

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Virginia?

Mr. THOMAS of Oklahoma. I yield the floor.

Mr. GLASS. I had understood the Senator had yielded the floor, and I rose to move a recess.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chafee, one of its clerks, announced that the House having proceeded, in pursuance of the Constitution, to reconsider the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, returned by the President of the United States with his objections to the House of Representatives, in which it originated, that the bill was passed, two-thirds of the House of Representatives agreeing to pass the same.

#### THE BANKING ACT

The Senate resumed consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

#### RECESS

Mr. GLASS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Saturday, January 14, 1933, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 13, 1933

The House met at 12 o'clock noon.

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

Again we are assembled, our Heavenly Father, and through Thy gracious providence the day is ours. We are seriously interested in the progress of the Republic. There are ambitions and purposes which can be formed nowhere else but at the altar of prayer. O hear us and prosper our work. Inspire us to act from the purest motives, obey the loftiest rule, and aspire to the supremest ends. Thou hast taught the world that strength and wisdom owe a debt to weakness and misfortune. Do Thou direct our ministry. Life is hard, conditions are unfair, and claims are often excessive. Enable us to drive away the winter of discontent, and lead us all to get to the bright side, to the sunny side, and the music side of life, and let the joy overflow everywhere. Amen.

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

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 13975) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes," requests a conference with the House thereon, and appoints Mr. HALE, Mr. SMOOT, Mr. KEYES, Mr. GLASS, and Mr. MCKELLAR to be the conferees on the part of the Senate.

#### REORGANIZATION OF GOVERNMENT AGENCIES

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution for printing under the rule:

House Resolution 350

*Resolved*, That upon the adoption of this resolution the House shall consider House Resolution 334, a resolution disapproving the several Executive orders grouping, coordinating, and consolidating certain executive and administrative agencies of the Government, as set forth in the message of the President to the Congress, dated December 9, 1932; that after two hours' debate, which shall be

confined to the resolution, and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the previous question shall be considered as ordered on the resolution to its adoption or rejection without intervening motion except one motion to recommit.

#### CALVIN COOLIDGE—MEMORIAL TRIBUTE

The SPEAKER laid before the House the following communication, which was read:

BISHOP'S HOUSE,  
WASHINGTON CATHEDRAL, MOUNT ST. ALBAN,  
Washington, D. C., January 10, 1933.

MY DEAR MR. SPEAKER: A memorial service for the people of the Capital of the Nation in tribute to the Hon. Calvin Coolidge, thirtieth President of the United States, will be held in the great choir of Washington Cathedral on Mount St. Alban next Sunday afternoon, January 15, at 4 o'clock.

It gives me great pleasure to extend through you a cordial invitation to your colleagues in the House of Representatives to attend this service in commemoration of the life and notable public service of Mr. Coolidge.

The cathedral authorities will feel highly honored if you and Mrs. Garner can find it convenient to be present.

With cordial expressions of esteem, I am, faithfully yours,  
JAMES E. FREEMAN,  
Bishop of Washington.

The Hon. JOHN NANCE GARNER,  
Office of the Speaker of the House of Representatives,  
United States Capitol, Washington, D. C.

#### LEAVE TO ADDRESS THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, in view of the rule which precludes permission to address the House except on the day when the privilege to do so is asked, on next Monday I am going to ask unanimous consent to address the House for one hour after the disposal of matters on the Speaker's desk and the reading of the Journal, on the subject of branch banking as a remedy for the present economic crisis. I have talked with the gentleman from Mississippi [Mr. COLLINS], who will have charge of the Army bill at that time, and I think he has no objection.

The SPEAKER. Next Monday is consent day and suspension day. The Chair feels that he should protect that day. The time on that day will not be within the control of the gentleman from Mississippi. It is one of two days set apart each month for the consideration of bills on the Consent Calendar and for motions to suspend the rules. So far as the Chair recalls, since that practice has been established, unanimous consent to address the House on those days has never been granted.

Mr. GOLDSBOROUGH. Then, Mr. Speaker, I shall ask unanimous consent to address the House on Wednesday of next week.

#### JUDICIARY COMMITTEE—LEAVE TO SIT DURING SESSIONS OF THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during the remainder of this week and the first three days of next week, during the sessions of the House.

The SPEAKER. Is there objection?

There was no objection.

#### ARMY APPROPRIATION BILL

Mr. COLLINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes. Pending that, I ask unanimous consent that general debate proceed until 4 o'clock this afternoon, that being the time set for a Democratic caucus, the time to be controlled by and equally divided between the gentleman from California [Mr. BARBOUR] and myself, and that to-morrow debate be confined to the bill, the time to be equally divided between the gentleman from California and myself.

The SPEAKER. The gentleman from Mississippi moves that the House resolve itself into the Committee of the

Whole House on the state of the Union for the consideration of the Army appropriation bill. Pending that he asks unanimous consent that general debate proceed during to-day, to be equally divided between himself and the gentleman from California, and that debate to-morrow be confined to the bill. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Some of us are very much interested in a resolution introduced by the gentleman from Missouri [Mr. COCHRAN] relative to the recommendations of the President in respect to reorganization of Government departments. The gentleman from New York [Mr. O'CONNOR] to-day reported a rule from the Committee on Rules making that resolution in order. Can the gentleman from New York tell the House or give us some idea when he plans to bring up that rule?

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

Mr. MAPES. Yes.

Mr. CHINDBLOM. I understand the meeting at 4 o'clock this afternoon is to consider that very matter.

Mr. MAPES. But some of us will not be present at that meeting, and I thought possibly we might get some information about it for all the House.

Mr. O'CONNOR. Mr. Speaker, no plan as far as I know has been worked out as to just when that rule will be called up. I imagine it will be on the program some time next week. That is all I know about it.

Mr. MAPES. If the gentleman will permit, does the gentleman have any idea of bringing it up before the War Department appropriation bill is finally disposed of?

Mr. O'CONNOR. I have no idea as to how it will fit in with the program or whether it will intercept the Army appropriation bill or not.

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

Mr. BARBOUR. Reserving the right to object, is it the intention of the gentleman from Mississippi to limit debate to-morrow?

Mr. COLLINS. To limit the debate to discussion of the bill only.

Mr. BARBOUR. But not as to the time?

Mr. COLLINS. It all depends upon the length of time the gentleman from California [Mr. BARBOUR] wishes to consume. I think about two hours would be sufficient, from what I have understood.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLLINS]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Mississippi [Mr. COLLINS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14199, the War Department appropriation bill, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. COLLINS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

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

There was no objection.

Mr. COLLINS. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Chairman, I wish to discuss the question of balancing the Budget. That is the thing that we talked about at great length during the last session of Congress. In order to properly understand or discuss the question of balancing the Budget, I think we should first look to the source and the amount of the income that might be expected to come into the Treasury of the United States under our revenue laws.

From 1923 to 1929, inclusive, the average national income was seventy-eight and one-half billion dollars. In 1930 we began to find a reduced national income. In 1930 the income dropped to \$71,000,000,000, or a loss of 9 per cent. In 1931 we find the national income dropping from seventy-eight and one-half billion dollars to \$54,000,000,000. That

was a loss of twenty-four and one-half billion dollars, or 31 per cent below the average from 1923 to 1929. We find that corresponds approximately with the loss of revenue that was secured by the Treasury under our revenue laws which showed us a 31 per cent deficit. In 1932 we find that the national income dropped to \$37,000,000,000 from seventy-eight and one-half billion dollars, or a loss of forty-one and one-half billion dollars from the average point, and a loss in percentage of 53 per cent from what it was in 1923 to 1929.

Now, that is about the condition of the Treasury. The shrinkage of Federal income has cut in two the amount of revenue that is received by the Treasury under our revenue-raising laws. The revenue raised by our laws relates directly to the national income. The 1932 revenue, I call to your attention, is 31 per cent under the 1931 revenue. So we see it is absolutely impossible to have revenue laws that will keep a balanced Budget when we have continually shrinking incomes of the people.

I think it is very well conceded that the fixed charges, overhead, Government expense, and things that we can not avoid in the way of expenses, amount to something like \$20,000,000,000 a year. We lost \$17,000,000,000 of national income last year over 1931. If we lose \$17,000,000,000 during 1933 over 1932, we will be down to the point where we will not make enough income in this country to pay the necessary fixed charges and overhead and Government expenses, national, State, county, town, and so forth.

Now, what is to be done under that state of circumstances? Can we remedy the situation by cutting expenses? I am sure that most of you received from Mr. Babson a statement issued a few days ago, wherein he calls attention to the possibility of cutting Government expenses. He points out very emphatically that the Government's expenses proper amount to \$678,000,000. Now, that is the cost of administering government. It is true we have interest and sinking fund on the public debt. That amounts to \$1,156,000,000. We have the cost of veterans' relief, which is \$928,000,000, and the cost of the Army and Navy which is \$648,000,000, making a total of \$2,715,000,000. These are not properly Government expenses or expenses chargeable to the administration of the Government. Cuts will have to deal with those items, but if we cut those expenses, which I believe we all favor so far as it is possible for us to do so, it would not take the place of the loss of \$41,000,000,000 which we have had in 1932 above the period average of 1923-1929. In other words, we have had a loss of about three and one-half billion dollars in the income of the people of this country each month during 1932, whereas the cost of government for a year is practically that amount. Each month we lose in income to all the people enough money to pay the cost of the United States Government for a year.

Now, since we can not remedy our situation wholly or in any appreciable degree by cutting Government expenses, some other alternative must be resorted to. I believe that Mr. Babson was right in his closing statement in this article that we must increase the incomes of the people and the buying power of the people:

The sane and worth-while way of balancing the Budget is to improve general business. This means increasing purchasing power.

#### SURPLUS FOODS AND STARVATION

We have a peculiar situation in this country of ours. We have a surplus of every kind of food product; we have a surplus of materials out of which clothing is made, and yet people are starving and people are going without sufficient clothing. We have a surplus of housing facilities, and yet people are being put out in the streets. There is something fundamentally wrong besides the cutting of the expense of government. What is that something? We say we have got more money than we had in 1929; that is, more coined and issued currency than we had in 1929.

#### BANK CREDITS DROPPED TO 30 PER CENT EFFICIENCY

We have, but our medium of exchange is used by business made up of two elements; one is bank credits, and that does

nine-tenths of the business in normal times; the other is coined and issued currency, which does one-tenth of the business in normal times. Our bank credits have dropped to three-tenths of their normal efficiency. In other words, the nine-tenths portion of our medium of exchange has come down to where it is only three-tenths efficient, and that is the main trouble in the channels of trade to-day. As to the other one-tenth: If you will examine the December Bulletin of the Federal Reserve Board you will find it is but 40 per cent efficient. In other words, only 40 per cent of our currency is in circulation.

What is to be done in circumstances like these? You say the banks are full of money. The banks are not full of money. The banks, with \$42,000,000,000 of deposits, have but \$700,000,000 with which to meet their obligations when the demand comes. They have \$15,000,000,000 or \$16,000,000 of checking accounts where the demand can be made immediately, yet all of these banks have but \$700,000,000 in cash.

#### BANKS UNABLE TO MAKE LOANS

The trouble with the banks is perhaps not that their cash is low, but their book credits are absolutely static for the greater part. They represent mortgages against land, against commodities, and against property of all kinds, and they can not realize on them any more, because they will not move. The banks can not offer this collateral for sale, because there is no buying power in the people and the people can not purchase it. So they are virtually confined to the small amount of cash they have in their vaults, and that is the reason the banks can not make you loans. When you apply for a loan, the bank does not believe it can sell the property you wish to hypothecate with it for the loan. Therefore it has to refuse your request. We find ourselves in this undependable position with regard to banks and bank credits.

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

Mr. BUSBY. I yield.

Mr. MAY. Has the gentleman any statements with regard to the amount of hoarded money in the country?

Mr. BUSBY. The last statement of the Comptroller of the Currency shows perhaps \$1,500,000,000 of currency in hoarding.

#### BANKS HOARDING CASH

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

Mr. BUSBY. I yield.

Mr. BURTNES. In the gentleman's opinion, is it not a fact that because banks are afraid to loan money by reason of the unstable loan value of the collateral or commodities upon which they might have security, the money in those banks is just as effectively hoarded as though it were in some one's sugar bowl or under some one's mattress?

Mr. BUSBY. That is absolutely the fact. This \$700,000,000 that is in the banks is being hoarded by them just as effectively as though it were buried away in some hiding place, as the gentleman has suggested, but they are right in hoarding it. If they tried to use it all, the banks would be endangered.

Mr. BURTNES. Let me ask one more question. Is not the main reason the banks are not willing to assume the risk of loaning money and taking chances on the security offered due to the fact that the commodity price level has continued to decline instead of taking an upward spurt, which would safeguard the securities of the banks?

Mr. BUSBY. That is exactly right.

#### COUNTRY STILL ON THE DECLINE

Now I would like to call your attention to the effective way in which we are going downhill. The income of the people of this country shrunk 31 per cent in 1932 over the already deflated condition that existed in 1931. We are not stabilized in our downward trend; we have not hit the bottom. As long as the incomes of the people continue to dry up, the Budget will relate directly to the income of the people, who pay the taxes. If we should adopt a revenue law which balances the Budget now and if we shall have a 25 per cent shrinkage in national income in 1933 over that of 1932, the

Budget will be out of balance again in 1934 by 25 per cent. Your Budget will relate directly to the income of the people who pay the taxes. When they do not make money with which to pay taxes, the revenue in the Treasury will dry up and the Budget get out of balance.

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

Mr. BUSBY. I yield.

Mr. McFADDEN. Before the gentleman gets too far away from his statement in regard to the frozen condition of banks as regards credit and circulating media I think it is well to note that of the total amount of public debt, which is approximately \$20,000,000,000, the banks of the United States to-day are carrying between \$11,000,000,000 and \$12,000,000,000 of Government bonds because of the fact they feel safe in carrying those bonds; but, at the same time, it is freezing the assets of the banks still further.

Mr. BUSBY. That is important. It indicates that the situation has gotten so we can not sell anything in the way of securities and properties other than United States bonds. We can not secure loans except through Government channels. Why? Because Government bonds and Government obligations are the only things that are dependable, and they are a promise as directly by the Government as is currency.

#### CURRENCY AND EXCHANGE MACHINE BROKEN DOWN

Now, when we find our exchange arrangement broken down in its functioning in this way, the people using every kind of device for currency, what are we to do? Sit by and say we will wait until the banks come back and can furnish the credit the country is entitled to? Note this: The banks never did have any obligation to furnish credit to the country for business. They have certain powers; but these powers were given to the banks so they can use them to make money for themselves, not so they can serve the National Government. The National Government has got no right to go to the banks and demand that they use the credit issued through the Federal reserve system and thereby furnish the means to business to carry on the affairs of the country or the media of exchange required by trade; not one bit; but banks use those powers given them under our legislative acts when it is profitable to the bank, and when it is not profitable to the bank they do not use them. I am not criticizing the banks. We have turned over or farmed out to the banks and banking interests of the country the problem of furnishing nine-tenths of the exchange media for the business of this country, and that problem has not been met and is not being met by them. Since they have practically quit, we find stagnation in business on every hand.

#### PLAIN DUTY OF CONGRESS

What can we do? Why, we have control of the other one-tenth of the proposition, and if there is a breakdown in nine-tenths of the machine, if you discharge your duty as Congressmen and representatives of the people, do not say that you will sit by and wait until your people go through bankruptcy and then hope we will come out some way or other. What we can do is to speed up the other one-tenth by adding some more currency and media of exchange to it, and that is what we are now proposing to do.

#### PLAN TO ADD NEW CURRENCY

How can we do that? And I invite your attention to this because it will come up before the House very shortly. Heretofore the way we have met our deficit is to sell United States Government bonds to the banks and get that bank credit with which to finance the National Government. If we sell \$3,000,000,000 in the open markets to the banks, they will pass their bank credit out and such currency as they have in the settlement of these bonds with the Treasury.

There is no new money issued and there is no new advantage obtained. So what can be done? Instead of selling these bonds to the banks we can issue Government bonds, place them with the Federal reserve, just like banks would place them if they want a new currency, and have the Fed-

eral reserve issue the currency in payment of those bonds and turn the money over to the Treasury with which to pay the Government expenses.

If we can not pass a taxing act—and the leaders seem to think we will not pass any act to balance the Budget—use the money, not credit. What are we going to do? Credit has but one seat and that is the point from which it issues. You throw out credit, and it is like a child with a ball with a rubber tied to it; he throws it out and it comes right back home; that is the only place it can go. But you issue new currency; you send that out and pay the people, and it does not come back but goes the rounds. It meets the situation, solves the situation and the problem, and you can not solve them in any other way.

Suppose you sell bonds and obtain additional credit from the banks. What would you do? You would contract the credit in those banks to the extent of the amount of the bonds you have sold them, and you would deprive business of the opportunity of securing that credit, because you are bringing it in here to finance the National Government. What else have we done? We have issued obligations.

Mr. BANKHEAD. Will the gentleman yield before he departs from that immediate feature?

Mr. BUSBY. I yield.

Mr. BANKHEAD. I am somewhat familiar with the gentleman's proposal. The gentleman did not state what amount of interest he would have those bonds carry, and in what amounts they would be issued. Will the gentleman kindly explain that?

Mr. BUSBY. I was coming to that. What other burden would it place upon the country? We would pay 4 per cent, perhaps, to the banks for extending that credit to the Government. It is not necessary to do that. Bonds carrying 1 per cent interest sold to the Federal reserve with which to back currency with an added 20 or 40 per cent of gold are better than any currency that is in circulation, except the gold coin and the gold certificate. The national-bank notes are issued on 100 per cent low interest bearing Government paper and 5 per cent as lawful money; no gold at all.

So, Mr. Chairman, if I may conclude in these few minutes, I feel there is a grave responsibility resting upon every Member of the Congress. We suggest that we would like to do something, that we would like to relieve our people of the awful distress we find outside of Washington; but if you observe us in the Halls of this legislative body here at both ends of the Capitol and take our attitude for sincerity, you would think everything was all right and that the sailing was fine throughout the country; but go down in your district and see somebody who has been on the outside of Washington; he will come in and tell you, "It is awful the way you take no notice of the suffering of your people. It is terrible that you can drop into a feeling of ease and complacency and take no account of what is going on when the homes of the people are selling for taxes or being foreclosed under mortgages for small amounts that remain against them, and where every type of economic destruction is being wrought from one end of the country to the other and there is no remedy suggested."

