upon appropriation bills, so as to get them through and into effect by the 1st day of July.