For one I intend to exert every ounce of intelligence and influence I have to bring relief to the suffering people of this country. I do not care whether I am always in order, I do not care whether I am always in harmony with leadership, if there be leadership. I am in harmony with the suffering of our people and my efforts are going to be in their behalf, unhampered to any degree by rules and regulations and fictions that have kept us from acting up to this time. [Applause.]

Mr. WRIGHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill H. R. 14199, the War Department appropriation bill, had come to no resolution thereon.

#### 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.

#### CALL OF THE HOUSE

Mr. SNELL. Mr. Speaker, pending the reading of the message, which I think is very important, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-nine Members are present, not a quorum.

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

A call of the House was ordered.

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

#### [Roll No. 140]

Abernethy	Davis, Tenn.	Kelly, Ill.	Rogers, N. H.
Allen	Dickstein	Kemp	Rudd
Amlie	Doughton	Kennedy, N. Y.	Schneider
Arentz	Doutrich	Kinzer	Seiberling
Boehne	Eaton, N. J.	Lambeth	Simmons
Bohn	Fulbright	Lea	Smith, Idaho
Brand, Ga.	Golder	Lewis	Somers, N. Y.
Buckbee	Goodwin	McLeod	Stewart
Byrns	Hall, Miss.	McSwain	Sullivan, N. Y.
Canfield	Hancock, N. C.	Miller	Sullivan, Pa.
Carley	Hart	Montague	Swing
Carter, Wyo.	Hawley	Nelson, Wis.	Underwood
Cooke	Hopkins	Oliver, Ala.	Wolfenden
Corning	Hornor	Oliver, N. Y.	Wood, Ind.
Crail	Horr	Owen	Wyant
Crump	Igoe	Person	Yates
Curry	Johnson, Ill.	Ramseyer	
Davenport	Johnson, Wash.	Rayburn	

The SPEAKER. Three hundred and fifty-six Members have answered to their names; a quorum is present.

On motion of Mr. O'CONNOR, further proceedings under the call were dispensed with.

#### PHILIPPINE INDEPENDENCE (H. DOC. NO. 524)

The SPEAKER laid before the House the following message from the President of the United States:

#### To the House of Representatives:

I return herewith without my approval H. R. 7233, entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes."

The Philippine people have to-day as great a substance of ordered liberty and human freedom as any people in the world. They lack the form of separate nationality which is, indeed, their rightful spiritual aspiration. They have been encouraged in this aspiration by every President of the United States during the years of our association with the Philippines and by declarations of the Congress.

But in securing this spiritual boon to the 13,000,000 people in these islands the United States has a triple responsibility. That is responsibility to the Philippine people, responsibility to the American people, and responsibility to the world at large. Our responsibility to the Philippine people is that in finding a method by which we consummate their aspiration we do not project them into economic and social chaos, with the probability of breakdown in government, with its consequences in degeneration of a rising liberty which has been so carefully nurtured by the United States at the cost of thousands of American lives and hundreds of millions of money. Our responsibility to the American people is that we shall see the fact of Philippine separation accomplished without endangering ourselves in military action hereafter to maintain internal order or to protect the Philippines from encroachment by others, and, above all, that this shall be accomplished so as to avoid the very grave dangers of future controversies and seeds of war with other nations. We have a responsibility to the world that having undertaken to develop and perfect freedom for these people we shall not by our course project more chaos into a world already sorely beset by instability. The present bill fails to fulfill these responsibilities. It invites all these dangers. It does not fulfill the idealism with which this task in human liberation was undertaken.

## SUMMARY OF THE BILL

The bill provides for a constitution of a specified character to be framed by a Philippine convention, for the submission to the Filipino people, and for the incidental determination as to whether or not they desire independence. In the event of a favorable vote, and after probably about two years, an intermediate government of the Philippine Islands is established, the office of governor general is abolished, and all important civil authority of the United States is effectively abrogated, except for certain inconsequential powers which are vested in a high commissioner. The United States retains also during the approximately 10-year period of intermediate government the powers of limited control over legislation—by the President—of judicial review in certain cases (by the United States Supreme Court), of supervision of foreign affairs, and of military occupation. Immigration is regulated, and during the same period certain duty-free imports into the United States are curtailed to specified quotas. The intermediate government is to levy export taxes, to increase from an initial charge of 5 per cent in the sixth year of that government to 25 per cent in the tenth year. Complete independence is automatically established in the eleventh year after the inauguration of the intermediate government; and all free trade between the Philippine Islands and the United States is then terminated, unless some other understanding is arrived at by a trade conference. The United States retains, after the establishment of independence, the right to maintain military and naval stations in the Philippine Islands; and the bill calls for an effort on the part of the United States to safeguard the future of the islands by securing international neutralization.

I am returning this bill because I consider that it is subject to the most serious objections. In the statement which follows I do not enter upon many secondary criticisms, but confine myself to the broader aspects of the subject, which, in any event, must dominate conclusions as to rightful action.

## ECONOMIC AND SOCIAL CONSEQUENCES

During the period of intermediate government prior to complete independence, not alone the internal and external political relations of the Philippine people must be adjusted but they must adjust their economic life to the complete abrogation of the present free-trade association with the United States. The period for such adjustment in this act is too short, too violent. These adjustments will not be confined to the period after independence. On the contrary, these reactions will begin much before that, for people do not wait to adjust their affairs until after a known certainty. They discount and prepare in advance. To grasp these implications we must consider what is proposed at the end of the 10-year period. The free entry of Philippine products into the United States—that is, 80 per cent of their foreign market—is to cease at that time, or at best be subject to an indefinite negotiation. Unfortunately for these people, their economic life to-day and for many years to come is absolutely dependent upon their favored trade with the United States. Many of their industries can not compete with the lower standards of living and costs in other tropical and subtropical countries, except by virtue of their favored entrance to our markets. Lands now employed in these products must be abandoned or alternatively all real wages and standards of living and all land values must be reduced to the level of other competing countries. Consequently, capital invested in large industries, the security for mortgages held by their banks, their insurance companies, their other institutions must be greatly reduced, the financial system of the islands endangered, a flight of capital must ensue, the ability of the people to pay taxes undermined, the government revenues diminished, and its ability to maintain its obligations and to maintain public order will be weakened. The government already has difficulty balancing its budget and this difficulty will be thus intensified. Under these circumstances they must inevitably and soon greatly diminish a large part of their generous support to schools, health, and roads.

The American Government will be faced after projection of these events with years of military occupation among a

degenerating economic and social life, with all its governmental difficulties.

A large part of the motivation for the passage of this bill is presumed relief to certain American agricultural industries from competition by Philippine products. We are trustees for these people and we must not let our selfish interest dominate that trust. However, from our agricultural point of view, during the first period of presumably two years, it gives no protection of any kind. During the following five years it gives no effective protection because the amount of competitive commodities admitted into the United States duty free is in sugar 50 per cent larger than that of 1928; vegetable oils 25 per cent larger. In any event, the sugar benefits inure more largely to foreign producers than to our own farmers. If we are to predicate the fate of 13,000,000 people upon this motive we should at least not mislead our farmers about it. If we are to base our action upon economic consideration—and I do not neglect its importance—then also we should give regard to our farmers, workers, and business men whose livelihood, particularly upon the Pacific coast, will be largely destroyed by lack of positive provisions for reciprocal trade after independence upon which they can predicate their future.

## RESPONSIBILITY WITHOUT AUTHORITY

The bill weakens our civil authority during the period of intermediate government to a point of practical impotence. The powers which the high commissioner can exercise on his own initiative are unimportant, and those which can be delegated to him by the President over legislation are doubtful and indirect. During this period, however, the American flag will be flying and our Army will be in occupation. Our Government, with inadequate civil means for exercising its sovereign authority to control the situation but with continual moral responsibility to maintain stable government, will daily during those years be faced with the likelihood of having to employ military measures to maintain order in a degenerating social and economic situation, or, alternately, to expend large sums from our taxpayers in supporting a constantly enfeebled government. Not alone do these difficulties arise from the intermediate situation we create, but the non-Christian population, who are as yet bitterly opposed to the controlling group, constituted at the last Philippine census a majority of the combined population of nine Provinces, occupying about 40 per cent of the total land area of the Philippine Islands. The maintenance of order in this considerable element has presented many difficulties to us in the past, and it is not reasonable to assume that the intermediate government will be as well qualified to handle the situation as the present régime for a long time. Moreover, without real civil authority we can have no assurance that the intermediate government may not find itself in difficulties with citizens of other nationalities which may involve the United States. Such responsibility in these situations, without adequate authority, can lead only to disaster.

## INABILITY TO PROVIDE MILITARY FORCES FOR PRESERVATION OF INTERNAL ORDER OR EXTERNAL DEFENSE

The income of the Philippine government has never in the past been sufficient to meet, in addition to other expenditures, the cost of supporting even the Filipino Scouts, much less an army or navy. The United States expends to-day upon the native and American military forces for the protection and assurance of internal order and for the maintenance of the minimum requirements of external defense a sum amounting to approximately 28 per cent of the entire revenues of the Philippine government. If the naval expenditures of the United States in the Philippine Islands are included, this figure is increased to 36 per cent; and it must be remarked that both figures relate to the expenses of the forces actually in the islands and do not include the very pertinent potential protection afforded by the entire military and naval powers of the United States. It can scarcely be expected that the Philippine Islands will be able to increase their revenues by 36 or even 28 per cent to provide the force necessary for maintaining internal order and the minimum of external defense, even were no internal economic degen-

eration anticipated. They could only do so at a sacrifice of a large part of their educational and public improvements.

PRESENT EXTERNAL DANGERS TO INDEPENDENCE

The Philippines include, in terms of comparison with their neighboring oriental countries, large areas of undeveloped resources. The pressures of those immense neighbor populations for peaceful infiltration or forceable entry into this area are most potent. Many of these races are more devoted to commercial activities than the population of the islands and the infiltration is constant and fraught with friction. Nor has the spirit of imperialism and the exploitation of peoples by other races departed from the earth. After the establishment of independence the Filipino people alone will be helpless to prevent such infiltration or invasion. Their problem is infinitely different from that of Cuba or other nations in the Western Hemisphere. Moreover, the political dangers of the situation are greatly increased by the present political instability in the Orient. The impact of western ideas upon oriental systems of culture and government has created a profound ferment among this half of the population of the world. Our own future and the future of the Filipino people, both in maintenance of peace and the development of our own economic life and trade, are deeply involved.

To-day the picture is chaotic. It is impossible to see what the next two decades may bring. It is a certainty that at the end of such a period we can see more clearly—and the Philippine people can see more clearly—the forces which are formulating. It would be the part of common caution upon their own behalf and both generosity and caution in our own part that final determination as to the nature of our relations should be deferred and that both of us should take this momentous decision after a much longer period than two years. When the Philippine people vote within two years upon a constitution they take the irrevocable step of final independence. By maintenance of our military occupation and our national guardianship the United States must and will give protection against external pressure during the period of intermediate government. The bill makes no effective provision for the maintenance of their independence thereafter from outside pressures, except a promise of effort on our part toward neutralization. We have the option to continue maintenance of military and naval bases. Other nations are unlikely to become parties to neutralization if we continue such bases, and neutralization is a feeble assurance of independence in any event unless we guarantee it. That again is the perpetual engagement of the United States in their affairs. But with the impression that these ideas in the bill convey, it is likely that the Philippine people would vote in two years in the belief that independence is thereby attained and with the more or less general belief that we will indefinitely engage our power and our own future welfare in the altruistic mission of preserving their independence from international forces against which they are incapable of defending themselves. Therefore, before any plebiscite is held we should honestly and plainly declare our intentions. This bill does not do this. In discharge of the moral responsibilities of our country we have no right to force an irrevocable decision on their part to be taken two years hence at a moment in history when the outlook in the world and of their surroundings is at best unfavorable to their permanent independence.

CONCLUSIONS

If the American people consider that they have discharged their responsibilities to the Philippine people, have carried out the altruistic mission which we undertook, if we have no further national stake in the islands, if the Philippine people are now prepared for self-government, if they can maintain order and their institutions, if they can now defend their independence, we should say so frankly on both sides. I hold that this is not the case. Informed persons on neither side have made such declarations without many reservations. Nor can these conditions be solved by the evasions and proposals of this bill without national dishonor.

In my view we must undertake further steps toward the liberation of the Philippine Islands, but they should be based upon a plebiscite to be taken 15 or 20 years hence. On such an occasion there would be a full impress upon the Filipinos of the consequences of their act instead of its confusion as a side issue to the substitution of another intermediate form of self-government offering no vital improvement in their liberties to that they now possess. They should then have freedom to form their own constitution and government, both in the light of experience and the forces moving at that time. In the meantime we should develop steadily through an expansion of the organic act a larger importance to their own officials by extension of authority to cabinet government, with a full reserve of powers to our representatives. Immigration should be restricted at once. We should cooperate with them to bring about their economic independence before the plebiscite by very gradual reduction of their free imports. We should, prior to such plebiscite, or any sooner date that the Philippine people propose, fix a mutual preference in trade similar to and on a wider scale than that with Cuba. The United States should plainly announce prior to the time of this plebiscite whether (a) it will make absolute and complete withdrawal from all military and naval bases, and from every moral or other commitment to maintain their independence, or (b) the conditions as to authority and rights within the islands under which we will continue that protection.

These final steps can not be properly determined now by either the Philippine people or ourselves.

We are here dealing with one of the most precious rights of man—national independence interpreted as separate nationality. It is the national independence of 13,000,000 human beings. We have here a specific duty. The ideals under which we undertook this responsibility, our own national instincts, and our institutions which we have implanted on these islands breathe with these desires. It is a goal not to be reached by yielding to selfish interests, to resentments, or to abstractions, but with full recognition of our responsibilities and all their implications and all the forces which would destroy the boon we seek to confer and the dangers to our own freedom from entanglements which our actions may bring. Neither our successors nor history will discharge us of responsibility for actions which diminish the liberty we seek to confer nor for dangers which we create for ourselves as a consequence of our acts. This legislation puts both our people and the Philippine people not on the road to liberty and safety, which we desire, but on the path leading to new and enlarged dangers to liberty and freedom itself.

HERBERT HOOVER.

THE WHITE HOUSE, January 13, 1933.

The SPEAKER. The objections of the President will be entered at large on the Journal and the message and the bill will be printed as a House document.

The question is, Will the House, on reconsideration, agree to pass the bill, the objections of the President to the contrary notwithstanding?

Mr. HARE. Mr. Speaker, I ask for recognition under the rule.

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

Mr. HARE. Yes.

Mr. SNELL. Will the gentleman inform us how much time he intends to use and whether he is willing to yield some time to this side of the House?

Mr. HARE. I will be very glad to state that so far I have promised a little more than one-half of the time to the gentleman's side of the House.

Mr. SNELL. Is the gentleman going to take just the hour?

Mr. HARE. Not over one hour.

Mr. Speaker, I yield three minutes to the gentleman from Iowa [Mr. THURSTON], a member of the committee.

Mr. THURSTON. Mr. Speaker, for one-third of a century the American Government and the American people have endeavored to assist the Filipino toward self-government, and in this endeavor they have had the hearty cooperation of all of our people.

About six years ago the then President, Mr. Coolidge, in a message vetoing an act of the Philippine Assembly, stated that tariff preferences to the extent of \$30,000,000 to \$35,000,000 were annually extended to these people and that the cost of maintaining our civil establishment, supplemented by the military and the naval branches of our Government, cost our Treasury an additional \$10,000,000 a year, so that our people and our Treasury at that time were contributing about \$50,000,000 a year in favor of the people who inhabit these islands. So in these days when we talk about endeavoring to balance our Budget and to give preference to our own people, we should have in mind the statement made by the President at that time.

If you will examine the trade relations between the islands and the homeland, you will find that for each year for the past 10 years the Philippine people have had a trade balance in their favor and against us in an amount of \$60,000,000 to \$90,000,000 annually.

So I submit that these figures and these facts are pertinent to this question at this time.

I realize that the greater part of the expressions that have been made on this floor and in the committee have largely dealt with the altruistic purpose of our Government and our people in relation to this subject.

[Here the gavel fell.]

Mr. HARE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. THURSTON. So in these times, when we are having a terrific dislocation of economics and finances, the Congress should carefully consider this aspect of the matter.

Now, it is also known that our Government agreed that it would not fortify those islands. So we have an exposed salient 6,000 miles from our shores, and under our treaty obligations we do not have the right to fortify and protect our interests there.

It is well known that our Navy has adopted a policy which prohibits the concentration of a fleet in those waters, and to-day we do not have one capital ship in Asiatic waters, and it is unlikely that we ever will have a major naval unit in that area.

So we have all of the hazards pertaining to the occupation of the islands without any facilities or any provisions to protect our possessions in that part of the world.

So whether conditions remain stable in Asia or not, our people do not care to take the chance of becoming involved in a war on the other side of the globe. [Applause.]

[Here the gavel fell.]

Mr. HARE. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Speaker, the President of the United States in his message to Congress said that we should not be governed or influenced by selfish interests.

In my opinion, having served in the war that brought about our possession of the Philippine Islands, and remembering the words of our Commander in Chief at that time, President McKinley, who said that we were taking over the islands not as a conquest but to prepare them for self-government, and having during my long service in this Congress kept in touch with the situation in the Philippines and having visited them on some four occasions, Mr. Speaker, I can tell you that the only selfish interest involved in the question of the independence of the Philippine people are Americans in the Philippine Islands in business. [Applause.] They have many interests there, and they do not want independence now, 10 years from now, or 15 years from now—they do not want it ever. [Applause.]

The other selfish interests are the Army and the Navy. The United States Army and the United States Navy, its officers and men, do not want us to leave the islands. They do not want to be deprived of the service over there, and their influence with the Secretary of War and with the Secretary of the Navy—and these two Cabinet officers with the President of the United States, in my judgment, are the whole trouble against giving the Filipinos independence.

Mr. BACON. Will the gentleman yield?

Mr. DYER. Not now. We promised the Filipinos independence. We said we would give it to them whenever the people could maintain a stable government. That was our pledge. Is there any man here cognizant with the situation in the Philippine Islands who will claim that they are not able to maintain a stable government?

Mr. BACON. Will the gentleman yield?

Mr. DYER. I will not. It is as much a stable government, now maintained by them, largely, as governments in many other places in the world.

I know, Mr. Speaker, that there are in this country some who would never be willing to give independence to the Filipino people. For 35 years we have been promising them this independence.

I helped in a small way to bring about the situation by which the Philippines became connected with, and a part of, this country; and I want to live to see the day when they shall be given their independence, and when they shall have their own government, which we have solemnly promised to them. This legislation, while not satisfactory in all respects to me, as I think it puts off independence too long, is a compromise, but it will eventually bring them independence. Permit me to say to the Filipino people that there is one man in America to-day to whom they owe more than to any other for this opportunity of independence, and that is to the courageous, brave, and splendid Speaker of this House, JOHN N. GARNER. [Applause.]

Mr. Speaker, this is an opportunity to discharge a solemn duty on the part of the American Congress, and I for one have given my hearty support to legislation for Philippine independence; and to do my further duty, as I see it, I shall vote against sustaining the veto of the President, and otherwise do all within my power to carry out the solemn, honest pledge of this country and our people. [Applause.]

Mr. HARE. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Speaker, no Member of this House who heard the message of the President read from the dais but is convinced of his friendly attitude toward the Filipino and is convinced of the logic of his position, and all men will find it mighty hard to controvert his arguments. It is a reflection upon the people of this country, particularly upon Congress, that at this time, with the world in a state of chaos, under the guise of liberty, of independence, we should take action which undoubtedly will bring to the people whom we hope to benefit greater evils than they have ever suffered heretofore, and more blood shed than probably has ever before been spilled on those islands. Our sweet sacrifice and our oily utterances on the floor of this House are not based on altruism but are grounded in the sugar interests, mostly of Cuba, and the coconut-oil product which comes into this country from the Philippine Islands. That is not creditable to either the people of the United States or to Congress. Of course, propaganda from certain paid sources, undoubtedly much of it financed by the sugar interests of Cuba, has led the American farmer and his representatives here in Congress to believe that a separation of the Philippines from the Government of the United States, and the consequent tariff duty on sugar, is going to be beneficial to the sugar raisers of this country. I venture to prophesy that it will not result in one single, solitary fraction of a cent additional to the farmer in his sugar crop, and I doubt if it will bring into sugar cultivation one single additional acre of ground in the United States. Sugar is produced in Cuba at so low a cost that we can not compete with it, and the surplus which we are obliged to buy will come from Cuba instead of from the Philippines.

As far as vegetable oil is concerned, now admitted free of duty, it will be no longer admitted free; but the copra, which is free of duty to the whole world, will be admitted, and the oil will be extracted in this country.

The only valid, the only remote reason why you can vote to pass this bill over the President's veto is that you have not confidence in the next Congress of the United States; that you doubt the intelligence and ability of the next

President of the United States. That is the only reason that has been given on the floor of this House, the only reason that has been given privately for the present insistence that we take this step at this time.

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

Mr. UNDERHILL. I can not; I have only five minutes. If we close our ears to the admonishments of the President of the United States, who in his statesmanlike paper has pointed out the danger that will come at this time, then we soil our hands, we take the responsibility for whatever evils which will follow, we blot from our history the victory of Manila Bay, we ignore the sacrifices of thousands of our men and women who went over there to make the Philippines safe for the Filipino people, and whose services and sacrifices are to-day forgotten. [Applause.]

Mr. HARE. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Speaker, I am going to vote to sustain the veto of the President, although, as many of you know, I have twice voted for the passage of the bill. A year ago when I so voted, I stated to the House that if the President should veto the bill I would vote to sustain that veto; and yet I am frank to say here this afternoon that I could wish the President had signed the bill, not because I think it is a particularly good bill, but because I am afraid of the consequences if this bill does not become law. In other words, before our very fine Insular Affairs Committee last year there were gentlemen who had introduced bills to give independence to the Philippine Islands on the next 4th of July, with drums beating, flags flying, and all the honors of war. Those men who introduced such bills forget that out of a third of a century's close and intimate contact between the people of the United States and the people of the Philippine Islands, there have grown up relationships, deep rooted during those years, which can not be severed forcibly and overnight, without bringing trouble and disaster in their wake. That is what I fear now. I would be the last one to deny to another people a right to their independence, the right to live their own national life; but I can not help fearing from what I know and what you know of what is going on about the world to-day, with the forces that are rocking it to its foundation, what may be the consequences of legislation which I can not help believing is ill-advised at this time. In saying so, I do not disparage in any way the splendid people of the Philippine Islands, I do not disparage in any way their desire for independence; but when I remember, as I can not help doing, that in the neighborhood of the Philippine Islands there are situations which are ready to flare up like a bundle of tow into which a torch has been dropped, then I can not help wondering whether it is wise to do the thing that we are doing to-day. I believe that when that well-known historian of the future, of whom we are always talking, comes to write the story of this rather sordid affair, he will say it was not the independence of the people of the Philippine Islands which we voted this afternoon, but that it was the supposed independence of a certain great group in this country from conditions which they thought economically threatening to themselves.

So this afternoon, with all good wishes for the people of the Philippine Islands, but with a heart somewhat troubled by the implications contained in this situation, I am going to vote to sustain the President of the United States for the very cogent reasons he has given us why we should not hasten into this legislation for any such sordid reasons as are actuating us to-day. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. HARE. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I have asked for time simply to place in the Record a letter written by Theodore Roosevelt when he was President of the United States to William Howard Taft, then Secretary of War, urging that independence be granted the Philippines at the earliest possible moment. Theodore Roosevelt, who was perhaps the out-

standing Chief Executive in our generation for courage and Americanism, had this to say in August, 1907, a quarter of a century ago:

The Philippine Islands form our "heel of Achilles." They are all that makes the present situation with Japan dangerous. I think that in some way and with some phraseology that you think wise, you should state to them that if they handle themselves wisely in their legislative assembly we shall at the earliest moment give them a nearly complete independence. \* \* \* I think that to have some pretty clear avowal of our intention not to permanently keep them and to give them independence would remove a temptation from Japan's way and would render our task easier.

I submit to the Members of the House that Theodore Roosevelt never had a cowardly thought in his entire life, nor did he ever do a cowardly act. I am glad of this opportunity to vote for the independence of the Philippines in accordance with the terms of this legislation, but I believe we have already waited too long to keep faith with our platform promises and pledges made for the last 20 years. [Applause.]

Further, I would like to say that our action to-day is a complete and emphatic answer to those foreign nations who have always been saying that Uncle Sam—that the United States of America is a great, grasping, avaricious, imperialistic nation.

The Congress of the United States is about to show to the world that we are not an imperialistic Nation. Of our own free will and accord we are about to grant that independence to the Philippine people, which we promised them many years ago. Only last week we withdrew our marines from Nicaragua. That also is an answer to those European nations who have been grabbing off territories all over Asia and Africa or wherever the grabbing was good. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. HARE. Mr. Speaker, I yield 10 minutes to the Commissioner of the Philippines [Mr. OSIAS].

Mr. OSIAS. Mr. Speaker, I would be more or less than human if I did not say that the Executive disapproval of the Philippine independence bill after it passed both Houses of Congress is a disappointment to me. Of course, I am grateful for the recognition in the presidential message of our rightful, spiritual aspiration for a separate nationality. I am glad the world will hereafter know that in our aspiration for independence we have been, to use the words of the President—

Encouraged by every President of the United States during the years of our association \* \* \* and by the declarations of the Congress.

Mr. Speaker, no word of censure or resentment over the presidential veto shall escape my lips. I recognize that the present occupant of the highest office within the gift of this Republic acted within his constitutional rights. No responsible Filipino here or elsewhere will dispute the fact that President Hoover did his duty as he saw it. I have a great respect for the President of the United States, as all of us must respect any Government functionary who courageously does his duty; but, sir, precisely because of my deep-seated respect for the man who fulfills his duty honestly and faithfully, I am emboldened to appeal to you to-day likewise to act within your constitutional rights and reaffirm the action that twice you have taken on the Philippine independence bill. [Applause.]

The House of Representatives on two occasions went on record in favor of the passage of this independence measure, the first time that has ever been done in the history of American-Philippine relationship. On the 29th of December last you voted to approve the conference report of the managers of the House and the Senate. Again, on April 4, 1932, this House, by a vote of 306 to 47, or a proportion of more than 6 to 1, spoke with convincing finality that reached the hearts of 13,000,000 people across the sea. I therefore have no hesitation in making this direct appeal to repass the Philippine independence bill in the knowledge that by so doing the Members of this coordinate branch of the American Government will, like the President, be exercising their constitutional prerogative.

Mr. Speaker, granting for the sake of argument that the bill does not settle the questions that should be settled, I say its disapproval does less. If it fails to avoid certain difficulties, inaction will merely increase them.

My people will know, as soon as the facilities of the modern age carry the news across the vast Pacific, certain plans that are held out to them, supposedly to achieve the liberation which we have so long coveted. What are the concrete proposals in this message? Among other things they are these:

Immigration should be restricted at once. We should cooperate with them to bring about their economic independence before a plebiscite, by very gradual reduction of their free imports.

The moment it becomes known in the Philippines that there is a concrete plan immediately to restrict immigration of the Filipinos in the United States, even while the American flag floats over us, there will be a wave of despair throughout the islands. The immigration provisions of the present bill are not as objectionable as the scheme now proposed.

The plan as suggested postpones decision on this momentous question until after "a plebiscite to be taken 15 or 20 years hence." In the interim cooperation is to be given the Filipinos "to bring about their economic independence before the plebiscite by very gradual reduction of their free imports." The period is too long and should not be acceptable to the peoples of the United States and the Philippines. The uncertainty will merely be prolonged with all its numbing effects upon our economic life. The passage of the bill is far more desirable.

The proposal is not accompanied by a grant of authority to the government of the islands either to have a countervailing gradual reduction of free imports into the Philippines or to effect economic treaties with other countries. With all due respect I want to say in all frankness that my people will never, never achieve economic independence if those opposed to this bill are to be the ones to interpret the term "economic independence." Besides, that goal is impossible of attainment by the plan to start reducing the free imports of the Philippines into the United States while their political status remains unaltered.

As a matter of fact, one of the objections to the present measure is that limitations are placed upon duty-free Philippine products coming into the United States during the life of the intermediate government, while all American goods continue to go to the Philippine Islands free of duty and without limit. But, Mr. Speaker, the Filipinos accepted the limitations imposed because they are embodied as integral parts of a bill designed to grant our independence upon a day fixed and certain. We accepted them with the hardships they bring because we are so desirous to achieve our national emancipation. I for one, in my official capacity, say I accept those because they are coupled with independence, and as a Filipino I am willing to pay the price of liberty and independence. [Applause.]

Among many Filipinos, and I may add among many Americans, the 10-year period of transition is considered too long. Now comes the Executive veto on the ground that the period for adjustment in the bill is "too short." Personally, I wish it were shorter, but considering the various factors and circumstances, I hold with the Congress that the time fixed in the bill is fair and reasonable.

I was glad to listen to my good friend, the gentleman from Michigan [Mr. HOOPER], whom I shall remember by his votes in favor of the Philippine independence bill and not by his speech of to-day. [Laughter and applause.] He has given of his time and intelligence in the deliberations leading to the formulation of the Philippine legislation. He has rendered invaluable service to us and has ably cooperated with the distinguished chairman [Mr. HARE] and other members of the House Committee on Insular Affairs.

I was pleased once again to listen to my friend, the gentleman from Massachusetts [Mr. UNDERHILL], and he will pardon me if I particularize and say a few words about him. He has been faithful in the discharge of his duty as a member of the Committee on Insular Affairs. He has honored

the Philippines with a visit, and he is held in high esteem for his courage, his integrity, and his devotion to those principles and convictions dear to his heart. I know he is friendly to my people. But I want to reply to his words broadcast far and wide when he said that the Philippine bill is unfair, unjust, uncivilized, and un-Christian.

Mr. Speaker, the unfair, the unjust, the uncivilized thing is to fail to act on a question of human freedom and human rights. The un-Christian thing is to delay; the un-Christian thing is to deny us our freedom. The Christian thing is to redeem a solemn pledge and grant us our freedom. The independence bill should by all means become a law. There can be nothing more fair, more just, more Christian than that your Christian Republic in the western world should be the mother of the first Christian republic in the Orient. [Applause.]

Mr. Speaker, much is made of the far-eastern situation which is pictured as chaotic. The Philippines is in an oriental setting. My people are not unmindful of the events in their part of the world. The Senate and House committees, the Senators and Representatives of the United States, the Filipino leaders are not unaware of the risks and dangers. I indorse the Senate committee report on the bill which said:

The present situation in the Orient should not prevent Congress from taking definite action at this time. Unsettled conditions in the Far East may continue indefinitely; they may be settled at any time. But the varying fortunes of conflicting forces on the other side of the Pacific can not justly be set up by us as an excuse for delaying the solution of our own problems.

The fulfillment of our duty toward the Philippines must be determined upon the basis of the welfare of the people of the United States and the 13,000,000 people of the Philippine Islands. To change at this time a long established national policy because of conditions for which we are not responsible and over which we have no immediate control will be interpreted as timidity or weakness.

If the determination of the settlement of the American-Philippine problem is to be dependent upon the absolute absence of troubles and dangers in every part of the world; if decision is to be delayed because it is impossible to foresee what "the next two decades may bring"; if the terms and conditions exacted in the state document which has just been read are to be first met before definite action is taken on an independence bill—then woe be unto the Philippines!

Of course, it is impossible to discuss other aspects and points in the President's message during the time I have at my disposal. Let me just say a word more relative to the external dangers in relation to independence. Invulnerability should not be required as a prerequisite to independence. Outside of the United States, and perhaps one or two other countries, no nation can say it can withstand all external dangers.

In this country there are two camps of thought. One camp includes those who do not believe that America should involve herself in foreign entangling alliances, true to the injunction of the first President of the United States. The other camp comprises those who believe in the efficacy of peace and have faith in the new conscience of mankind, renouncing war as an instrument of national policy and favoring peaceful method in the solution of international questions. Regardless of the camp of thought with which you align yourselves, I say both philosophies argue in favor of the independence of the Philippines.

I have only time enough left to appeal most earnestly for the sake of consistency, for the sake of justice, for the sake of liberty itself, and for the sake of friendship between the United States and the Philippines, that you repass the Philippine independence bill designed to bring freedom and happiness to 13,000,000 human beings for whom America fought to liberate. A law granting us independence would be a crowning glory to America's stewardship of the Philippine Islands. I thank you. [Applause.]

Mr. HARE. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, the President in his veto message referred to military and naval fortifications in the

Philippine Islands. It should be known that the three-power treaty between the United States, Japan, and England limits our fortifications in the Philippine Islands to the fortifications that are there at the present time, which for offensive and defensive purposes are absolutely inadequate. In the event of war with any of the nations in that quarter of the globe it would be impossible for us to defend or retain the Philippine Islands. I make this statement not on my own authority but on the measured testimony of naval officers who have said in the hearings on the London naval treaty, that in the event of war in the Orient we would be forced to abandon the Philippine Islands and it would take us two years to win them back. This statement in itself should cause us to pause and not agree with those who are deluding themselves in the theory that the islands are the outposts of our national defense.

The President in his message this morning stated that Philippine immigration should be restricted at once. Mr. Speaker, this Congress or any other Congress that succeeds it, will not restrict immigration from the Philippine Islands as long as we hold dominion over them unless such restriction is included in a bill granting them their independence, such as this bill which has been vetoed by the President. [Applause.]

Now, what has every other President, commencing with President McKinley, said in reference to this very question of Philippine independence? At the outset of our occupation of the Philippine Islands in 1898 President McKinley proclaimed the purpose of their acquisition and forecast their destiny:

The Philippines are ours—

He said—

not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us.

Still later, at a time when the American people had heard a year's discussion of our intentions and plans regarding the islands, President McKinley voiced the hope that the first Philippine Commission would be accepted by the Filipinos as bearers of "the richest blessings of a liberating rather than a conquering nation."

In January, 1908, President Roosevelt said in his message to Congress:

The Filipino people, through their officials, are therefore making real steps in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

President Roosevelt on another occasion referred to the Philippine Islands as Achilles' heel.

In 1913 President Wilson, in a message to the Filipino people, said:

We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence.

Every President, from President McKinley, who was President of the United States 34 years ago, when war was declared against Spain, has directly or indirectly declared in favor of Philippine independence. Every national convention, whether Democratic or Republican, has gone on record in no uncertain terms in reference to giving them their independence as promised. The treaty of Paris of 1898 between the United States and Spain indicated in its very language that the Filipinos should ultimately be given their independence.

On February 6, 1899, when the treaty of peace between the United States and Spain, signed in the city of Paris on December 10, 1898, was before the Senate for ratification the following joint resolution declaring the purpose of the United States toward the Philippine Islands was adopted:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently*

annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

The act of 1916, known as the Jones Act, declares for it as follows:

Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without in the meantime impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

Mr. Speaker, reference is made in the veto message to trade relations or property rights. There is more involved in this bill than the question of property rights—human rights are involved. It is estimated by those who are in a position to know that there are between eleven and twelve million unemployed men in this country. Regardless of the fact that we have this vast army of American citizens walking the streets looking for work, 26,000 Filipino laborers have come into this country unrestricted during the past four years (according to figures from the Department of Labor, Bureau of Immigration). This bill, if passed over the President's veto, will stop this flow 60 days after its acceptance by the Filipino Legislature.

Mr. Speaker and Members of the House, it is our duty to vote our conscience in this matter. This Congress almost unanimously passed the Philippine independence bill. The other branch of Congress passed it unanimously. The question now is, Are we going to yield our judgment to some other authority? We are the legislative branch of this Government. We should act for ourselves, regardless of the action of the President of the United States in exercising his right of veto. [Applause.]

[Here the gavel fell.]

Mr. HARE. Mr. Speaker, I yield myself 21 minutes.

During my eight years service in the House I am glad to report, as this service draws to a conclusion, that I have never found it necessary to question or criticize the motives or the conclusions of any Member when based upon facts and when intelligently expressed.

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

Mr. HARE. Yes.

Mr. UNDERHILL. I would like to ask the gentleman if during his remarks he will define his position as compared with that of the gentleman from New York [Mr. FISH], who yesterday wrote an open letter to the President asking for our interference in Cuba and to-day—

Mr. FISH. I trust that the gentleman will not answer that question, because I wrote no such letter to the President.

Mr. UNDERHILL. And to-day takes the position for independence of the Philippines.

Mr. HARE. I decline to yield further and will not attempt to answer the question, for it has no relation to the subject under discussion.

In view of my opening statement, I desire to say I will not attempt to find fault or criticize the President's message with reference to this proposed legislation. I think it is sufficient to say that the committee took into consideration practically every suggestion he has made, and every question he raised in the message was well considered by the committee before reporting this bill. Therefore, there is nothing in the message whatsoever that has not already received most careful consideration by your committee.

Although one question raised could permit of considerable discussion, nothing would be gained. It will justify only

a passing reference. I refer to the suggestion that the international conditions in the Orient are unpropitious for this legislation. On the contrary, I think this legislation is most propitious at this particular time, because it will prove the good faith in the position our Government has taken for the past 35 years and will strengthen the United States in the eyes of the world for the attitude and position it has taken toward its possession in the Orient for the past three decades.

It will prove conclusively that this country is not one that stops and stammers and hesitates at every little difficulty that arises. It is not one that is scared away from its course by every shadow that might appear; but it proves conclusively that this country has had a policy in view, has had a program in mind, and to-day it will have the courage and the patriotism to execute that program and carry it out in the future just as it has in the past.

Equivocation at this time because there may be some little disturbance in the Orient would be an evidence of weakness instead of an evidence of strength. Why should we hesitate on account of a little international instability in the Orient?

There was international instability in the Orient when we went into the islands 34 years ago, and, if I read the signs aright, there will be instability in the Orient 34 years from now, or longer. So this argument, as advanced, is no reason why we should hesitate or equivocate about our action or deviate one iota from the course that was mapped out for us by those men who stood in this Chamber and the Chamber at the other end of the Capitol and the man who stood in the White House 34 years ago when we assumed this problem and said we would solve it in due course of time. Whether they will be able to successfully meet and solve external problems that may arise following their independence is a matter we are not called upon to determine in its completeness at this time. Certainly, it is a problem in which we are and will be vitally interested, but is not one that should be the determining factor in discharging our present obligations. The provisions of sections 11 and 13, if carried out according to the purposes and intention of the act, should relieve any apprehension as to the future relationship between the Philippine Islands and other countries, including the United States.

The President does not say in his message that the Filipinos are not prepared to establish a stable government, but without giving any facts for his conclusions simply states that they are not financially or politically able to maintain it. Of course, this statement could be made with reference to the people of any nation, particularly at this time when they seem to be facing bankruptcy from the standpoint of finances, as well as leadership. As a matter of fact, the Philippine Islands, from this latter standpoint, are in as good or better position to carry on than many of the recognized leading nations of the world. It may be well at this time to refer to some of the undisputed testimony touching this phase of the subject when the soundness of Philippine currency was persuasively demonstrated at the hearings before our committee last February. On December 31, 1930, according to the testimony, the total net circulation of insular currency was ₱108,000,000. The several forms of this currency and the amount of each were: Treasury certificates, ₱71,000,000; Philippine silver coin, ₱20,000,000; bank notes, ₱16,000,000. By way of guaranty for this circulation there was as of October 31, 1931, a gold standard fund of ₱38,000,000 divided thus: ₱10,000,000 in Philippine currency and ₱7,000,000 in United States currency deposited in the Philippine treasury, and ₱20,000,000 in gold currency in several Federal reserve banks in the United States.

The law of 1903 requires that the gold standard fund shall be at all times not less than 15 per cent nor more than 25 per cent of the total or available circulation of Philippine currency. The ₱38,000,000 gold-standard reserve is, therefore, ₱16,000,000 in excess of the legal requirement on the basis of actual circulation.

The treasury certificates in circulation on December 31, 1930, were backed, more than dollar for dollar, by a reserve taking the form of American currency and held in Federal

reserve banks in the United States. On the date given this reserve was ₱81,000,000—that is ₱10,000,000 larger than the aggregate of treasury certificates. In addition to this reserve, there are ₱13,000,000 in the treasury of the Philippine Islands behind these certificates. Of this sum ₱3,700,000 is in American currency, the remainder in Philippine silver coins.

It was pointed out that the operation of the act of 1903 requiring these protective reserves behind the Philippine currency makes it one of the most dependable currencies in the world to-day. While there is no provision for gold reserves in the islands, an equivalent is supplied by the backing of gold currency in the United States. The stability of the Philippine currency is thus made as safe and stable as American currency. The fact that despite the present depression Philippine currency remains at par with the American gold dollar is evidence of its soundness. And it should be stated that the financial administration of the Philippines is directed by Filipinos.

#### NATIONAL WEALTH AND TRADE

The Secretary of War reports that in 1930 the trade of the Philippines with the United States and foreign countries aggregated ₱512,520,162, a decrease of about 17.8 per cent from that of 1929. The insular collector of customs, in his report, gives the value of imports as ₱266,334,255. The balance of trade in favor of the islands was ₱20,148,348. The bulk of the overseas trade was with the United States. The total of this was ₱367,050,179 and its proportion of the entire foreign commerce of the islands 72 per cent. Of the whole volume of trade with the United States ₱156,366,057 represents imports and ₱210,684,122 exports. The balance in favor of the islands, accordingly, was ₱54,318,065.

Since 1909, when free trade with the United States was established, the insular trade with the United States has risen from ₱10,576,682, equal to 16 per cent of their entire foreign commerce, to ₱367,050,179, or 72 per cent, in 1930.

It is natural that the domestic industries and foreign commerce of the islands should enlarge in keeping with the increase in population. There were only 4,500,000 Filipinos in 1866 and about 7,500,000 in 1898. The Philippines are rich in many products which the world needs. The national wealth is estimated at ₱5,905,085,000 (1927), or ₱478 per capita. If independence be bestowed on them, the Filipino people will begin their separate existence with a greater patrimony than was possessed by many of the peoples who recently have joined the ranks of sovereign nations.

#### INSULAR BUDGET

At a time of universal depression, when most nations, large and small, are beset with fiscal difficulties, the government of the Philippines is in a sound financial condition. This statement is corroborated by the report of the insular auditor. From the exhibits left with the committee it appears that the Philippines not only have succeeded in balancing their budget but, in fact, had accumulated a small surplus last year when hearings on the bill were being held. The present finances of the government, while suffering from reduced revenues due to current depression, are nevertheless in a very satisfactory condition. A balanced budget is being maintained. And I think it should be said here and now that in order to bring this about government expenses, without abandonment of essential government services, were courageously reduced at the recent session of the Philippine Legislature. The budgetary system was adopted in the Philippine Islands before it became operative here. However, in view of the present reputation of our Budget system, I can not say that it speaks very complimentarily for the Philippines. Nevertheless, it was urged by the proponents for independence in the presentation of their views to the committee that this wise stewardship of the insular revenues evidences the ability of the Filipinos to manage one of the most difficult departments of government in one of the worst financial dislocations of recent years.

I submit these observations as a partial basis for the conclusion I have reached with reference to the financial ability of the Filipinos to maintain and support the institutions of their government.

I find that I am compelled to disagree with the President in his suggested plan for developing economic independence in the islands. In the first place, he says that 10 years is too short a period. In the second place, he suggests that the procedure to be followed is to place the tariff or limitation on Philippine exports. I think 10 years is sufficiently long a period in which to make the necessary adjustments, but I am sure economic independence during this period or even a much longer period can not be developed by destroying their market and decreasing the total production of their staple products or crops.

He seems to lose sight of the policy established by Congress and his predecessors in power where a free-trade policy has prevailed for many years on the theory that by such a policy the economic stability of the islands will be assured. But according to the theory advanced in his veto message, economic independence or economic stability can be obtained not by a free-trade policy but by imposing such tariff and limitations that will compel them to find markets for their products in other countries. He seems to go on the theory that we can assist these people in developing economic independence by destroying or taking away from them existing markets and their products. Of course, such procedure would be absurd.

The President suggests further that the passage of this bill was prompted by certain American agricultural industries that seemed to be suffering from competition by Philippine products. He seems to depreciate the idea that any selfishness whatever should enter into the consideration of this matter. In this latter thought I agree with him thoroughly. However, he proceeds at once to find objection to the bill on the ground that during the first two years it gives no protection of any kind to agriculture. That is, in one statement he insists that self-interest should play no part in the consideration of this bill, whereas in the next statement he finds fault with the bill because it does not give greater protection to agriculture during the next year or so. He again loses sight of the fact that by his veto message he, in effect, is insisting that the present arrangement continue indefinitely, which does not afford agriculture any protection whatever from competition with Philippine products.

Without reciting any facts or reasons for his statement, the President states, in effect, that there is such economic instability in the islands that if independence were granted economic chaos would immediately follow. It is an easy matter to make this statement, but I think the President should have given us the facts and reasons upon which he based this conclusion. Of course no one can foresee or tell just what the conditions will be following the withdrawal of sovereignty, but I do not believe there will be economic chaos, and I will give only one illustration that came to my attention during my recent visit to the islands in support of my conclusion.

I was told by representative Filipinos that the Philippine government in 1910, or thereabouts, issued approximately \$20,000,000 worth of bonds and used the proceeds to purchase a large area of land, known as the Friar Lands. The property was subdivided into small tracts and sold to farmers on the amortization plan for a period of 20 years. I was advised further that upwards of 95 per cent of the farmers paid for their lands and that the bonds were all retired in 1930. I could not refrain from thinking of our own experiences since an inauguration of a somewhat similar policy about 15 years ago when we established the Federal land-bank system; and, in view of the experiences which have followed, I wondered whether there is greater economic stability among the farmers of the United States or the farmers of the Philippine Islands.

Mr. Speaker, this measure has not been hastily considered. For the past eight years your Committee on Insular Affairs has had hearings in every Congress. Thousands of pages of testimony have been submitted and written and brought to the attention of the Members of the Congress. All of this testimony has tended to show that the obligations we assumed, or the responsibilities placed upon us 30 years ago, are now ready to be discharged. We said to the Filipino

people, "As soon as you are ready or prepared to establish a stable government, we will grant you independence."

There has not been an argument made here to-day, and there is not an argument in the President's message that contradicts the statement that the Filipino people are prepared to establish and maintain a stable government. If this be true, there is but one course for us to follow and that is to discharge the obligation we assumed and fulfill the responsibility that was thrust upon us.

Let us stop for just a moment to see whether or not they are politically prepared to establish and maintain a stable form of government. Since 1916 they have had the right to elect their own legislature, to choose their own members of the house, to choose their own members of the senate, and they have done so regularly and, according to the evidence, in an orderly way. The elections in the Philippine Islands for the past 16 years, according to the evidence before our committee, have been just as orderly as those in the United States.

They have set up a government quite similar to that of our own country. They have a secretary of agriculture, a secretary of finance, corresponding to our Treasury Department; they have a secretary of justice, corresponding to our Department of Justice; they have a secretary of interior and labor and a secretary of public works and communications, corresponding to the Office of the Supervising Architect and the Post Office Department. These secretaries are all appointed by the Governor General, with the advice and consent of the senate. These men are Filipinos and these offices have been filled by Filipinos for years; and, according to the annual report of Governor General Stimson for 1930, "the secretaries here conducted the affairs of their departments with diligence, intelligence, and courage."

When we examine their schools, colleges, universities, and hospitals we find, as I said here a few days ago, they are equal in equipment to those in this country.

When you look at these institutions you can not help but be impressed with the idea that they are capable of setting up and maintaining a government of their own, for these institutions—schools, colleges, universities, and hospitals—are not the product of an ignorant, selfish, and poverty-stricken people. You have never found in history a people who were ignorant, people who were poverty stricken, or a people who were selfish that established or maintained institutions similar to those I have described. Whenever you find schools, whenever you find colleges, whenever you find churches, universities, hospitals, and public buildings similar to those that you find in the Philippine Islands to-day, and in every Province thereof, you will find it is the product of intelligence, it is the product of established leadership; yes, it is the product of unquestioned economic stability. If you admit the facts as I have stated them, you can not escape the conclusions. There is no room for argument in this matter.

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

Mr. HARE. Yes.

Mr. BACON. Let us assume that everything the gentleman states is completely true; would it not be better in freeing the Philippine Islands to assure them forever free trade with the United States, so that they could maintain their independence and maintain an economic situation, so that when we turn them free we do it without considering sordid or selfish motives?

Mr. HARE. I do not know that anybody expects such a consideration. I do not think the Filipinos themselves would expect it. When they get their freedom they hope to be absolutely free and independent, economically, politically, socially, and otherwise, and I can not think that it would be the policy of this country or this Government to maintain a free-trade relationship with any foreign country without maintaining a similar relationship with all countries.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. HARE. Yes.

Mr. WILLIAM E. HULL. I was very much interested in what the gentleman said about the colleges and about the

various secretaries in the Philippines. I am just wondering whether the gentleman's committee has made a thorough investigation of the capabilities of all of the population in order to determine what percentage is capable of self-government.

Mr. HARE. We did not make an estimate.

Mr. WILLIAM E. HULL. Are they highly enough educated throughout all the provinces to vote intelligently?

Mr. HARE. I may say for the gentleman's information that they have only male suffrage in the islands. At the last election, with a population of 13,000,000 people, they cast a total of about 1,000,000 votes.

In other words, about 1 ballot out of every 13 persons was polled in the Philippine Islands at the last election. It demonstrates and shows clearly that the people of the islands are not only interested in political and civic obligations but are prepared to discharge them in an intelligent and orderly manner.

Mr. WILLIAM E. HULL. That is a little better ratio than you have in South Carolina. [Laughter.]

Mr. HARE. It may be, and yet we are recognized as being capable and intelligent enough to administer our own affairs. [Laughter.]

Mr. GARNER. What has the gentleman to say about the judiciary in the Philippine Islands?

Mr. HARE. They have a supreme court, consisting of 9 judges—5 Americans and 4 Filipinos.

Mr. BULWINKLE. Will the gentleman yield?

Mr. HARE. I yield.

Mr. BULWINKLE. In answer to the observation of the gentleman from Illinois, when he said that the vote was a better proportion than they had in South Carolina, the gentleman means in the general election and not in the primary, when your vote is heavy.

Mr. HARE. I should have mentioned that there is quite a big difference between the number of votes polled in our primaries and general elections.

Mr. LOZIER. Will the gentleman yield?

Mr. HARE. I yield.

Mr. LOZIER. Is it not true that there is no Latin-American republic with as large a percentage of citizenry as the Filipinos have in the Philippine Islands?

Mr. HARE. That is correct, for I am sure the gentleman would not have asked that question unless he was sure that it is true. I think we have done a wonderful job in the Philippine Islands. I think they are capable of establishing and maintaining a stable government. I think, too, that Providence may have had something to do in directing the affairs of our country when we took charge of the islands years ago.

It has been shown that over 90 per cent of the people in the Philippine Islands are Christians. They are only a 3-day journey from China and India, where Christianity does not prevail. I confidently look to the time when it can be said that the Filipinos have Christianized the oriental countries of the world. [Applause.]

I wish to refer again to their political capacity or stability. As I have already said, the people elect a legislature. They make their own laws. Of course, the Governor General has a veto power, but they have managed their affairs for the past 15 years quite successfully.

A few months ago, when I visited the islands, the legislature was in session. I knew there was some depression in the islands. I knew their budget was unbalanced. I knew their revenues were not sufficient to pay the governmental expenses if continued on the basis of last year.

What did these men do? They did not look for new sources of revenue. They did not increase taxes. They called on their secretary of finance and found out what would be the probable revenues for next year, and then the house and senate by resolution reduced the government expenses to meet the revenues.

The thought came to my mind that the Congress of the United States would do well to emulate their example; that is, we should have the courage and manhood to call on the Secretary of the Treasury for an estimate of the Federal

revenues for next year and then reduce the Government expenditures to meet that revenue. The action of the members of the legislature demonstrated the political stability of the islands and that they had courage sufficient to show that they are able to regulate and operate their own political affairs.

Now, the President in his message referred to the non-Christian races among the people of the Philippine Islands.

Mr. WELCH. Will the gentleman yield?

Mr. HARE. I yield.

Mr. WELCH. Is it not a fact that the non-Christian inhabitants of the islands, which are the Moros, are reconciled to Filipino independence?

Mr. HARE. I visited the Moros, and while I did not talk with all of them, I talked with some of the leaders, and all those I talked to said that they are in favor of independence.

Mr. WELCH. Their representatives in the Philippine Legislature voted for independence, did they not?

Mr. HARE. The gentleman is correct; the representatives of the Moros in the legislature unanimously voted for a resolution asking for independence.

Mr. WELCH. And that is contrary to the impression conveyed in the President's message this morning, is it not?

Mr. HARE. Yes; I think that is correct.

The SPEAKER. The time of the gentleman from South Carolina has expired. All time has expired.

Mr. HARE. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the views of the President to the contrary notwithstanding? The Clerk will call the roll.

The question was taken; and there were—yeas 274, nays 94, answered "present" 1, not voting 57, as follows:

[Roll No. 141]  
YEAS—274

Adkins	Crowe	Haines	McClintic, Okla.
Allgood	Crump	Hall, Ill.	McCormack
Almon	Culkin	Hancock, N. C.	McDuffie
Amie	Cullen	Hare	McGugin
Andrews, N. Y.	Davis, Tenn.	Harlan	McKeown
Arnold	Delaney	Hastings	McMillan
Auf der Heide	De Priest	Haugen	McReynolds
Ayres	DeRouen	Hill, Ala.	McSwain
Bachmann	Dickinson	Hill, Wash.	Maas
Bankhead	Dies	Hoch	Major
Barbour	Dietrich	Hogg, Ind.	Maloney
Barton	Disney	Hogg, W. Va.	Manlove
Beam	Dominick	Holaday	Mansfield
Beedy	Douglas, Ariz.	Hope	May
Black	Douglass, Mass.	Howard	Mead
Bland	Dowell	Huddleston	Michener
Blanton	Doxey	Jacobsen	Milligan
Bloom	Drane	James	Mitchell
Boileau	Drewry	Jeffers	Mobley
Boland	Driver	Johnson, Mo.	Montet
Bowman	Dyer	Johnson, Okla.	Moore, Ky.
Boylan	Ellzey	Johnson, Tex.	Moore, Ohio
Brand, Ohio	Englebright	Jones	Morehead
Briggs	Erk	Kading	Murphy
Browning	Eslick	Kahn	Nelson, Mo.
Brunner	Evans, Calif.	Keller	Norton, Nebr.
Buchanan	Evans, Mont.	Kelly, Pa.	Norton, N. J.
Bulwinkle	Fernandez	Kemp	O'Connor
Burch	Flesinger	Kennedy, Md.	Oliver, N. Y.
Burtness	Fish	Kerr	Overton
Busby	Fishburne	Ketcham	Palmisano
Campbell, Iowa	Fitzpatrick	Kinzer	Parker, Ga.
Campbell, Pa.	Flanagan	Kleberg	Parks
Cannon	Flood	Knifin	Parsons
Carden	Frear	Kopp	Patman
Carter, Calif.	Free	Kunz	Patterson
Cartwright	Fuller	Kvade	Peavey
Cary	Fulmer	LaGuardia	Perkins
Castellow	Gambrill	Lambertson	Pettengill
Celler	Garber	Lambeth	Pittenger
Chapman	Gasque	Lamneck	Polk
Chavez	Gavagan	Lanham	Pou
Christgau	Gifford	Lankford, Ga.	Prall
Clark, N. C.	Gilbert	Lankford, Va.	Ragon
Cochran, Mo.	Gilchrist	Larrabee	Rainey
Cole, Md.	Gillen	Larsen	Ramspeck
Collier	Glover	Lea	Rankin
Collins	Goldsborough	Leavitt	Rayburn
Colton	Granfield	Lichtenwalner	Reid, Ill.
Condon	Green	Lindsay	Reilly
Connery	Gregory	Lonergan	Robinson
Cooper, Tenn.	Griffin	Loofbourow	Rogers, N. H.
Cox	Griswold	Lovette	Romjue
Cross	Guyer	Lozier	Sabath
Crosser	Hadley	Ludlow	Sanders, Tex.

Sandlin	Spence	Taylor, Tenn.	Williams, Tex.
Schafer	Steagall	Thomason	Williamson
Schneider	Stevenson	Thurston	Wilson
Schuetz	Strong, Kans.	Tierney	Wingo
Seger	Summers, Wash.	Timberlake	Withrow
Selvig	Summers, Tex.	Turpin	Wolcott
Shallenberger	Sutphin	Vinson, Ga.	Wolverton
Shannon	Swank	Vinson, Ky.	Wood, Ga.
Sinclair	Swanson	Warren	Woodruff
Sirovich	Sweeney	Weaver	Woodrum
Smith, Va.	Swing	Welch	Wright
Smith, W. Va.	Taber	West	Yon
Somers, N. Y.	Tarver	Whittington	
Sparks	Taylor, Colo.	Williams, Mo.	

NAYS—94

Aldrich	Cooper, Ohio	Knutson	Sanders, N. Y.
Andresen	Coyle	Kurtz	Shott
Andrew, Mass.	Crowther	Lehlbach	Shreve
Arentz	Darrow	Luce	Snell
Bacharach	Davis, Pa.	McClintock, Ohio	Snow
Bacon	Eaton, Colo.	McFadden	Stafford
Beck	Estep	Magrady	Stalker
Biddle	Finley	Mapes	Stokes
Bolton	Foss	Martin, Mass.	Strong, Pa.
Britten	Freeman	Martin, Oreg.	Stull
Brumm	French	Millard	Swick
Burdick	Goss	Mouser	Temple
Cable	Hall, N. Dak.	Nelson, Me.	Thatcher
Cavicchia	Hancock, N. Y.	Niedringhaus	Tinkham
Chase	Hardy	Nolan	Treadway
Chindblom	Hess	Parker, N. Y.	Underhill
Chiperfield	Hollister	Partridge	Wasow
Christopherson	Holmes	Person	Watson
Clague	Hooper	Pratt, Harcourt J.	Weeks
Clancy	Hopkins	Pratt, Ruth	White
Clarke, N. Y.	Houston, Del.	Purnell	Whitley
Cochran, Pa.	Hull, William E.	Ransley	Wigglesworth
Cole, Iowa	Jenkins	Rich	
Connolly	Johnson, S. Dak.	Rogers, Mass.	

ANSWERED "PRESENT"—1

Reed, N. Y.

NOT VOTING—57

Abernethy	Davenport	Horr	Rudd
Allen	Dickstein	Hull, Morton D.	Seiberling
Baldrige	Doughton	Igoe	Simmons
Boehne	Doutrich	Johnson, Ill.	Smith, Idaho
Bohn	Eaton, N. J.	Johnson, Wash.	Stewart
Brand, Ga.	Fulbright	Kelly, Ill.	Sullivan, N. Y.
Buckbee	Gibson	Kennedy, N. Y.	Sullivan, Pa.
Byrns	Golder	Lewis	Underwood
Canfield	Goodwin	McLeod	Wolfenden
Carley	Greenwood	Miller	Wood, Ind.
Carter, Wyo.	Hall, Miss.	Montague	Wyant
Cooke	Hart	Nelson, Wis.	Yates
Corning	Hartley	Oliver, Ala.	
Crall	Hawley	Owen	
Curry	Hornor	Ramseyer	

So, two-thirds having voted in favor thereof, the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York and Mr. Boehne (override) with Mr. Davenport (sustain).

Mr. Corning and Mr. Rudd (override) with Mr. Golder (sustain).

Mr. Crall and Mr. Dickstein (override) with Mr. Eaton of New Jersey (sustain).

Mr. Baldridge and Mr. Kelly of Illinois (override) with Mr. Johnson of Washington (sustain).

Mr. Miller and Mr. Buckbee (override) with Mr. Wolfenden (sustain).

Mr. Curry and Mr. Carley (override) with Mr. Wood of Indiana (sustain).

Mr. Sullivan of New York and Mr. Kennedy of New York (override) with Mr. Cooke (sustain).

Mr. Hart and Mr. Doughton (override) with Mr. Gibson (sustain).

Mr. Montague and Mr. Stewart (override) with Mr. Johnson of Illinois (sustain).

Mr. Oliver of Alabama and Mr. Byrns (override) with Mr. Wyant (sustain).

Until further notice:

Mr. Greenwood with Mr. Allen.

Mr. Lewis with Mr. Hartley.

Mr. Underwood with Mr. Carter of Wyoming.

Mr. Hornor with Mr. McLeod.

Mr. Abernethy with Mr. Doutrich.

Mr. Igoe with Mr. Yates.

Mr. Owen with Mr. Hawley.

Mr. Canfield with Mr. Goodwin.

Mr. Hall of Mississippi with Mr. Horr.

Mr. Fulbright with Mr. Ramseyer.

Mr. Brand of Georgia with Mr. Nelson of Wisconsin.

Mr. Bohn with Mr. Smith of Idaho.

Mr. Seiberling with Mr. Morton D. Hull.

Mr. BROWNING. Mr. Speaker, my colleague, Mr. BYRNS, of Tennessee, is absent on account of illness. If present, he would have voted "yea."

Mr. OLIVER of Alabama. Mr. Speaker, I was in the committee room doing some work and did not hear my name called on that account. I would have voted "yea" had I been present.

Mr. LEWIS. Mr. Speaker, I just entered the hall as the roll was being concluded. I would have voted "yea" if I had been on time.

The result of the vote was announced as above recorded.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that the Resident Philippine Commissioner [Mr. GUEVARA] may be permitted to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUEVARA. Mr. Speaker, it is my privilege to remind the American people through their Representatives in this House, that on the 13th day of August, 1898, 34 years ago, the Spanish Army in Manila surrendered to the American Army, which date marked the United States occupation of the Philippines, and now, on the 13th day of January, 1933, the American people, through their Representatives in this House set free the Philippine Islands. What is the meaning of these two historical dates? The meaning is that the United States went to the Philippines, not for the purpose of conquest, not for exploitation, but for the liberation of the Filipino people. The action of the people of the United States to-day, through their Representatives, is a most emphatic warning to the world that they can no longer conquer weak peoples. This action will be also a warning to the world that no nation, no matter how powerful she may be, can subject any people against their will.

Mr. Speaker, I wish to take advantage of this opportunity to convey to the American people the gratefulness of the Filipinos for the generous action just taken by their constitutional representatives in this House. I wish to acknowledge publicly the great and wonderful work of the Committee on Insular Affairs, specially of its chairman, the gentleman from South Carolina [Mr. HARE], who has devoted all his time to this important question during his service in this House. He went to the Philippines at a great political sacrifice to study conditions as they were in the islands in order that he may be able to properly discharge the duties and responsibilities of his office. The Filipino people will never be able to repay his efforts and sacrifices on behalf of their cause, which is also the cause of the American people. I can not find proper words to express the gratitude of the Filipino people to the gentleman from South Carolina [Mr. HARE], but I can only express it through the language of the heart and say many, many thanks to him.

Permit me also to convey to this House the gratitude of the Filipino people, which I say both to Republicans and Democrats for their altruistic stand on the Philippine independence question. I am sincerely convinced that those who were for as well as those against this bill were only moved by the highest motives and friendly spirit toward the Filipino people.

Let me also express the opinion that the action taken to-day will strengthen the good relations existing between the people of the United States and the people of the Philippine Islands. It will bring home to the people of the Philippines that the American people have no other desire but the prosperity and happiness of the Filipinos. [Applause.]

The relationship between the United States and the Philippine Islands as established by this bill just passed by the House will be founded upon new grounds. It will be founded upon friendship, confidence, and upon the definite aims of the American people not to exploit the Filipinos or to subject them, but on the contrary to give them every opportunity to promote their welfare and their capacity for self-government. Mutual and friendly understanding between Americans and Filipinos are permanently established by this bill.

When the new government provided in this bill is established in the Philippine Islands, it might prove satisfactory to both Americans and Filipinos that I foresee the day when in common accord they might agree upon the con-

tinuation of the political relationship between the two countries for their mutual benefit. [Applause.]

We need each other, and we can be helpful to each other if we develop a proper and friendly understanding between us. I am mindful of the international affairs in the Far East. But I am confident that with America's leadership no nation, no matter how powerful she may be, will dare to adopt as its national policy the policy of conquest and domination of weak and defenseless peoples.

The action just taken by this House is a warning to the world that the age of conquest and domination of peoples against their will belong to the past. They will never come back without arousing the animosity of public opinion of the world. Some nation might challenge it temporarily, but in the long run the challenger will follow the fate of the vanquished nations.

Small as it is, the Philippines, and inhabited only by 13,000,000 people at present, I can assure you that the action of this House to-day will make the Filipinos ever loyal, ever faithful and grateful to your greatest and most powerful Republic. [Applause.]

#### THE UNITED STATES MARINE CORPS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. MAAS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself over the Columbia Broadcasting System Wednesday, January 11, 1933:

To-day there are fewer American marines than there are policemen in Greater New York City, and yet the President's Budget estimates submitted to Congress recently call for a reduction of 1,743 of them, or from 15,843 to 13,600. If the reduction is made, the marines will have lost a quarter of their strength within less than three years; their morale and esprit de corps will be seriously injured, and there will not be a sufficient number of marines to perform the duties required of them. So if Congress does not use common sense and reject this Executive recommendation, the marines practically will be rendered useless as an instrument of national defense.

And this morale and esprit de corps I have just mentioned is more than a mere phrase. It represents a vital part of the growing soul of America. It is part of that element of our country that stirs the emotional and patriotic centers of all Americans. It is something that can not be built up except through loyalty, courage, and a long period of time. It can not be bought because it is priceless. It has taken the American marines 157 years to build it up, and yet right now in the year 1933 it is proposed to cast it aside as if it were an old glove. No one would think of melting up the Liberty Bell to get a few paltry dollars, would they?

In one year American citizens have spent six times as much for soft drinks and candy as was spent for all military purposes. In one year Americans spent four times as much for tobacco as was spent for military purposes. And I could go on with other similar illustrations, including the fact that the Government itself appropriates hundreds of millions of dollars for activities whose value to the country is, at best, doubtful. Congress must realize before it is too late our Army, Navy, and Marine Corps have been reduced to the irreducible minimum.

One has only to think back to the Boston police strike and the attendant rioting to understand that a government is no stronger than its national defense. There is no police force, city or State, that could stand the pressure to-day without the knowledge among the citizenry that behind the police is always the loyal, courageous Army, Navy, and Marine Corps. And I invite every Member of Congress to remember that they consider what the strength of the Marine Corps will be if this reduction should be put into effect.

Last December 16, only a few days ago, was one of the most historic days in the annals of the Navy or the Marine Corps, for on that day the entire Navy testified as they never testified before to the irreplaceable value of its marines.

If any of you have any misconceptions as to the Navy's regard for the marines, let me tell you that you missed part of your education by not being present and hearing the praise and appreciation given to them by Secretary of the Navy Adams; Chief of Naval Operations, Admiral Pratt; chairman of the Navy General Board, Admiral Chase; Chief of the Bureau of Navigation, Admiral Upham; Chief Coordinator of the Government, Admiral Craven; and others. And to make it unanimous, Admiral Laning, president of the Naval War College, added his approval to these views. When those officers, the highest civilian and naval officers of the Government, finished talking, there was left no doubt in anyone's mind but that the marines should be increased in number rather than decreased at this time.

Let that sink in deeply—the Navy needs and wants at least 15,343 marines and as many more as Congress will give them.

Another feature that these officers brought out was that the Army could not possibly perform the duties that the Navy requires of the marines to-day. Mark you, and mark you well, that conclusion, for there have been whispers and rumors to the contrary. The year 1933 is no different than those several occasions starting with the year 1830 that efforts were made to take the marines from the Navy. Every time the effort was made, the Navy sprang to the defense of her naval Army.

And in this connection let me tell you, as all naval officers will tell you, that the marines are as distinct a kind of fighting men as either the bluejackets of the Navy or the soldier of the Army.

Back in November of 1775, when Continental Congress resolved to create a corps of marines, that august body of patriotic Americans directed George Washington to organize two battalions of American marines out of his army around Boston. And was George Washington dismayed and worried? I will say he was, for he wrote John Hancock, President of Congress, that he could not do so. On November 19, 1775, he informed Congress that to supply the marines would break through the whole system in his army, that had cost so much time, anxiety, and pains to bring into any kind of a tolerable form. Washington explained that this was because the marines must be acquainted with maritime affairs and because for that reason he would have to pick the marines out of the whole army, one from this corps, one from another. He could not select an "intact" regiment of his army to serve as marines; he must carefully select the men, and even after that, intelligent training in naval affairs under naval command would be necessary before a regiment of marines would be available. What a remarkable fact—Washington's entire army would have to be disrupted to obtain two battalions of marines. So Congress relieved Washington of the impossible burden of supplying them and subsequently created them independently.

And the fact that soldiers are not marines has been proved throughout the 157 years that our American marines have fought and died for their country.

As late as 1909 Rear Admiral Cameron McR. Winslow told a committee of Congress the same thing, and then here in December of 1932 we find a unanimous Navy telling Congress through one of its committees the same thing.

The Navy has a need for the marines in both war and peace. In war they carry on all the peace-time duties, which are much increased, and at the same time provide the Navy with mobile forces to accompany the fleets to secure and defend advanced bases and auxiliary shore operations essential to the success of the naval campaign. Let us look at this feature of the marine's work. They performed this mission in every one of the six major wars in which our country has been engaged except the World War. In this last war the naval campaign was such that the marines were not required to secure bases, those being already at our service through the successful naval campaigns of Great Britain, Italy, and France, and so forth. But the marines were ready in case they were called upon for this duty. At any rate, what happened shows not only the versatility but the extreme value of marines from a dollars-and-cents viewpoint. Two brigades of them were sent to serve as Army troops by President Wilson. You have all heard of Belleau Wood. The record of the marines in France is history. General Pershing in his official report wrote that the Second Division of which the marine brigade was an element was deployed across the Chateau-Thierry-Paris road "in a gap in the French line, where it stopped the German advance on Paris." And I could quote many more eminent authorities to the same effect.

I have not the time to tell you of the many times the marines served as Army troops when the Army needed them and the Navy could spare them. At the Battle of Princeton in 1777, at the Battle of New Orleans, and at the Battle of Bladensburg in the War of 1812; in the war against the Indians in 1836 when Brig. Gen. Archibald Henderson, of the marines, commanded the fighting brigade of the Army of the South composed of marines, Regular Army troops, and friendly Indians; in the Mexican War under Gen. Winfield Scott; under Col. Robert E. Lee when John Brown was captured; at the first Battle of Bull Run when the marines ran as fast as any of their Army brethren; in the army of Cuban pacification, 1906-1909; at Vera Cruz in 1914; and in the World War when they won eternal glory for their country and themselves, both with the Army and the Navy on shore, afloat, and in the air.

But the duty with the Army is not the primary mission of the marines, either in war or peace. The fundamental missions are naval missions. I have already mentioned that they serve as a body of troops with the fleet to perform essential shore operations that must be successful if the fleet is to clear the seas of the enemy. And the Washington treaties of 1921 that eliminated our naval bases added to the necessity of having this mobile force of marines in readiness to serve with the fleet. This duty was performed in all the wars, but we can look at the Spanish War for a modern example. In that war a mobile force of marines occupied and defended Guantánamo Bay, which served as a base for Sampson's fleet; and the Navy appreciated the value of that base, if the testimony of Rear Admirals George Dewey, Robley D. Evans, and others is correct.

Strange as it may be for my listeners to hear it, the marines should receive the support of all pacifists, even the most fanatical; for they either prevent wars or shorten wars. There is an old adage that statesmen start wars and marines stop them. Did you know that Admiral George Dewey wrote that if he had had 5,000 marines under his command on May 1, 1898, when he defeated the Spanish fleet in Manila Bay, Manila would have sur-

rendered to him; that the Filipinos would have received the Americans with open arms; and that there would have been no Philippine insurrection that lasted from 1899 to 1904 at a staggering cost of American life and American dollars. Figure up just how much 5,000 marines would have saved our Government.

Another declaration, regarding the Spanish War is of value. Rear Admiral Pillsbury, the chief of the powerful Bureau of Navigation, stated that if the Navy had had two or three thousand more marines, the Spanish War would have ceased very much earlier. And "Fighting Bob" Evans tells us that with an adequate force of marines, Havana would have been captured on April 22 or 23, in 1898, after the fleet had reduced its defense. So the Spanish War would not have required the Army at all and would have spared the many ugly situations and terrific loss in life and money that resulted.

If you are not impressed with the fact that our leading naval officers of the time have shown how a few marines would have saved American life and money in the Spanish War and Philippine insurrection, listen to Rear Admiral Walter S. Crosley tell you how one battalion of American marines could have saved Russia to the Allies in 1917. Admiral Crosley, who was on duty in Petrograd when the Kerensky government was in power, cabled to Washington recommending that the battalion of marines at Peking, now called Peiping, China, be sent to Petrograd to serve as a nucleus of a powerful force for order, and which, in his opinion and in the opinion of many others, would have saved the day. Just think of it, one battalion of marines could have prevented the awful debacle in Russia that followed.

In the interest of economy the Marine Corps should remain unimpaired. The marines provide the most efficient and most economical form of our national defense. It is the cheapest force, dollar for dollar and man for man.

Surely, we will not cover our eyes with a penny and lose our most valuable, useful, active, and most economical asset of national defense as are the marines—an outfit that, though part of the Navy for vital duties, still is used as Army troops when they are needed as such. A group of Americans that is fired with as intense a spirit of devotion to flag as ever sent a samurai of Japan to death for his government. A fighting man who serves as infantry, bluejacket, artillerist, cavalryman, policeman in guarding United States mails, servant of the State Department in carrying out the President's foreign policies, and with it all as a United States marine. The history of the marines is the history of our country.

#### EXTENSION OF REMARKS—PHILIPPINE INDEPENDENCE

Mr. HARE. Mr. Speaker, I ask unanimous consent that all members have five legislative days in which to extend their own remarks in the RECORD on the question of Philippine independence.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURPHY. Mr. Speaker and gentlemen of the House, this day will be marked in history for the action that has been taken toward giving the Philippine people the ownership and government of their own group of islands. These islands came into the care of the United States through the fortunes of a conflict that we were having with Spain. Our forces did not go upon the high seas for the purpose of capturing or placing in bondage a nation or people. And at the time of this conflict the people of the United States were led to believe that they were fighting to free two nations from the iron heel of oppression, placed there by a cruel oppressor.

How well I remember the splendid promises, made by those in authority in our Government, that as soon as the Philippine people became competent the government of their islands would be turned over to them. More than 30 years have passed since those promises were first made, and yet to-day on the floor of this House we hear gentlemen speak as though no preparation had been made by these people for their own welfare in the way of education and spiritual uplift.

It was my fortune to visit the Philippine Islands a few years ago; and I found the people hospitable, very intelligent, industrious in a marked degree, and hungry for education. Their desire for learning was so apparent that I talked about the same to one of our American professors who had been serving as a teacher in the Philippines for several years. He informed me he had never seen anything like it in his entire teaching experience. Children were hungry for education; and there was no need for a truant officer, because the parents of these children were more than anxious to have their offspring educated, holding always in front of them the dazzling hope that, as their children became educated, the day for the ruling of their own land would be drawing just that much nearer.

So to-day I am happy to have been placed in a position where I can record my vote as the will of the majority of the people I represent; that these people, after thirty-odd years of preparation, are now ready to receive and undertake the responsibility of governing their own islands.

I congratulate the Philippine Commissioners, Mr. GUEVARA and Mr. OSIAS; also the splendid group of Philippine patriots headed by Senator Osmena and many others whose names have escaped me, who have spent much time in Washington presenting their cause in a courteous, intelligent, and forceful way. I am glad, indeed, that the intelligence of the Philippine people has suggested to them the orderly manner they have followed to secure for themselves and their people a fulfillment of the promise for freedom made to them not once but many times by those in authority in our Government.

Mr. GILBERT. Mr. Speaker, I have for years advocated the independence of the Philippine Islands. This House has in previous sessions heard me at length on this important subject. A reference to those remarks will vindicate me from any selfish or materialistic motives. It is true that now at this late hour many selfish interests have aligned themselves with the advocates of this bill purely for selfish reasons, but it is also true that many other interests actuated by motives equally selfish have through the years prevented this legislation.

I am not now influenced in favoring this proposal by any selfish motive which any advocate of the measure may entertain, nor have I been in the past deterred from its advocacy by those who then selfishly opposed it.

This Government was founded and has grown and prospered under the belief that all just governments derived their power from the consent of the governed, and if that ideal was worthy when we sought our independence, it is equally worthy when the Filipinos seek theirs.

For more than 30 years this far-distant territory has been a source of an expense and anxiety to us. They have not benefited us in times of peace, nor can we retain them in times of war.

While there is much opposition to this measure, it comes mostly from those who are least familiar with the situation. Members who have given the matter great study and are familiar with the virtues, ideals, and abilities of the Filipino people usually favor their independence. I have visited these islands twice for the purpose of studying this situation. I was with these people in their homes, on the farms, and in the villages. I know their ability, their industry, and their peacefulness, and feel that I am in a small way, at least, qualified to express an opinion upon this subject.

The President sees the Philippines through the eyes of the War and Navy Departments. Even if their motives were sincere and unselfish, they are not uninfluenced by their militaristic environment. There is no one who ever visited the Philippines who did not come into contact with that same influence, and if he stayed long enough or traveled far enough, who did not realize its prejudice and unfair attitude.

I have read with interest the President's veto message. It contains nothing new and contains nothing but what has been many times discounted. My study of this particular problem has been greater than that of the President's. My opportunity for first-hand, unprejudiced, and accurate information has been greater and, without presumption, I feel that I am better qualified to determine it than he.

Wholly uninfluenced by lobbyists or selfish propaganda, I favor this proposal for the best interest of the people of the United States and ultimately for the best interest of the Filipino people, and as a guide and example to civilized nations everywhere.

Mr. GRIFFIN. Mr. Speaker, I am in favor of independence for the Philippine Islands in any form, in any shape, and at any time. This has been my attitude from the beginning. It is vain now to question their readiness and ability to govern themselves. Admiral Dewey expressed the opinion, shortly after the Battle of Manila Bay, that the Filipinos were more capable of self-government than the

Cubans. If that were true in 1898, surely it is no credit to our tutelage, after a third of a century of American domination, to suggest that they are less cultured or less able to govern themselves now than they apparently were then.

On August 1, 1898, the Filipinos promulgated to the world their declaration of independence. Aguinaldo had the Spaniards hemmed in at Manila, and there was hardly an American soldier on the islands, except those placed by Admiral Dewey in the dockyard at Cavite.

It was our duty then to have recognized their independent status. The intrigues and manipulations which followed to bring about the "sale of the islands" by Spain make up one of the most unpleasant pages in American history. The Spaniards sold something they did not own. The United States, under the treaty of Paris, on August 12, 1898, undertook to accept a faulty title. We launched upon an era of imperialism which was utterly incompatible with our history and traditions. Senator Hoar well said that the imperialist philosophy then inaugurated would make the United States a cheap-jack country, raking after the cart for the leavings of European tyranny.

The relationship of the Philippine Islands to the United States is and always has been an anomaly. There is nothing in our Constitution or in our traditional policy as a nation to justify the holding of another people in bondage.

There are only two relationships permissible among the component parts of our Union; any concession of territory must be held either as a Territory or a State. The Territorial stage is merely one of probation preliminary to and in contemplation of statehood. There is no provision in our Constitution to authorize or justify the maintenance of colonies. If there were, I am sure that after the World War we might have acquired a part of the colonial acquisitions which our allies so greedily grabbed. We rejected that idea and even declined to accept territory offered us under the guise of mandates.

#### THE CRUCIAL TEST

To test our sincerity, even with ourselves, let us ask this question: Are we willing ultimately to grant statehood to the islands and admit them to equality in our Federal Union?

If we are not willing to admit them to statehood, there is only one thing to be done, and that is to set them free to work out their own destiny.

The President in his message declared that there would be dishonor in relinquishment of the islands. Not so! The dishonor was in their original acquisition, and the dishonor to-day would be their retention, despite the assurances given to them so many times, both by Congress and by our Presidents, that they would be given their independence.

#### A BIT OF HISTORY

As to the dishonor connected with their acquisition, read the history of the events immediately following Dewey's victory of Manila Bay. (See the *Martial Spirit*, by Walter Millis.)

Briefly, Aguinaldo had established a provisional government and had organized his forces so well that the Spaniards were trapped in the city of Manila. The Filipino Army had completely surrounded the city and its fall was only a matter of time. The Filipinos maintained the siege until General Merritt arrived. A plan was then conceived to save the face of the Spanish general, who professed to believe the Spanish honor would be debased if the Spaniards yielded to the native army. The understanding was that the city would yield if the American Army went through the motions of an attack—a sham attack—which was to be without bloodshed. The advance was accordingly made, but, through some misunderstanding, the attack took on the appearance of a real battle and the defense the appearance of a real resistance. There ensued some delay. Then, suddenly, a few Americans appeared on the walls—they had been let in by the back gates and began signaling to cease firing and enter the city peaceably. This they did, but the Filipino Army was cunningly kept in their trenches, not allowed to enter the city, and denied the honor of joining with the

American Army in the ceremonials attending the formal capitulation of the Spanish Army. The whole transaction was *opéra bouffe* of the most farcical nature and reflected little credit on our Army, our flag, or our Nation.

Dewey, who had committed himself to Aguinaldo, as far as a gentleman was able to do so, was disgusted. He never dreamt that imperialists at home would entertain the thought of seizing the islands, but believed that the next step after his victory and the surrender of the city of Manila would be to recognize the provisional government and help the Filipinos in the establishment of order.

Our tricky acquisition of the islands brought on a rebellion lasting five years, involving the loss of thousands of lives.

Like so many events in history, things evil in themselves, turned out good. The subsequent rule of the islands was benevolent and beneficial to the inhabitants. The Tagalogs and the Moros were pacified in time; schools were established, roads built, sanitary measures were perfected, and the principles of a democratic form of government inculcated, so that, to-day, the legislative system of government in the islands is fairly comparable with those of the most highly civilized peoples in the world.

#### THE OPPOSITION ANALYZED

I would like to see the terms and conditions in this measure less harsh in their economic discriminations. I believe those vagaries in the bill are inconsistent with the well-established traditions of toleration in our dealings with other nations. But those objections can be met by future legislation. The thing is to get the machinery of independence started.

The economic objections advanced in the veto will right themselves in time. It is preposterous to plead our own economic shortsightedness as an excuse to deny the boon of liberty to a deserving people.

The fear of foreign invasion is also a futile pretense to defeat the bill. I have full faith in the ability of the Filipinos, once granted their independence, to maintain their liberties against all the world.

Much emphasis is placed on the fact that certain selfish American interests favor independence. Conceding that this is true, it can not be denied that there are also other American interests, with large capital invested in the islands, which are just as bitterly, on the other side of the controversy, opposing independence. Both sides in that controversy should be ignored. The question presented to-day to the American Congress involves a wholly moral and idealistic issue, entirely separate and distinct from the sordidness of conflicting selfish interests.

We are called upon by our consciences to make good the pacts of Presidents McKinley, Taft, and Wilson. We gave a promise and we must keep it.

Those who talk of dishonor have short memories. The dishonor lies in holding the Filipinos against their will.

Instead of reflecting on our national prestige, our act to-day, in overriding the President's veto, will forever enhance the glory and reputation of our Nation.

#### ARMY APPROPRIATION BILL

Mr. WRIGHT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.

Mr. SNELL. Mr. Speaker, pending that motion, when the original consent was given to limit general debate until 4 o'clock this afternoon it was expected, of course, that we would have the full time of about three hours and a half for general debate, but two of these hours have been taken out. I wish the gentleman would modify his unanimous-consent request and allow the general debate to go over until to-morrow and then limit it sometime after we begin to-morrow.

Mr. WRIGHT. I have no objection to that. Mr. Speaker, I ask unanimous consent that the order of the House this morning respecting the time for general debate be vacated.

The SPEAKER. The gentleman from Georgia [Mr. WRIGHT] asks unanimous consent to vacate the proceedings by which general debate on the bill was ordered, and the general debate limited to the bill on to-morrow.

Is there objection?

Mr. WRIGHT. Mr. Speaker, I ask to modify that request to state that only two hours on to-morrow will be applied to general debate.

Mr. SNELL. That will be satisfactory. There is no objection to that.

The SPEAKER. The gentleman from Georgia [Mr. WRIGHT] asks unanimous consent that the order by which general debate was limited to the bill to-morrow be vacated, and that general debate be continued to-day and for two hours to-morrow, the debate thereafter to be confined to the bill, the time to be equally divided between the gentleman from Mississippi [Mr. COLLINS] and the gentleman from California [Mr. BARBOUR].

Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. WRIGHT].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14199, the War Department appropriation bill, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. BARBOUR. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, with all due apologies to the members of the Committee of the Whole, I propose to read a little poetry for the edification of the House. I apologize in advance to other so-called poets if I say anything that they may take exception to in the way of poetry.

Mr. BANKHEAD. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BANKHEAD. Is this the gentleman's own poetry that he intends to read?

Mr. FISH. This is a bedtime story by the present speaker, myself. It is entitled "Death and Burial of Cock Robin—the Sales Tax." The gentleman from Alabama is included in the poetry if he will refrain a moment.

Who killed the sales tax?

"I," said Franklin D. Roosevelt,  
"Because of the horror I felt,  
I killed the sales tax."

Who saw it die?

"I," said GARNER, "at our little parley,  
Along with RAINES, COLLIER, and MOLEY,  
I saw it die."

Who caught the blood?

"We," said JOE BYRNS and JOHN McDUFFIE,  
"With political expediency, tried and trusty,  
We caught its blood."

Who made its shroud?

"I," said BOB DOUGHTON,  
"Out of Carolina cotton,  
And I made its shroud."

Who shall dig its grave?

"We," said the Democrats,  
"We know what we are at,  
We shall dig its grave."

Who'll be the parson?

"I," said SAM RAYBURN,  
"If it gives me heartburn,  
And I'll be the parson."

Who'll carry it to the grave?

"I," said BILL BANKHEAD,  
"If it sends me to bed,  
I'll carry it to its grave."

Who'll be chief mourner?

"I," said Crisp, of Georgia,  
"I still love my pandora,  
And I'll be chief mourner."

Who'll sing a psalm?

"I," said JOHN RANKIN,  
"With a veteran contraption,  
And I'll sing a psalm."

Who'll be the clerk?  
"I," said ROBERT A. GREEN,  
"To avoid being seen,  
And I'll be the clerk."

Who'll make the point of order?  
"I," said TOM BLANTON,  
"To avoid further confusion,  
I'll make the point of order  
(That the sales tax is dead)."

And who'll toll the bell?  
"I," said Jim Farley,  
"Because of my party."  
And so, sales tax, farewell.

From far and near, all the Democrats  
Fell a-sighing and a-sobbing  
When they heard the bell tolling  
For poor cock robin, the sales tax.

[Applause.]

Mr. BLACK. Will the gentleman yield?

Mr. FISH. No; I would rather continue.

Mr. BURNESS. Did the gentleman overlook Mr. Hearst?

Mr. FISH. Oh, there are many others that I overlooked. It was a question of time, that is all. There are many other deserving Democrats over here who were necessarily overlooked.

Mr. Chairman, it seems to me the main issue before the country and before the House and the American people is the balancing of the Budget. Only in the last session the distinguished Speaker of this House took the floor and made a very able and courageous speech from the well, stating to his Democratic colleagues that they must balance the Budget. We have dragged along and drifted along now for over a month during this short session of Congress. We have six weeks remaining before March 4, and at the present time if the statements of the various Democratic leaders indicate anything they indicate that the Democrats have almost given up hope of balancing the Budget. I say to you, and I think almost everyone in the country agrees, that that should be the main objective of this Congress, and is the main duty of this Congress—to balance the Budget, to restore confidence, and to try to revive business in our own country. The question is, How can we balance the Budget? No matter whether we like it or not—and most of us did not like it three or four years ago and we do not even like it now—I submit without fear of contradiction that the only way to balance the Budget is through a sales tax. We are in the midst of national emergency, in an economic crisis far more serious than that during the World War or at any other time, possibly, since the Civil War, in the history of our country.

The Republicans and Democrats have a joint responsibility to try to restore confidence in the country, and we can not restore confidence in business or industry unless the Budget is balanced, unless the credit of the United States is maintained above any question of suspicion. I say to you—although I do not like to predict anything, because I know it is dangerous; I know how dangerous it is for any Member of this House or any politician to venture any prediction whatsoever—that if you do not adopt the sales tax in this session of the Congress and fail to balance the Budget you will be compelled to take it in the next session of Congress under a Democratic President, when both branches of the Congress will have huge Democratic majorities.

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

Mr. FISH. No. I do not have time. I am willing to make a confession as a Republican, a double confession: First, that I opposed the sales tax a few years ago. I opposed it when Mr. Hearst asked the Members of Congress to go to Canada and see how it worked there, because I did not believe we needed a sales tax at that time. We were able to get sufficient money to run the Government through income taxes, inheritance taxes, the tariff, and so forth; but, unfortunately, conditions have changed. We must be prepared to make any sacrifice; and this is one of the sacrifices that we will be forced to make in order to balance the Budget. I also am compelled to confess that I was one of those misguided Republicans who applauded the then

Secretary of the Treasury, Andrew Mellon, every time he helped reduce income taxes, inheritance taxes, and other taxes.

Four tax reduction bills came before the Congress and were passed, and we applauded the Secretary as the greatest Secretary in our history because he was reducing the taxes of the people in days of prosperity. I am prepared to state now, not for my party but as an individual, that I believe he made a gross mistake of judgment. It may have been good party politics, and it was good for the Republican Party at that time, but it was a gross mistake, as far as the welfare of our country was concerned, because it is evident now that the time to pay off debts, the time to levy income taxes, inheritance taxes, and so on, is when the country is prosperous and when those who make money can afford to pay. To-day when the Democrats come along and propose to broaden the income-tax base, increase the income taxes of poor people and of some of the richer people, they know it is just a political gesture and that they can not squeeze blood out of a stone; that they can not raise any more money from income taxes in this country at the present time without practical confiscation. That is the alternative. That is the proposition so far made by some of the leading Democrats.

I have risen to-day simply to call the attention of this Congress to the fact that we have been in session for five weeks. We have six weeks more to go, and one thing which the people by and large are waiting for is to know how and when we propose to balance the Budget and restore confidence and permit the revival of business, which both parties are for and which 120,000,000 Americans are patiently and eagerly awaiting.

To do so we have got to make sacrifices. Just because—and I say it as one who is a friend of the American Federation of Labor, as one who believes in the 6-hour day and the 5-day week, as one who does not believe in reducing the pay of Federal employees below certain amounts, the poorly paid employees—just because the American Federation of Labor has come out against the sales tax it has frightened the Democratic Party, it has frightened the Democratic President elect, and it has frightened a good many Republicans. I state as a friend of the American Federation of Labor, who has been glad to agree with that organization on many of the major issues, that they and other like organizations will suffer from business depressions and unemployment equally with all the rest of the American people until we balance the Budget. If they oppose the sales tax, let them show where we can raise sufficient money without burdening the already overburdened taxpayers and retarding business. That is a fair question for me to submit to the Democratic leaders of the House, or to any other Democrats in the House, when I am through to answer: How do they propose to balance the Budget before the 4th of March? Not only are the Republicans waiting for their answer but the entire country is waiting for it. The Budget can be balanced; it can be balanced before we adjourn; but this House is under the control of the Democrats; you control all of the committees and all legislation. The country is waiting and has been waiting to find out how you propose to do it and when you propose to do it. These are the two questions I wish to ask—not merely how but when.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. I yield.

Mr. BLANTON. I challenge my friend, the gentleman from New York, to point out a Congress in the last 50 years which in its short session has done more work than this short session of Congress, for in this short session so far we Democrats have passed more supply bills and held more hearings and now have marked up ready for introduction more big supply bills than any Congress in the same time has ever before passed in the short session. I give the gentleman a spread of the last 50 years.

Mr. FISH. If the gentleman is talking about the farm allotment bill that we have had under consideration the last

three or four days, that is nothing but a political gesture and a sales tax on food and clothing.

Mr. BLANTON. I am talking about all of the bills and the big supply bills and other bills we have already passed in the House.

Mr. FISH. I do not know of any other bill except the Philippine bill that we passed to-day other than the regular appropriation bills.

Mr. BLANTON. I am speaking about all of the bills we have held hearings on and have passed, including the big appropriation bills already sent over to the Senate.

Mr. FISH. That is the duty of every Congress; those bills must be passed at every short session of Congress, and I presume always have been.

Mr. BLANTON. We have most of the big supply bills passed and marked up right now ready for introduction.

Mr. FISH. Mr. Chairman, I decline to yield further.

We have taken up three or four days of the time of the House to discuss so-called farm-relief legislation which has no chance of being enacted into law, as it is unworkable, sectional, discriminatory, and a resurrection of populism worthy of Sockless Jerry Simpson. You Democrats have opposed the sales tax, yet you come along with a sectional farm relief bill which is nothing but a gigantic sales tax on wheat, cotton, hogs, tobacco, and peanuts. That has been your answer to the sales tax as a means of balancing the Budget which specifically omitted any sales tax on food or clothing. I again ask you to state where, when, and how you propose to balance the Budget before we adjourn on the 4th of March. [Applause.]

[Here the gavel fell.]

Mr. WRIGHT. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, the gentleman from New York has dropped into poetry on the burial of the sales tax. He has aligned all of the mourners and officials at that funeral. If it were not for the fact that I was always taught not to talk disrespectfully of the dead, I should hire some jackleg poet to write an answer on the proposition of who buried the Republican Party, how it was buried, and when it was expected ever to be resurrected. I will not indulge in that at this time, but it is a pertinent question that might be discussed with about as much profit as the gentleman's question on balancing the Budget.

The gentleman asks us to say how we are going to balance the Budget between now and March 4. The answer is that we can not do it by such legislation as the Democratic Party would stand for, because we would receive back from the White House exactly what we got on the Democratic measure for freeing the Philippines. The only way we could do it would be to pass it over the veto of the President, and we could not do it.

Another question that might be asked of the gentleman from New York is when the Budget became unbalanced, and who unbalanced it? When did the Republicans begin to holler about balancing the Budget? Not when it became unbalanced, although the Republican Party was in power in both Houses of Congress and in the White House, but after they had gotten it out of plumb to such an extent that there was a scraping of the bottom of the Treasury every time a bill was paid, and not until the Democrats organized the House did they begin to come out and ask us to undo what they had done to wreck the Treasury. Then what happened? I have been considering this question myself very seriously.

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

Mr. STEVENSON. I will yield for a brief question.

Mr. McCORMACK. I just wanted to say at this point that at the end of the fiscal year 1931 the deficit was \$903,000,000; for the 1932 fiscal year the deficit was \$2,801,000,000 plus.

Mr. STEVENSON. Yes; and all of that was going on with the Republican Party in power in both Houses of Congress and in the White House and able to provide the revenue with

which to pay the legitimate expenses of the Government. [Applause.]

Two ways are suggested to balance the Budget. One is by taxation increase, and we have now gone the limit in taxation where the income seems to decrease with every increase of the levy. Capital hides out, refuses to go into productive industry because it fears practical confiscation of the fruits of the industry in which it is invested and no substantial compensation for the use of capital and the risk incurred. The current depression emphasizes this fact. For the last 12 months short-term United States Treasury notes have been bought readily every time there was a sale, at a very low rate of interest, and the subscriptions were made many times over. On the other hand, commercial discounts with the Federal reserve banks have decreased from December 31, 1929, when they were \$646,000,000, to September 30, 1932, when they were \$331,000,000. (See Federal Reserve Bulletin of December, 1932, p. 781.)

Likewise, deposits decreased for the same period in all member banks from \$38,000,000,000 to \$28,000,000,000. People are not using credit of the banks because of the risk in business and the fear of drastic taxation. It is proposed now to place a further tax to bridge over the time when revival of business will cause a flow of currency into the Treasury. This, I fear, will only delay the return of that happy event when industry will begin to hum, labor will be employed, markets will be restored, and capital, freed from the shadow of confiscatory levies, will again inject blood into the anemic veins of business.

How can we avoid levying new taxes? The idea has come to me that we can do so by the use of the means now employed, but much less expensively. Instead of selling bonds on the market for short terms, as we are doing now and must continue to do for a while yet I fear, issue bonds, bonds of the United States, for 10 years, callable in two years at 1 per cent interest per annum, sell them to the Federal reserve banks, authorize those banks to issue Federal reserve notes based on these bonds—with which to pay for them—just as they can do under the Glass-Steagall bill, provide that the Federal reserve banks shall put 20 per cent gold reserve along with the bonds against the issue of such notes, declare it to be the policy of the Government that this shall be the method of balancing the Budget at such times as this, when the "fall down" of industry makes a deficit, then adjust the taxes so that in time of normal prosperity the increase will equal or exceed the outlay and accumulate a surplus when the years of prosperity come to care for the lean years, and bid capital and industry go on their ways with assurance that they know when they start the wheels to turning just what share of their profit will be exacted of them by the Government.

Some will cry out "flat money." The national banks have in circulation \$826,000,000 of notes secured only by United States bonds, most of them bearing only 2 per cent, and no gold reserve up at all. Only 5 per cent reserve "lawful money." No one says "flat money" about that. The national banks have the advantage that they get a high rate of interest on their bonds which are up for security, and they do not have to maintain a gold reserve. If the fear is expressed that our gold reserve would not hold out, I will say that our stock of gold is ample.

It was \$4,367,000,000 on November 30, 1929; \$4,571,000,000 on November 30, 1930; \$4,414,000,000 on November 30, 1931; \$4,338,000,000 on November 30, 1932.

You will see that it is absolutely constant in volume from season to season, and can be relied on, as it has shown this during this prolonged paralysis of business. Federal reserve notes outstanding now, or when the December reports were made, were \$2,675,000,000, and 40 per cent reserve on that is \$1,070,000,000, leaving \$3,368,000,000. There is \$150,000,000 of that held as a reserve for greenbacks, silver certificates, and so forth, outstanding, leaving \$3,118,000,000. Now, if it took \$2,000,000,000 notes to put us across the business revival, with 40 per cent reserve, it would take only \$800,000,000 to cover it, leaving \$2,318,000,000. My proposition is to make the reserve on these notes (and for that

matter all other notes which are based on United States bonds) 20 per cent. We have ample gold to cover the issue needed. Objection may be made to the low gold reserve. The \$826,000,000 national bank notes have no gold at all behind them, and they go. If a national bank note, secured only by United States 2 per cent bonds and 5 per cent "lawful money" is good, to be sure a Federal reserve note—an obligation of the United States—backed by United States bonds and 20 per cent gold, is good. In fact, the act of 1913, page 49, latest compilation of national bank act, section 313, provides that when a national bank desires to surrender its bonds and redeem its notes the Treasurer of the United States can require the Federal reserve banks to buy those bonds of the national bank, and then may issue to Federal reserve banks circulating notes to the full amount of the bonds without any reserve's being set up to care for them, except 5 per cent lawful money.

The law in force now will not expire until December 23, 1935. So the Congress has already expressed by statute its belief that a Federal reserve note backed only by United States bonds and 5 per cent lawful money is good and safe. Is it an imposition on the Federal reserve banks? No; it gets 1 per cent on the bonds for its trouble. Much of the money will be incidentally deposited for considerable periods with it, and as business revives the member banks will begin to borrow; they will have increased deposits, hence keep increased reserves, and the shadow of confiscation of the investments and fruits of industry by increased tax exactions will be removed. Speaking of deposits in member banks, they have declined from thirty-eight billion to twenty-eight billion from December 31, 1929, to September 30, 1932, which illustrates the paralysis in business and credits, and which will continue until the fear of the business of the country is allayed as to loss from further shrinkage in values and confiscation by taxation of the fruits of labor and earnings of capital which is risked to put labor to work.

Mr. Chairman, this is merely an outline of that which I conceive to be a sound, sane, and sensible way to put the Government out of this matter of selling \$1,250,000,000 of short-term bonds every year to pay the deficit and thereby enable capital, the people who would pay large income taxes, to acquire that which shelters them from paying their income tax and from paying a fair portion of the Government's obligations. Not only that but it will enable us in the next two or three years to fund the \$6,000,000,000 of short-term credits which within 18 months have got to be refunded, and to refund them by having the money issued by the Federal reserve banks and controlling its issuance paying 1 per cent instead of 4 per cent, as we are threatened with having to do if we fund this large indebtedness on long terms.

It is a serious question. Talk about business; talk about people engaging in enterprise. Why, the shadow of the tax gatherer is on the door of every enterprise in this country, brought about by the failure in the fat years to provide against the lean years, a failure which I lay at the door of the gentleman from New York who had to bring politics into the discussion here in connection with a merely business and financial question.

They are afraid to invest; they are afraid to embark; and the result is the factories of this country have their doors closed and their operators are with bare feet and almost unclad waiting around the mills for work which they can not get. We are asked to do something to unleash labor and unleash capital and let them get together and bring about a revival of business. Such a revival of business, with the present tax levies, will soon wipe out the deficit and fill the hole in the Treasury which has come about as the result of the mismanagement, Mr. Chairman, of our financial situation.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield? Mr. STEVENSON. I yield.

Mr. McSWAIN. Knowing the gentleman's familiarity with banking precedents and his knowledge of economics, I wish to ask him if the indirect benefit from the proposal which he suggests whereby the volume of the circulating

medium will be increased will not be a rise in commodity prices which will stimulate business and induce the people to buy, thereby increasing the purchasing power of every class in the country and thereby getting business off the dead center, on account of which everybody in the country is now suffering?

MR. STEVENSON. That will not be an indirect effect but the direct effect of it.

[Here the gavel fell.]

MR. BARBOUR. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [MR. FINLEY].

MR. FINLEY. Mr. Chairman, I want to beg that nobody sitting on a back seat will call "louder" to me. If he is more anxious to listen to this speech than I am to make it, let him come down to one of these vacant seats here in front. To tell the truth, I do not think enough of this speech to strain my voice in making it in order to let him hear it.

Probably the most universal obsession of the people of this country to-day is that of economy in Government expense. I think many splendid Members of this House really have hypnotized themselves by continually repeating to themselves, and having repeated to them, that economy and balancing the Budget are the great duty and work of this session of Congress.

Now, I object to being a Trilby to some very eloquent Svengali of this House. I object to being hypnotized by a slogan of that kind. Some of us will remember that several years ago Doctor Coué, the famous French physician, visited this country and prescribed and taught other physicians his method of treatment, which was to have each one of his patients, on rising in the morning, say to himself twenty times, "Every day in every way I am getting better and better." Twenty times that formula must be repeated. At noon the same thing. At bedtime the same thing. It did have some effect. No doubt it helped many people, but the effect could not have been anything except autohypnotism.

As I said, I object to being hypnotized by somebody else, and I am not going to hypnotize myself. Somebody has said that any old propaganda will propagate if it finds a "propagoose," and that is true; but I object to being the propagoose for propaganda of that sort.

Economy in Government expense, important as it is, is not the biggest thing in this Congress or any Congress. It never has been and never will be. I would not minimize the importance of that at a time like this, but I do say, and I want it to be made a matter of record, that I do not regard the reduction of governmental expenses and the balancing of the Budget as the big work this Congress ought to do.

I am making this speech because a constituent of mine who has been hypnotized asked me to make a speech on reduction of Government expense. So this speech is by request. If it is not as good a speech as it ought to be, charge him with it and not me.

I want to say that no man on the floor of this House is more earnestly in favor of reduction of Government expense, where this can be done legitimately, than I am. No man appreciates more fully than I do the importance of balancing the Budget, but I have learned, and you gentlemen ought to have learned, and probably have by this time, that not everything that bears the stamp of economy really is economy. For instance, the sort of economy that saves at the spigot and wastes at the bunghole is not economy in any true sense. It is the wildest extravagance. The sort of economy that fails to take the stitch in time that will save nine by and by is extravagance and waste.

Let us distinguish. For instance, the man who, in this time of stress, fails to pay the premiums on his insurance policy and dies of a case of influenza, which is so prevalent throughout the country now, has been guilty, not of economy, but of waste, and the worst sort of waste. A constituent of mine down in Kentucky decided that he would economize on his coal bill. He cut in two his coal bill, the result of which was that he saved about twenty-five or thirty dol-

lars; but he had three cases of pneumonia in his family that cost him \$300. That was not economy.

A farmer friend down in my State decided to work his team of horses unshod, and one of them picked up a gravel. You farmers know what that means. You people from the cities probably do not. His horse picked up a gravel in one of his feet and was crippled the balance of the season. He fed the cripple, hired another horse for \$75, saved \$10 by failing to have his horses shod and lost probably \$100 as a result of such economy. Another illustration—you have heard the story, probably, of the Christmas tree that the animals had. The animals of the fields and forests had a Christmas tree, which was a very elaborate affair. All of them got presents. Mr. Mule got a present along with the balance of them. He picked it up, ambled off into the woods with it and came back without it. Mr. Fox said to him, "Brother Mule, what did you do with your Christmas present?" "Oh," he said, "I hid it." "Why did you hide it?" "Oh, I am going to save it." "Well, what are you going to save it for?" "Why, I am going to save it for my children." "But," Mr. Fox said, "Brother Mule, you are not going to have any children." "Well," he said, "in that case it will do just as well for my grandchildren." [Laughter.]

I think I see in a lot of the propaganda that is current, and hear in a lot of the speeches on this floor just this kind of economy, and against this kind of economy I protest.

I will go along in cutting to the bone in reducing Government expenditures, in so far as this can be done without crippling the needful and necessary Government operations. Any economy that goes further than this is waste and nothing but waste.

The bill that is now under consideration brings me to what I really want to say, which is that the big duty of this Congress and of every Congress is not so much to levy taxes, not so much to balance the Budget, not so much to reduce Government expenses. The big duty of every Congress since this Government was established until now and what will be the big duty of every Congress from now on is to protect and preserve the institutions that our fathers founded, to protect the people in this land in the enjoyment of the right of life, liberty, and property, and to protect the territory which constitutes the United States of America.

This is the big duty, and not much is being said about it. We are lost in a maze of arguments as to how to balance the Budget and how to abolish the depression and all that sort of thing, and we seem to forget the fact that the first and most important duty we have is to guard the institutions and the territory and the people of the United States. [Applause.]

[Here the gavel fell.]

MR. WRIGHT. Mr. Chairman, I yield two minutes to the gentlewoman from New Jersey [MRS. NORTON].

MRS. NORTON. Mr. Chairman, as chairman of the District of Columbia Committee I am daily in receipt of appeals for help. I presume most of you know the condition in which many of the people of the District are living. They have not sufficient clothing, they have not sufficient food, and it is very pathetic in the Capital of the Nation to hear stories of this kind in our offices daily.

This morning I received a letter which I think concerns every Member of the House, and I am going to make an appeal to you on the basis of this letter:

MRS. NORTON: I am a volunteer worker on the clothes-conservation committee. The need for clothing is more urgent than I can describe, especially for men and boys. Every day we turn them away because we have none. Among a body of men like in the House, I have thought if only we could bring to their notice the great need for men's clothing, they may be glad to give some they have no need for.

I will gladly call for any, and all needed repairs will be made by us. Would be thankful to you if you could bring this before them.

At present we have a waiting list of 35 for overcoats.

Thanking you, I am,

EMMA W. POWELL,  
435 Tenth Street NE.

Member of the Relief Committee of the District of Columbia.

I think you will all agree with me there is seldom a time when we have not something we can spare for the less for-

tunate; and if any Member in this House will send some piece of discarded clothing, an overcoat or a suit or some underwear, or whatever he can spare from his wardrobe, to my office, I shall be very glad to take care of it and see that it reaches its proper destination. I thank you very much.

[Here the gavel fell.]

Mr. WRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

#### INFLATION

Mr. PATMAN. Mr. Chairman, I want to say a few words about the Glass banking bill that is pending in another body. It is Senate bill 4412.

That bill, if enacted into law, will grant a monopoly that is worth billions of dollars to a few powerful bankers. I wish you would read the history of the Federal reserve act. I wish you would read the reports of the many monetary commissions and reports of committees on monetary affairs that have been made within the last 50 years, and you will discover very quickly after reading this bill in connection with those reports exactly what is attempted to be done.

#### BANKS ESCAPE INTEREST PAYMENTS

When the Federal reserve act was passed, section 16 provided that the Federal reserve agent, when he issues to a Federal reserve bank, a private institution, privately owned, an institution in which not one penny of stock is owned by the United States Government, shall collect from that privately owned institution an interest charge for the use of the Federal reserve notes that he delivers to the bank.

That provision of the law has never been made effective. The bankers contend that the excess profits above 6 per cent made by the bank go into the Treasury anyway, and therefore no initial interest charge should be collected, the excess profits being sufficient to pay the interest charge on the notes.

Later on it was discovered that the Government got no money for the use of the credit to the Federal reserve banks, because the Federal reserve banks had unlimited power to spend the money any way they chose. Of course, they had to have buildings and they built large buildings. Congress had to authorize it, but there were many other ways in which they could spend the money that they did not have to get authority from Congress to do.

After spending all the money they wanted to, then the excess has been going into the United States Treasury. Now they are coming back here in the Glass bill and asking you to repeal the clause which authorizes the United States to get the excess profits while using the Government credit. Think about that. Do you want to do it? Do you want to give this private institution this unlimited power and additional valuable franchise?

#### BLOCK GLASS BILL

There are many dangers in this bill. As one Member of the House representing one vote, and that is my own, I want to commend any United States Senator or any other person in official life who stands out opposing the passage of this legislation. It ought not to be passed, and I commend anybody for taking a stand against it.

#### CAPITALIZING ON DISTRESS

Imagine, while people are in distress as they are, these large banks coming in here and asking for relief. Some of them are at this time making a profit of 100 per cent on their capital stock. The fact is they are trying to take advantage of distress and poverty by coming in here and asking you to pass a bill under the pretense that you will be helping the people because it will save a few broke banks from going broke.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. PATMAN. I will.

Mr. McCLINTIC of Oklahoma. I wish to announce that to-night at 7.30 in the Judiciary Committee room the committee that has been making a careful study of the currency question will bring their recommendations to the attention

of Members of Congress who desire to be present. Everyone is invited.

#### THE PRESIDENT RECOMMENDS BANKRUPTCY

Mr. PATMAN. The President of the United States has recommended one of the ways that we must finally agree on to get this country out of its present predicament. There are three ways to do it. One is by expansion of the currency, which is commonly referred to as inflation, one is by bankruptcy, and another is by some sort of a revolution. He has recommended that we not take inflation, but that the debtors should be speedily put into bankruptcy. He is willing for the debtor's property to be quickly divided between a few large creditors and a few influential lawyers. That is his recommendation. He promises bankruptcy without the stigma. Read his original recommendation that was made to Congress February 29, 1932, and then read the recommendation of a few days ago and be convinced of his real intentions. It is an effort to compel the people to adjust themselves to the present low prices and low wages. Inflation will be better than bankruptcy. Inflation will save the country. The people do not lose their homes by inflation; their homes are lost by deflation.

Get the CONGRESSIONAL RECORD of February 29, 1932, and you will find that the President recommended that there should be some speedy way of disposing of the cases of debtors where they could not pay their debts, and now he comes in and recommends that they go into bankruptcy, and that it be speedy bankruptcy through the courts, so that the large creditors can not have their progress impeded in taking the debtor's property by a few small creditors, so that a few large creditors and a few big lawyers will soon, under the President's plan, take over practically all the property in the United States. During the past 10 years a few of these large corporations, in order to escape and avoid the payment of income taxes, accumulated huge reserves and surpluses.

Under his plan, if enacted into law, they can take that money and buy out their competitors at a very small price.

#### INFLATION BETTER THAN BANKRUPTCY

Mr. Chairman, that is not the way to do it. We do not want bankruptcy or any sort of a revolution, whether it be political or otherwise; but we want this country to get back, and we have to give the people an opportunity to pay their debts with goods, commodities, stocks, and bonds that are priced somewhat upon the same basis as they were when these debts were contracted. Let us have inflation, if you want to call it inflation, although that is a bad word. The proper word is expansion of the currency; and if you will expand the currency, you will start this country back to where it will be some inducement to purchase goods. There is no inducement now. If you will cheapen the dollar and cause goods to rise in price, every merchant will get into the market, because he wants to buy as cheaply as he can; and as everybody, including customers, gets into the market; our country will come back, and it can not come back unless some system is adopted that will cheapen the dollar. Suppose you do cheapen it, what will it do? Suppose you get paid in these so-called cheapened dollars, instead of the dollars you now get, can not you take that dollar and buy just as much rent with it, can not you pay just as much in debts with it, can not you pay just as much in taxes with it, can not you buy just as much electricity with it and gas and water and everything else? Certainly you can—everything except a few commodities. That is the only way on earth by which you can reduce taxes and debts in this country. We have got to reduce the high purchasing power of the dollar; and until you do that, this country can not come back. Instead of adopting the plan proposed in the Glass bill to give a few large bankers a billion-dollar franchise that is permanent, instead of adopting the President's plan of putting everybody into speedy bankruptcy in order that the large creditors may soon distribute their assets, let us invoke some plan of expanding the currency so everybody will have a chance. [Applause.]

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

Mr. WRIGHT. Mr. Chairman, I move the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14199, the Army appropriation bill, and had come to no resolution thereon.

#### LOANS TO FARM MORTGAGORS

Mr. AYRES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therewith a certain bill (H. R. 14138), providing for loans or advances by the Reconstruction Finance Corporation, through its regional credit corporations, to farm mortgagors to enable them to lower the rate of interest on their loans and secure the postponement of the foreclosure of farm mortgages for a period of two years, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

Mr. AYRES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following House bill:

A bill (H. R. 14138) providing for loans or advances by the Reconstruction Finance Corporation, through its regional credit corporations, to farm mortgagors to enable them to lower the rate of interest on their farm-mortgage loans and to secure the postponement of the foreclosure of farm mortgages for a period of two years, and for other purposes.

*Be it enacted, etc.*, That the Reconstruction Finance Corporation is authorized and directed to make loans or advances through the agency of its regional agricultural credit corporations in the amount of \$1,000,000,000, or so much thereof as may be deemed necessary, to farm mortgagors, to enable them for a period of two years from the date of the enactment of this act (1) to make payment of interest on loans made to them and secured by their mortgages in an amount equal to the difference between the rate of interest agreed upon at the time such mortgage loans were made and 2 per cent per annum, and (2) to secure the postponement of foreclosures upon the mortgages securing such loans during such 2-year period in each and every instance in which the farm mortgagor is exercising reasonable diligence to meet his accruing interest and installment payments, and (3) to make payment of any delinquent taxes accrued against his mortgaged premises and in arrears more than one year, less interest and penalties, due the State, county, or municipality.

The amount of any such taxes shall constitute a paramount lien on the property of the taxpayers. Such loans or advances shall be made and on such terms and conditions as the Reconstruction Finance Corporation may prescribe, but no such loan or advance shall be made until the Reconstruction Finance Corporation is satisfied that all amounts so loaned shall be used solely for the purposes herein provided. No such loan or advance shall be made for the purpose of postponing such mortgage foreclosures as aforesaid in any State during any period within which the courts of such State are by law prohibited from taking jurisdiction over suits or proceedings for the foreclosure of such mortgages or deprived of their powers to sign foreclosure decrees on farm property.

SEC. 2. The Reconstruction Finance Corporation is authorized to make such rules and regulations as may be necessary to carry out the purposes of this act and to make the relief contemplated by this act immediately available.

SEC. 3. Any person who makes any material false representation for the purpose of obtaining any loan or advance under this act, or in assisting in obtaining any such loan or advance, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than six months, or both.

#### ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p. m.) the House adjourned until to-morrow, Saturday, January 14, 1933, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, January 14, 1933, as reported to the floor leader:

#### MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

Continue hearings on S. 4491, to regulate intercoastal carriers.

#### DISTRICT OF COLUMBIA—SUBCOMMITTEE ON FISCAL AFFAIRS

(10 a. m.)

H. R. 12784, fees to be charged by Recorder of Deeds.  
H. R. 12074, license tax on retail merchants.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

859. A letter from the quartermaster general of the Grand Army of the Republic, transmitting the journal of the proceedings of the Sixty-sixth National Encampment of the Grand Army of the Republic, held at Springfield, Ill., on September 18 to 23, 1932 (H. Doc. No. 446); to the Committee on Military Affairs and ordered to be printed, with illustrations.

860. A letter from the president of the Chesapeake & Potomac Telephone Co., transmitting a report of the Chesapeake & Potomac Telephone Co. for the year 1932; to the Committee on the District of Columbia.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. O'CONNOR: Committee on Rules. H. Res. 350. A resolution for the consideration of House Resolution 334, a resolution disapproving of several Executive orders grouping, coordinating, and consolidating certain executive and administrative agencies of the Government; without amendment (Rept. No. 1860). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. J. Res. 553. A joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements; without amendment (Rept. No. 1863). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. H. R. 2771. A bill to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania; with amendment (Rept. No. 1861). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 9446. A bill to authorize an exchange of lands between the city of San Diego and the United States; without amendment (Rept. No. 1862). 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. 14220) providing for a site and public building for a post office at Gretna, Parish of Jefferson, La.; to the Committee on Public Buildings and Grounds.

By Mr. ANDREW of Massachusetts: A bill (H. R. 14221) providing for a special canceling stamp bearing words which will impress upon our people the fact that the purchase of American goods will aid American workmen; to the Committee on the Post Office and Post Roads.

By Mr. BULWINKLE: A bill (H. R. 14222) providing for loans or advances by the Reconstruction Finance Corporation, through its regional credit corporations, to farm mortgagors to enable them to lower the rate of interest on their farm-mortgage loans and to secure the postponement of the foreclosure of farm mortgages for a period of two years, and for other purposes; to the Committee on Banking and Currency.

By Mr. SWANSON: A bill (H. R. 14223) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: A bill (H. R. 14224) authorizing certain contractual changes relating to the payment of certain construction costs of the Minidoka irrigation project; to the Committee on Irrigation and Reclamation.

By Mr. GRANFIELD: A bill (H. R. 14225) to sell the present post-office site and building at Springfield, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. FRENCH: A bill (H. R. 14226) for the inclusion of certain lands in the national forests in the State of Idaho, and for other purposes; to the Committee on the Public Lands.

By Mr. SWANSON: A bill (H. R. 14227) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. GILBERT: A bill (H. R. 14228) to change the name of "Roosevelt Island" to "Theodore Roosevelt Island"; to the Committee on the Library.

By Mr. VINSON of Kentucky: Concurrent resolution (H. Con. Res. 46) authorizing the printing of additional copies of the preliminary report of the Committee on Ways and Means relative to double taxation; to the Committee on Printing.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 14229) for the relief of Robert J. Enochs; to the Committee on Claims.

Also, a bill (H. R. 14230) for the relief of Harold P. Mumbrue; to the Committee on Claims.

By Mr. CARY: A bill (H. R. 14231) granting a pension to Elizabeth Knight; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 14232) granting an increase of pension to Terressa P. Hunter; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 14233) granting an increase of pension to Mary L. Dumont; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 14234) granting a pension to Thomas J. Killeen; to the Committee on Pensions.

By Mr. MARTIN of Oregon: A bill (H. R. 14235) for the relief of Alonzo M. Boyden; to the Committee on Military Affairs.

By Mr. PEAVEY: A bill (H. R. 14236) for the relief of D. E. Lamon; to the Committee on Claims.

By Mr. SABATH: A bill (H. R. 14237) for the relief of the legal heirs of the late William Hushka; to the Committee on Claims.

By Mr. SMITH of Virginia: A bill (H. R. 14238) for the relief of George W. Rhine, doing business under the name of Rhine & Co.; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 14239) granting an increase of pension to Hester Floyd; to the Committee on Pensions.

By Mr. GAMBRILL: Joint resolution (H. J. Res. 555) for the relief of Irwin D. Coyle; to the Committee on Naval Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9549. By Mr. AYRES: Petition of citizens of Wichita, Kans., in behalf of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

9550. By Mr. CONDON: Petition of Byron J. Tucker, Arthur Gosselin, James J. Cleary, and 295 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows or dependents; to the Committee on World War Veterans' Legislation.

9551. Also, petition of Henry J. Bonin, Eric K. Nordquist, and 93 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to

Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9552. By Mr. CULLEN: Petition of Navy Post, No. 16, American Legion, 93 Park Avenue, New York City, urging Congress to provide for the same number of personnel and for the same authorized number of drills and active-duty cruising as was provided for the fiscal year 1931 for the Naval Establishment; to the Committee on Naval Affairs.

9553. By Mr. DELANEY: Petition of the R. J. Ederer Thread Co. of Philadelphia, urging the immediate enactment of House bill 13999; to the Committee on Ways and Means.

9554. By Mr. EVANS of California: Resolution adopted by the Board of Supervisors of the County of Los Angeles, State of California, on December 19, 1932; to the Committee on Banking and Currency.

9555. By Mr. FINLEY: Petition protesting against the repealing or weakening of the prohibition laws; to the Committee on the Judiciary.

9556. By Mr. GARBER: Letter from P. E. Courtney, national rehabilitation officer of the Disabled American Veterans of the World War, Enid, Okla., protesting against the administration of the Federal home loan bank act and the injustices of the relief policies being executed; to the Committee on Banking and Currency.

9557. Also, petition of the O. K. Co-Operative Milk Association (Inc.), Oklahoma City, Okla., indorsing the agricultural marketing act and the Federal Farm Board in its program of financing agricultural cooperatives; to the Committee on Agriculture.

9558. Also, petition of the Woman's Christian Temperance Union, Lamont, Okla., urging support of the prohibition laws; to the Committee on the Judiciary.

9559. By Mr. LAMBERTSON: Resolution of the Kansas Avenue Methodist Episcopal Auxiliary of the Woman's Home Missionary Society of Topeka, Kans., favoring the establishment of a Federal motion-picture commission, to declare the motion-picture industry a public utility, and urging the passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9560. By Mr. LANKFORD of Virginia: Petition of W. T. Pittman and others of Courtland, Va., asking relief from farm loans; to the Committee on Banking and Currency.

9561. By Mr. LINDSAY: Petition of the National Granite Commission, Boston, Mass., favoring the use of granite for the Federal courthouse building for New York City; to the Committee on Appropriations.

9562. Also, petition of the stone industry of Greater New York, favoring the use of limestone for the Federal courthouse in New York City; to the Committee on Appropriations.

9563. Also, petition of Navy Post, No. 16, American Legion, New York City, favoring support of our Navy and Naval Reserve in the appropriation bill; to the Committee on Appropriations.

9564. Also, petition of R. J. Ederer Thread Co., Philadelphia, favoring House bill 13999; to the Committee on Ways and Means.

9565. By Mr. MOORE of Kentucky: Petition of certain citizens of Bevier, Muhlenberg County, Ky., protesting against repeal, modification, or nullification of the eighteenth amendment; to the Committee on the Judiciary.

9566. By Mr. PERSON: Petition of Genesee County (Mich.) Pomona Grange, favoring the Sparks-Capper alien representation amendment to the Constitution; to the Committee on the Judiciary.

9567. By Mr. RUDD: Petition of Merchants Association of New York, opposing the passage of the agriculture domestic allotment bill; to the Committee on Agriculture.

9568. Also, petition of the Mengel Co., New York City, referring to containers' exemption in the proposed sales tax; to the Committee on Ways and Means.

9569. Also, petition of R. J. Ederer Thread Co., Philadelphia, Pa., favoring the passage of House bill 13999; to the Committee on Ways and Means.

9570. By Mr. SMITH of Idaho: Petition urging the enactment of the stop-alien-representation amendment resolution; to the Committee on the Judiciary.

9571. By Mr. STALKER: Petition of Rev. Asa A. Nichols and 20 other residents of Breesport, N. Y., urging support of the stop-alien-representation amendment to cut out aliens, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9572. Also, petition of Bertha W. Myers and 50 other residents of Horseheads, N. Y., urging support of the stop-alien-representation amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9573. By Mr. TREADWAY: Petition of citizens of Westfield, Mass., urging the adoption of the constitutional amendment to eliminate alien population in connection with future apportionments for congressional districts; to the Committee on the Judiciary.

9574. Also, petition of citizens of Williamstown, Fla., and North Adams, Mass., urging adoption of constitutional amendment to eliminate alien population in connection with future apportionments for congressional districts; to the Committee on the Judiciary.

9575. By the SPEAKER: Petition of the City Council of the City of Chicago, protesting against a proposed removal of river and harbor work from the jurisdiction of the Secretary of War; to the Committee on Expenditures in the Executive Departments.

## SENATE

SATURDAY, JANUARY 14, 1933

(*Legislative day of Tuesday, January 10, 1933*)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senator from Virginia [Mr. GLASS] is entitled to the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to make a point of no quorum?

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

Mr. GLASS. I yield.

Mr. FESS. 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	Cutting	Johnson	Schall
Austin	Dale	Kendrick	Schuyler
Bailey	Davis	Keyes	Sheppard
Bankhead	Dickinson	King	Shortridge
Barbour	Dill	La Follette	Smith
Barkley	Fess	Lewis	Smoot
Bingham	Fletcher	Logan	Steiner
Black	Frazier	Long	Swanson
Blaine	George	McGill	Thomas, Idaho
Borah	Glass	McKellar	Thomas, Okla.
Bratton	Glenn	McNary	Townsend
Broussard	Goldsborough	Metcalfe	Trammell
Bulwok	Gore	Moses	Tydings
Byrnes	Grammer	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Connally	Hatfield	Patterson	Walsh, Mont.
Coolidge	Hawes	Pittman	Watson
Copeland	Hayden	Reynolds	Wheeler
Costigan	Hebert	Robinson, Ark.	White
Couzens	Howell	Robinson, Ind.	
	Hull	Russell	

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

Mr. LA FOLLETTE. I wish to announce the unavoidable absence of the senior Senator from Minnesota [Mr. SHIPSTEAD].

I also wish to announce the absence of the senior Senator from Iowa [Mr. BROOKHART] on account of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The Senate will receive a message from the President of the United States.

### MESSAGES FROM THE PRESIDENT

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

### CLAIMS ARISING FROM EXPLOSIONS AT LAKE DENMARK, N. J.

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, submitting, pursuant to law, a report with his recommendations thereon of certain claims transmitted to him by the Secretary of the Navy covering property damage, death, or personal injury resulting from the explosions at the naval ammunition depot, Lake Denmark, N. J., on July 10, 1926, which, with the accompanying paper, was referred to the Committee on Claims.

### PETITIONS AND MEMORIALS

Mr. BLAINE presented memorials of sundry citizens of Kimball, Nebr., remonstrating against the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. DILL presented memorials signed by 579 citizens of College Place and vicinity, in the State of Washington, remonstrating against the passage of legislation to repeal or modify the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. FESS presented a memorial of sundry citizens of Mount Vernon and vicinity, in the State of Ohio, remonstrating against the passage of legislation to repeal or modify the national prohibition law, which was referred to the Committee on the Judiciary.

Mr. VANDENBERG presented a memorial, numerously signed, of sundry citizens of Berrien Springs, Mich., remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented resolutions adopted by the council of the Medical and Chirurgical Faculty of the State of Maryland, protesting against the expenditure of funds for hospitalization in Government hospitals of veterans with non-service-connected disabilities, and favoring a discontinuance of such service for non-service-connected disabilities throughout the Nation, which were referred to the Committee on Finance.

He also presented the petition of members of the Senior Woman's Missionary Society, Methodist Episcopal Church, of Frostburg, Md., praying for the passage of legislation to regulate the motion-picture industry, which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by members of William Clinton Story Post, No. 342, the American Legion, Freeport, N. Y., favoring the making of appropriations to continue the citizens' military camps, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by members of subdistrict 15-B, Dairymen's League Cooperative Association, of Wyoming County, N. Y., favoring the passage of legislation to revalue the dollar so as to make it conform more nearly with the average commodity price level prevailing between the years of 1924 and 1929, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Chamber of Commerce of Interlaken, N. Y., favoring the passage of legislation to regulate trucks and busses operating as common carriers in the same manner as railroads are regulated, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a petition of sundry citizens of Wichita, Kans., praying for the adoption of the so-called stop-alien-representation amendment to the Constitution, which was referred to the Committee on the Judiciary.